



Business Model Innovation and Evolution of Sporting Goods Industry: A Case of Anta Company

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Abstract: The primary goal of this research is to look into the evolution and innovation of the footwear manufacturing industry. Through a review of the literature, this study investigates the development process of brand companies. The case study method is used to investigate the four key elements of a business model. This study compiles findings from the literature as well as experimental data. First, this study found that the case company was driven by key resources and processes to drive the development of its business model during the start-up period; secondly, it created and maintained high profits through rapid profit-oriented planning during the innovation period, rapid growth, and innovation. Nowadays, in the expansion period, individual companies place the most emphasis on customer value proposition, and through the integration of factories, move forward with the goals of cost co-management and profit-sharing. The current study adds to the literature by providing detailed information about business models. It also teaches four key concepts: "customer value proposition," "key resources," "key processes," and "profit formula."

Keywords: *Brand strategy, brand management, business model*

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INTRODUCTION

The rise of the world's national movement in recent years has led to the vigorous development of the sports products industry. A good business model is a competitive advantage in business at this stage, as it allows better understanding of the strategic direction of the business. The concept of brand originated in western and industrial advanced countries, and brand has always been regarded as one of the most valuable intangible assets of enterprises.

Buil, Catalán, and Martínez (2016) research results show that organizations should pay special attention to corporate brand identity management, because it will affect employees commitment to the organization, brand performance and satisfaction. Erkollar and Oberer (2016) has indicated that Branding is a process of producing output, with brand and brand identity, used to distinguish products, services and companies as output. Brand is a key marketing and communication asset, and it is important to spend time researching, developing and implementing the brand. Tsai (2014) maximizing the meaning compensation function of affiliated brands is beneficial to enhancing global brand loyalty.

Erkollar and Oberer (2016) stated that the "right" advertisement should be provided at the "right" time. Brand management can bring business growth and benefits to the company, and a good brand image can create long-term competitive advantages in physical stores.

Merk and Michel (2019) In a luxurious environment, brand halo can produce abnormal behavior. Haenggli and Hirschi (2020) assessed the relationship between key resources, knowledge/skills, and their predictive utility for

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different forms of subjective and objective career success (i.e., salary). [Merk and Michel \(2019\)](#) stated that salespeople with brand recognition capabilities have a high ability to resist changes. On the other hand, a salesperson with brand recognition will develop a brand-centric but rarely customer-oriented sales method. [Högström, Gustafsson, and Tronvoll \(2015\)](#) stated that Understanding strategic brand management and related paradoxes is essential for organizations to achieve the desired results through value creation. [Tsai \(2014\)](#) stated that global brand managers urgently need to develop effective strategies to enhance brand loyalty and reduce consumers' tendency to defect. [Yan and Cao \(2017\)](#) stated that research shows that brand quality differences have a greater impact on the profits of companies with high-quality brands than on the profits of companies with inferior brands. [Wider, von Wallpach, and Mühlbacher \(2018\)](#) stated that Stakeholders work with brand management to shape the brand by participating in brand-related interactions. [Erkollar and Oberer \(2016\)](#) stated that Opportunities for brand size and brand environment. [Javid, Monfared, and Aghamoosa \(2016\)](#) The correlation test shows that there is a positive correlation between brand management and brand citizenship behavior. [Tsai \(2014\)](#) consumer attachment is closely related to brand loyalty. [Kato and Tsuda \(2018\)](#) stated that Quality includes not only objective values (functional value) such as performance and durability, but also subjective values (emotional value) such as aesthetics and perceived quality. These values are considered to be the main source of manufacturing competition. [Giri, Roy, and Maiti \(2017\)](#) found that brand differences increase retail prices and product quality. [Giri et al. \(2017\)](#) stated that Coordination through revenue sharing contract. [Tsai \(2014\)](#) provides academic and strategic significance for global brand management.

In this study, China's Anta Company was selected as the case study. In 2009, the Anta Company successfully transformed from a labor-intensive company to a technology-intensive company. The main purpose of this research is to explore the innovation and evolution of the footwear manufacturing industry through the four aspects of customer value proposition, key resources, key processes, and profit formula ([Johnson, Christensen, & Kagermann, 2008](#); [Morkunas, Paschen, & Boon, 2019](#)). This study performs case analysis to analyze the four key elements of Anta's business model through literature and data analysis, and then, analyzes Anta's brand strategy and explores the significance of the business model for brand strategy in its business success.

As literature can only understand the business models and methods of other brands, it is not possible to fully understand the industry's strategy formulation or decision-making processes; moreover, it is limited by the time gap between the years when different literatures were published, and such results may be different from the current state of the commercial market. As there are some unidentified differences due to the lack of literature and data, this study conducted long-term collection of Anta's newspaper, magazine, and internal documents, in order to understand the authenticity of Anta's decision-making and external consumption environment, and comprehensively examined its use of brand management strategies in its business models.

BUSINESS MODEL

A business model can contain conceptual means, include a series of key elements, and express the business logic of a particular organization, thus, it can explain the value proposition that an organization wants to provide to its target customers, as well as activities that use key resources and processes to create profit formulas and a system of continuous profitability ([Meethavornkul, Jituea, Jandasang, & Pooripakdee, 2018](#); [Osterwalder, Pigneur, & Tucci, 2005](#)). A business model illustrates how an organization works when creating a value proposition for all participants, including customers. [Climent and Haftor \(n.d.\)](#) Research value creation through the evolution of business model themes. Business model and value creation business model themes are described as the characteristics of common development in an ever-evolving industry. Operators can test the quality of a business model through decision-making and plan formulation, and the business model must generate profits through operations to be called a good business model. [Schoneveld \(2020\)](#) believes that companies face challenges to become more inclusive, and inclusive companies must give priority to value creation rather than value acquisition. Therefore, a good business model provides a legitimate reason for business operators to grasp the flow of funds, and includes the profit formula of the organization and a systematic management strategy ([Chiu & Shih, 2020](#); [Sudarmiatin, 2019](#)). The business model architecture includes four aspects: customer value proposition, key resources, key processes, and profit formulas ([Johnson et al., 2008](#)). The four key elements of the business model are shown in Table 1.

Table 1 *FOUR KEY ELEMENTS OF A BUSINESS MODEL*

Business Model	Description	Literature Source
Customer value proposition	Provide customers with comprehensive organizational value. The key factors of this block are, as follows: 1. Improve the efficiency of KYC query 2. Avoid high-risk incidents 3. Promote the security of customer funds chain 4. Reduce SME Operational Risk	(Butler & Brooks, 2018; Plater, 2016)
Key resources	Perform planning of organizational activities and resources. The key factors of this block are, as follows: 1. Public information 2. Key raw materials and technical information 3. Core Competence Database 4. Authorize foreign databases	(Huang & Chiang, 2017; Kavassalis, Stieber, Breymann, Saxton, & Gross, 2018; Shim & Shin, 2016)
Key processes	The ability for an organization to implement a business model. The key factors of this block are, as follows: 1. Material analysis 2. Big data analysis 3. Artificial Intelligence Engine 4. Data interpretation and relationship mapping	(Arthur, 2017; Butler & Brooks, 2018; Khraisha & Arthur, 2018; Nienaber, 2016; Wendenburg, 2016)
Profit Formula	Understand how your organization receives cash flow. The key factors of this block are, as follows: 1. Marketing revenue (including customization) 2. Authorized agency income 3. Investment income 4. Technology licensing income	(Amit & Zott, 2015; Arthur, 2017; Kavassalis et al., 2018; Teece, 2010; Wendenburg, 2016)

Key Resources

The Original Equipment Manufacturer (OEM) prepares the site, machinery, equipment, and raw materials. The OEM only prepares the site, while the remaining raw materials of the equipment are provided by the commissioning company itself, which greatly reduces the risk of the foundry. The willingness to promote employees to become foundries has been greatly increased. In addition to reducing their own management costs, they have also trained a group of entrepreneurs, which have contributed greatly to the national economy.

Key Processes

The key processes use key resources to perform all activities, such as production, problem solving, and platform/networking. There are four basic elements of business processes: operating activities, the logical relationship between operating activities, the way in which operating activities are implemented, and the bearers of the activities. While these four basic elements have different emphasis in different business processes, at least one of them is a key factor.

Customer Value Proposition

Value in mind: it refers to the emotional value of the product in the mind of the customer, such as the strong nationalism in China, which provides special support to their domestic products. Price value: it refers to judging the value of a product according to price, which is the most common thing consumers do; consumers will judge the quality of the product based on the level of production, which affects the judgment of value.

Profit Formula

According to the profit formula, determine the price of sports shoes through the customer value proposition you want to provide, and set the profit target and cost model in advance. Using the method of reverse profit and loss, with the resources you have, design a set that meets the profit target, manufacturing costs, and sales process of sports shoes under the cost model.

METHOD

In the analysis and arrangement of the literature and data obtained from the practice, the data is integrated to establish a first draft, and finally, the analysis strategy of Anta's brand strategy is selected by comparison analysis. In the final comprehensive review, the relevant recommendations of experts and scholars are explained in detail. This research gathers literature results and practical data to make the results more perfect.

This study uses the case study approach to explore the four key elements of a business model and the best brand strategy, and takes Anta's long-term publications in newspapers, magazines, media reports, and internal company information files, in order to understand the authenticity of Anta's decision-making and external consumption environment, and to build Anta's business model.

The following is the operational definition of the research analysis framework of this study (see Figure 1). 1. Key resources: The OEM used to provide the manufacturing site, machinery and equipment, and raw materials; now their clients provide raw materials and equipment, and the OEM only needs to provide the manufacturing site, thereby greatly reducing the risk of the OEM. Moreover, the OEM could promote its employees to open their own factories, so as to lower the overall management costs and cultivate a group of entrepreneurs, which contributes greatly to the national economy; 2. Key processes: Use key resources to perform all activities, such as production, problem solving, and platform/network construction. The business process has four basic elements: operating activities, the logical relationship between operating activities, the implementation of operating activities, and the bearers of the activities. While these four basic elements have different emphasis in different business processes, at least one of them is a key factor; 3. Customer value proposition: Customer value analysis is used to help companies retain customers and pursue profits. Growth has two different meanings: one is to define the value of customers based on the core benefits they receive from products or services; for example, as China has strong nationalism, it will support the emotional value of its domestic products. The other is to use "price" to determine the value they receive, that is, to judge the value of the product by its price. Consumers will judge the quality of the product based on the price, which will affect the judgment of value; 4. Profit formula: The pricing can be determined by the customer value proposition to be provided, and the profit target and cost model are set in advance. The reverse profit and loss statement method is used to design a set of profit targets and cost models in accordance with the resources owned by the manufacturing and sales process.

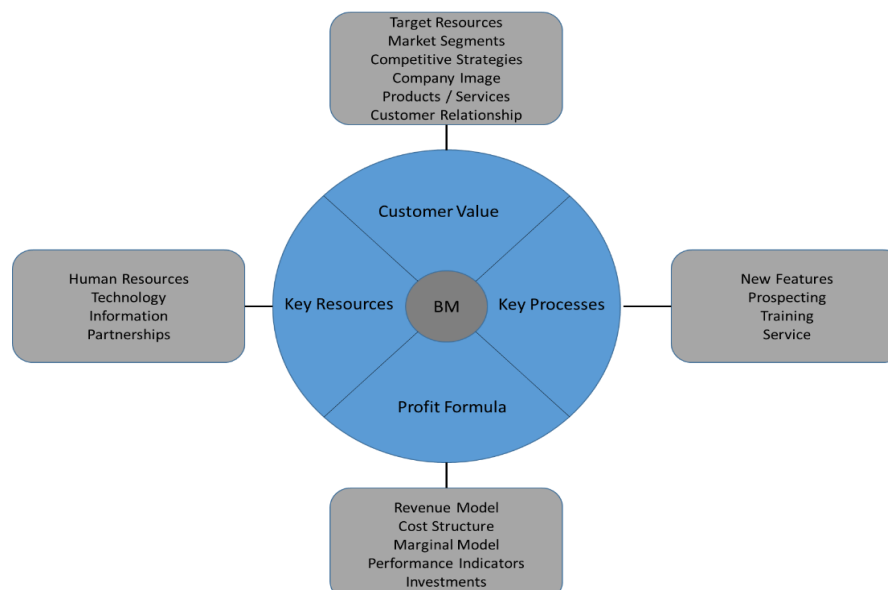


Figure 1 Analysis Framework (Johnson et al., 2008)

RESULTS AND DISCUSSION

Case analysis

Initial stage: 1991 ~ 1999: In 1991, Anta (Fujian) Shoes Co., Ltd. was established in Jinjiang City, Fujian Province. This small Jin-jiang factory was transformed into China's largest sports goods group company, with a market value of over 100 billion yuan, and has been ranked among the top three shoe manufacturers in the world with Nike and Adidas. The following is the analysis of the business model. First, in terms of the customer value proposition, in the process of globalization, consumer ethnocentrism has become an issue that cannot be avoided by any company. As local brand companies are based on the local market, they are constantly strengthening the process of platform dissemination, meaning consumers' awareness of domestic products and publicity requirements that show the value of patriotism. Therefore, obtaining higher recognition for local brands through the various aspects of R&D, design, quality, and market price are the first very important steps for a local brand to occupy the mainland China market. Schoneveld (2020) believes that companies face challenges to become more inclusive, and inclusive companies must give priority to value creation rather than value acquisition. Furthermore, in terms of key resources and key processes, Anta is a leading sportswear company in China, and is mainly engaged in the design, development, manufacturing, and marketing of sportswear, including sneakers, clothing, and accessories. Anta has completed its construction from production to brand wholesale by focusing on penetration in second- and third-tier cities and establishing market share at a relatively advantageous cost. As Anta Sports is a local brand, it knows the economic level of the people and the market very well, and the goal of the brand is to make every Chinese person able to afford sports shoes, and they can wear Anta sports shoes to run on basketball courts and concrete floors. Tsai (2014) stated that Global brand managers urgently need to develop effective strategies to enhance brand loyalty and reduce the tendency of consumers to defect. In terms of the company's profit model, it strictly controls the production costs of each link, implements the separation of production and sales to allow internal factories to compete with external factories, outsources more than half of its production, and uses a large number of procurement models to achieve higher profit compression, which has driven down the market price to gain consumer approval.

To sum up, in the initial stage, although the case company has just been established, it has been very clear about its micro-environment, and effectively exerted its own competitive advantages. In terms of customer strategy, the case company has locked the value identity of the nation and created a local brand, as local brands understand the people and the level of the local market economy. As China is its target market, from production to brand wholesale construction, focusing on penetration in second- and third-tier cities, establishing market acceptance with lower competitiveness, and establishing market share at a more advantageous cost, Anta intends that every Chinese person can afford sports shoes. In this period, the case company is driven by key resources and processes to drive the development of their business model, and the above contents are summarized in Table 2.

Innovation stage: 2000 ~ 2013: Anta is a pioneer in the construction of sports brands in China. In 1999, Anta invited Chinese table tennis player Kong Ling-hui to be the spokesperson for the brand image, and placed advertisements on major TV stations, such as CCTV. Its original "star + advertising" brand marketing model was recognized and emulated by the industry. The following is the analysis of the business model. First, in terms of customer value proposition, in 2001, Anta transitioned from the production of a single sports shoe to the production of multiple types of sports goods. At the same time, it created a new terminal model and a sports goods store, and Anta's development entered a new stage. Ranta, Keränen, and Aarikka-Stenroos (2020) stated that The Customer Value Proposition (CVP) of supplier companies captures the value creation opportunities in the circular economy is still worth pursuing. From 2001 to 2015, more than 8,400 specialty stores were opened nationwide, and retail terminals covered 31 provinces, autonomous regions, and municipalities directly under the central government. Anta won the "Chinese famous brand products", "China quality inspection-free products", and other honorary titles, to become the true leader of China's sporting goods industry. In the development of its overseas markets, step by step, Anta steadily and gradually entered Southeast Asia, the Americas, Africa, and other markets, and their products are now sold in more than 200 countries and regions around the world. In addition, in terms of key resources, in 2008, Anta Kids, a subsidiary brand, was launched in the children's clothing and children's shoes market, and Anta Kids became an extension of the Anta brand, which relies on Anta's many years of brand marketing experience to develop its Chinese children's shoes market and is fully committed to building a well-known brand leader in the Chinese children's shoes market. In 2009, Anta acquired the trademark rights and operating business of Fila, a well-known international fashion sports brand in China, and positioned itself in the

high-end market, forming complementary differences with the Anta brand. Third, in terms of key processes, after more than 20 years of development, Anta has successfully transformed from "labor-intensive" to "technology-intensive", upgrading from "made in China" to "created in China", and exploring a path with its own characteristics. In summary, at the stage of innovation, Anta realized that it is difficult for a single brand structure to cope with market shocks. After Anta acquired Fila, it became one of China's top ten sports brands, and is responsible for the promotion and distribution of Fila products in China, Hong Kong, and Macau. In terms of company profit, their financial report in the first half of 2017 pointed out that the acquisition of brand franchise rights and trademark use rights strengthened its profits, as it contains two major income streams, namely Anta and Fila. In this period, the case company was based on a profit model that guided planning to create and maintain high profits, rapid growth, and innovation, and the above contents are summarized in Table 2.

Expansion stage: 2014 ~ 2019 In 2016, the scale of China's sports industry reached about 1.7 trillion, and some experts estimate that it will reach 7 trillion by 2025. This figure illustrates two points: 1. The potential of the Chinese sporting goods market is immeasurable; 2. The uneven level of economic development in various parts of the domestic market determines that no sports brand can achieve a take-all status. The following is an analysis of the business model. First, in terms of the customer value proposition, it is clear that Anta's advantage to seize this front is multi-brand operation. During the industry crisis of 2011, "acquisition and merger was an important development strategy for Anta." In 2015, due to diversified consumer trends, Anta decided to transform again, and formally established the group's "multi-brand" strategy, which is Anta's tactics to enter the high-end market. In addition, [Rintamäki and Kirves \(2017\)](#) stated that Customer value reflects the economic, functional, emotional and symbolic dimensions of value, and is related to satisfaction and word-of-mouth effects. In terms of key resources and key processes, Anta uses a combination of different brands to meet the needs of consumers in different income groups for the appearance of sportswear. Anta, which has multi-brand operation control capabilities, has continuously acquired international brands, thus, strengthening the brand and diversifying its business model, and Anta expanded rapidly.

- * Founded in 2008, Anta children's clothing has more than 2,100 Anta children's clothing stores.
- * Acquired British outdoor brand Sprandi in 2015;
- * In 2016, Anta and Japan's Descente ITOCHU established a joint venture
- * Acquired Korean brand Kolon Sport in 2017;
- * Acquired Kingkow, a Hong Kong mid- to high-end children's clothing brand in 2017

In November 2017, the market value exceeded 100 billion Hong Kong dollars for the first time, ranking third in the global sporting goods industry, which is far ahead of Li Ning, Xtep, 361, and other brands.

However, the road of many brands is difficult to navigate; for example, after the Italian brand Lotto was acquired by Li Ning, it still lost money for many years; the Noble Bird Industry won the American brand AND 1, and then, the company failed. In 2009, before Fila entered the Anta Group, it had already experienced a large loss in China; at this juncture, Anta optimistically took over this "hot potato" !

1. Powerful consumer insights: One of the most correct things Anta did was to introduce a team of professional managers with international backgrounds and professional experiences in the early stages of the company's development, creating a group of "wolves as its sales army. Anta's management conducted a lot of market research, especially for young people aged 25 to 35, in order to tap the needs of this main consumer group in the future; as a result, Fila has changed from meeting "sports functions" to "the trendiest sportswear."

2. Brand power and retail power are boosters: Fila began to take back stores from dealers, changed to the direct management model, and implemented flat management. The direct management model brings a significant increase in the gross profit margin, which is very important for the entire business, while strong control ability established regional agency and independent agency business models to increase sales channels in stores,

Later, through strong channel resources, they continued to open new stores in the core business districts of first- and second-tier cities, thus, becoming neighbors of Nike and Adidas, and increasing awareness in the minds of consumers.

The operation of brand power and retail power promotes achievement, and Anta is a pioneer of sports technology innovation in China.

3. Strong ability to create trending products: From "affordable to buy" to "want to buy", Anta is a master in creating trending products; for example, Anta's A-FLASHFOAM running shoes is developed using its exclusive technology.

In terms of company profits, Anta is a pioneer of sports technology innovation in China. Over the years, the R&D costs have increased from 200 million in 1991 to 400 million, which is no less than 5% of its annual revenue each year,

an increase of nearly 200 times! In 2005, Anta invested more than 30 million yuan, and took the lead in establishing the first sports science laboratory in China to develop sports technology and functional designs based on athletes' physical data. Today, the laboratory has applied for more than 130 patents. At the beginning of 2013, Anta created its long-term vision, reviewed the situation, and accelerated its own transformation in the context of the slowdown in the development of the domestic sporting goods industry. After two years of practice, it explored a complete set of retail management systems and retail culture systems in line with its development, and decided to get out of the sports brand industry and obtain recognition and learning from industry peers. (Ranta et al., 2020) found that CVP can resonate with circular economy-oriented customers and a wider range of stakeholders.

RESEARCH RESULTS

In summary, Anta Company has different strategies to respond to the four key framework of the business model during each development stage:

Customer value proposition: Initial stage: Create a local brand and lead the nations value recognition (Itani, Kassar, & Loureiro, 2019; Roslender & Nielsen, 2020). Innovation period: Establish brand marketing, expand national specialty stores, and cover retail terminals nationwide. Expansion period: Multi-brand extension strategy, expanding diversified products and expanding consumer groups.

Key resources: Initial stage: Every Chinese can afford local brand sports shoes and be able to wear sports shoes running on basketball courts and concrete floors. Innovation period: Start of acquisition strategy, including the acquisition of Fila's franchise and trademark use rights in China, one of the world's top ten sports brands, and is responsible for the promotion and distribution of Fila products throughout the country. Expansion period: Establish a direct sales model, regional agency and independent agency business models to increase store sales channels (Saxton & Guo, 2020), brand power and retail power operation promotion.

Key process: Initial stage: from production to brand wholesale construction, establish market acceptance with lower competitiveness and establish market share with more advantageous costs. Innovation period: Anta has successfully transformed from a "labor-intensive" enterprise to a "technology-intensive" enterprise, exploring a path with its own characteristics. Expansion period: Continue to acquire international brands, strengthen brands (Itani et al., 2019), diversified business model, multi-brand extension strategy, and expand diversified products.

Profit model: Initial stage: From the initial stage of brand creation, it has stabilized the growth of the brand from loss to profit, driven by key resources and key processes to drive the development of its business model. Innovation period: Acquire brand franchise rights and trademark use rights to strengthen profitability Hunt (2020). Expansion period: Multi-brand operation extension strategy, from the design of each brand characteristic and the profit of the brand's traditional resources, plus the multiple growth of the market share of each brand and the operating profit. The above content is summarized in Table 2.

Table 2 *EVOLUTION ANALYSIS RESULT OF THE BUSINESS MODEL OF THE CASE*

Business Model	Initial Stage Period: Creating a Local Brand	Innovation Period: Building Brand Marketing	Expansion Period: Multi-brand Operation Extension
Customer value proposition	Value recognition in the heart of the nation, Create local brands.	Expansion of national specialty stores to cover retail terminals across the country.	Multi-brand extension strategy, expanding various product categories to increase consumer groups, and market consumers have more choices.
Key resources	Local brands understand the people and the level of the market economy, so that every Chinese can afford sports shoes and be able to wear them on basketball courts and concrete floors.	Realizing that it is difficult for a single brand structure to cope with market shocks, Anta acquired Fila's franchise and trademark use rights in China, to become one of the top ten sports brands in the world, and is responsible for promoting and distributing Fila products in Mainland China, Hong Kong, and Macau.	Establish a direct sales model, a regional agency, and an independent agency business model to increase sales channels in stores. The operation of brand power and retail power promotes the pioneers who have achieved innovation in sports technology in China.
Key processes	From production to brand wholesale construction, focusing on penetration in second- and third-tier cities, establishing market acceptance with lower competitiveness, and establishing market shares at more advantageous costs.	Anta has successfully transformed from a "labor-intensive" company to a "technology-intensive" company; Anta has upgraded from "Made in China" to "Created in China" and explored a path with its own characteristics.	Continuously acquire international brands, strengthen the brands, diversify business models, and add multi-brand extension strategies. Market consumers have more choices, and use multi-brand operation extension strategies to expand various product items.
Profit Formula	From the initial brand establishment, the company's growth has been transformed from loss to profit, and its key resources and processes have driven the development of its business model.	Acquire brand franchise rights and trademark use rights to enhance profitability	Multi-brand operation extension strategy, from the unique design of each brand and the profit of the traditional resources of the brand, plus the market share of each brand and multiply operating profit growth.

CONCLUSION RESEARCH LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

Research conclusion

The moderate introduction of customer value propositions, key resources, key processes, and profit models in the business model of individual companies in the development stages of different periods can achieve quite good results. The competitive advantages of Anta concluded by this study are as follows: establishing the business value across the country, [Arslanagic-Kalajdzic, Kadic-Maglajlic, and Miocevic \(2020\)](#), stated that focusing on customer orientation and customer perceived value as well as important relationship marketing phenomena, research also shows that emotional value is an auxiliary mechanism that can prevent customer-oriented influence from weakening. expanding specialty

stores nationwide, open retail locations across the country, successfully introducing the brand during its expansion period, and providing consumers with a variety of brand choices. [Yatsenko and Hritonenko \(2020\)](#) stated that The maximum profit depends on the variable asset productivity of the asset, operating costs and replacement costs.

[Roslender and Nielsen \(2020\)](#) research shows that customer expectations of value are a reliable basis for reimagining investor relations. Second, in terms of key resources, [\(Itani et al., 2019\)](#) Once customers realize that the value obtained from the product is enough, they will deal with the company. Therefore, after understanding the value perception and economic level of consumers, Anta focuses on making affordable brand sports shoes, thus becoming a leader in regional agency brands. Realizing that a single brand structure is difficult to cope with market shocks, Anta acquired Fila, which is one of the top ten sports brands in China. Regarding rights, establish a direct business model, regional agency, and independent agency business models to increase sales channels in stores. [Buil et al. \(2016\)](#) stated that Corporate brand identity management is a key resource issue for any organization. [Itani et al. \(2019\)](#) believe that the transfer of capabilities after acquisition is not only affected by the process factors that occurred in the post-acquisition stage, but also by the process factors before the acquisition. Therefore, [\(Saxton & Guo, 2020\)](#) said that through the agency's tweets, releases, invitations and sharing, you can have some tangible or intangible new resources.

Third, in terms of key processes, Continue to acquire international brands, strengthen brands, diversify business models, multi-brand extension strategies, market consumers have more choices, use multi-brand operation extension strategies, and expand diversified products. The findings of [Hunt \(2020\)](#) show that the impact on acquisition-related results ultimately depends on the degree of interaction with three key emergencies: correlation, payment method and acquisition premium. Secondly, the research on cross-border acquisitions has always recognized the importance of cultural differences. [Wang, Hain, Larimo, and Dao \(2020\)](#) showed that national and organizational cultural differences have a negative impact on the realization of implicit synergy. Cultural and human due diligence can significantly alleviate the impact of high cultural differences. [Aversa, Haefliger, Hueller, and Reza \(2020\)](#) proposed a diversified business model mechanism to contribute to sustainable competitive advantage through a causal cycle diagram.

Fourth, in terms of profit models, it has continuously strengthened the profit formula from loss-making to profit-making in the initial stage, acquired a brand franchise and its trademark use rights, and strengthened revenue profits, thus, coupled with the continuous increase in brand share and multiple growth in operating efficiency, Anta bring more profits and commercial value to enterprises. [Tsai \(2014\)](#) stated that threats in various situations will increase consumer brand attachment. According to the analysis results, [Li et al. \(2019\)](#) considered the profit model for three types of cross-border companies under different regulatory systems: including fully market-oriented, semi-market-oriented and fully regulated. The research results of [\(Kirca, Randhawa, Talay, & Akdeniz, 2020\)](#) show that the scope of brand portfolio expands the positive impact of portfolio depth and innovation on brand performance. Similarly, combining the breadth, depth and innovation of product portfolio, the industry Brand positioning can improve brand performance. [Kirca et al. \(2020\)](#) found that there are key management trade-offs between product and brand portfolio decisions, because product and brand portfolio decisions are intertwined, and it is necessary to carefully examine the characteristics of existing product and brand portfolios To ensure maximum brand performance.

This study analyzed the innovation and evolution of the industry and the market opportunities with a business model, and then, proposes a new model for enterprise development. In this business model, the case company successfully found four important key factors that are beneficial to itself, adapted to the local situation, and reviewed the situation. Moreover, it fully used each stage of development and effectively brought a series of opportunities for change for the company. Therefore, an enterprise must effectively match the opportunities or threats of the external environment with its internal strengths and weaknesses, determine the business model that is most beneficial to it, and constantly revise or adjust it into the most powerful execution strategy for the business of the enterprise. [Haenggli and Hirschi \(2020\)](#) found that knowledge and skills and the most favorable business model are positively related to subjective success in different aspects. In addition, the beneficial basis of the profit model should be based on the effectiveness of the company's strategy to execute and enforce it. However, the strategy should be adjusted according to the external environment, which is constantly changing. Therefore, flexibility and adjustability when implementing the strategy is acceptable.

Research Limitations and Future Research Direction

Research limits: This study only takes the case of Anta Company as the research object, and is affected by the Covid-19 pneumonia epidemic. It can only be collected, discussed and analyzed from the relevant literature, and carefully compared with the relevant business strategies and data of the case company in the past, and make the most

effective The results of the measurement may have more subjective perspectives, but it is still a study that can be used as a reference for the industry.

Suggestions for future research: It is suggested that in the future, researchers can discuss the nine factors of the "business model" on this topic, so as to show the complete operation of the business model; supplemented by questionnaires or in-depth interviews with corporate executives to obtain more The objective information is integrated and analyzed to obtain more specific and complete conclusions.

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