

Integrated Development Path of China's Sports Industry

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Abstract: There exist a range of issues in the structure and development of China's current sports industry. Confronting with the status quo of China's sports industry and the development trend of economic globalization, this thesis elaborates the development path of China's sports industry from the point of view of industrial integration by means of case analysis. It is inevitable for sports industry to take the path of industrial integration in the existing trend. Taking the path of industrial integration is not merely conducive to the transformation and upgrading of the industrial structure, but upgrade the competitiveness of China's sports industry in the context of globalization.

1. Introduction

Sports industry is a new type of industry and boasts considerable room for development in the economies of all countries on a global scale. In the report of the 19th National People's Congress of the Communist Party of China, it is proposed to “speed up the construction of a sports power.” This is the first time throughout history that the Congress of the Communist Party of China has proposed the construction of a sports power, reflecting the new orientation of sports in the new era of socialism with Chinese characteristics (Han Huijun, 2017)[1]. Energetically developing sports industry has turned into the trend of the new era, and thus it is requisite to deepen the sports reform, rationally lay out sports industry, and boost the development of sports industry as well as its related industries. While on the other hand, since China's industrial development started relatively late and people's living standard was low, there was no extra fund to launch service activities; in the meanwhile, the development of China's sports industry is slower than that of other developed countries, and the proportion of China's sports industry in GDP is low, but it also suggests that there is relatively large room for the development of China's sports industry.

On the development of sports industry, Jiang Tongren and Xia Maosen, et al. (2015) explained from the angle of economic contribution that China's current sports industry is at the low end of “smiling curve”[2]. Hence, following the trend of “new normal”, it is required to seize good opportunities, actively adjust the industrial structure, realize industrial transformation, and gradually step into the fast lane of development. Ju Wenqiang (2007) [3] expounded the development of sports industry from the angle of new media, and put a premium on combining sports with new media, and explored the scientific management and direction of sports industry and sports media industry in the light of communication theory. Inspired by predecessors' understanding of the integration of sports industry and other different industries in various fields and their unique views on its development prospects, it can be perceived that the integration of sports industry and other different industries will develop into a new trend in the development of sports industry. In the context of economic globalization and booming development of high and new technologies, integrated development becomes a significant path for industries to increase productivity and boost competitiveness. Industrial integration is a dynamic development process in which different industries or different professions of the same industry mutually cross and penetrate each other and eventually merge into an industry. Industrial integration has not merely changed the market structure of the industry and industry performance from a micro angle, but reformed a country's industrial structure and economic growth pattern from a macro angle. Moreover, it has also facilitated the innovation of traditional industries and is conducive to industrial transformation, thereby upgrading a country's industrial competitiveness.

In consideration of the current national conditions, policies and economic development, we will probe into the development mode and direction of sports industry from the angle of industrial integration. Through case analysis, this thesis expounds the current situation and prospect of sports industry integration in our country at the present stage, and summarizes more effective and reasonable direction of progress, in a bid to push forward the reform of the time and space structure of sports industry, enhance the competitiveness of the industry, and provide inexhaustible power for the sustainable development of the industry.

2. Connotation of Integrated Development of Sports Industry

In the passing years, fueled by the burgeoning development of sports industry, the integration of sports industry and other industries has developed into the mainstream trend of sports development. The integration of sports industry is defined as the process in which different industries (material industry department and non-material industry department) and sports penetrate and cross each other and eventually merge into one body, gradually forming a new dynamic development of sports industry[4]. Sports industry is a strongly associated industry, which can drive the development of many industries, such as sports clothing industry, sports equipment industry and sports service industry. The integration of sports industry in China is principally divided into two categories.

The integration between sports industry and various industries within sports is principally an extension of sports industry chain, broadening the space for the development of sports industry itself. The mutual integration of sports and external industries, including the mutual cooperation between sports and culture, sports and tourism, sports and media, sports and information, sports and gambling and other industries (Yang Qiang, 2013) [5] The integrated development of sports industry not merely greatly stimulates the development of sports industry, but advances the development and breakthrough of the sports-related industry and other industries cooperating with it, thereby driving the development of national economy.

2.1 Integration of Sports Industry and Its External Industries

Sports industry and other industries take sports activities as a platform and carrier, and form a new industry bearing the characteristics of sports industry and integrated industry via technological integration, product integration and market integration. The integration of sports industry and its related industries, relying on sports noumenon industry and taking related industry elements as a carrier, forms a new industry focusing on sports noumenon industry and bearing the characteristics of related industries through the integration of technology, business and market. Taking the integration of sports industry and media industry as an example, the broadcast of variety show “Dunk of China” has attracted a large number of consumers to buy basketball-related products and promoted the development of basketball-related industries and the TV station.

2.2 Integration of Sports industry and Its Internal Industries

Against the fierce market competition, competition and cooperation among sports-related enterprises renders it more effective to pursue the maximization of benefits, and besides, sports resources can be rationally allocated and utilized in a wide range, and industrial advantages can be brought into the best play. Currently, people's consumption structure has been upgraded rapidly, single products and basic services can no longer meet people's demand for sports products, and an increasing number of users have put forward the need of comprehensive service industry. The diversified needs of Chinese consumers for sports products and services clearly indicate the need for diversified development of sports industry. While meeting the increasingly personalized and diversified market demand of people's consumption, the diversification of market demand has turned into the driving force for the integrated development of China's sports industry and its related industries .

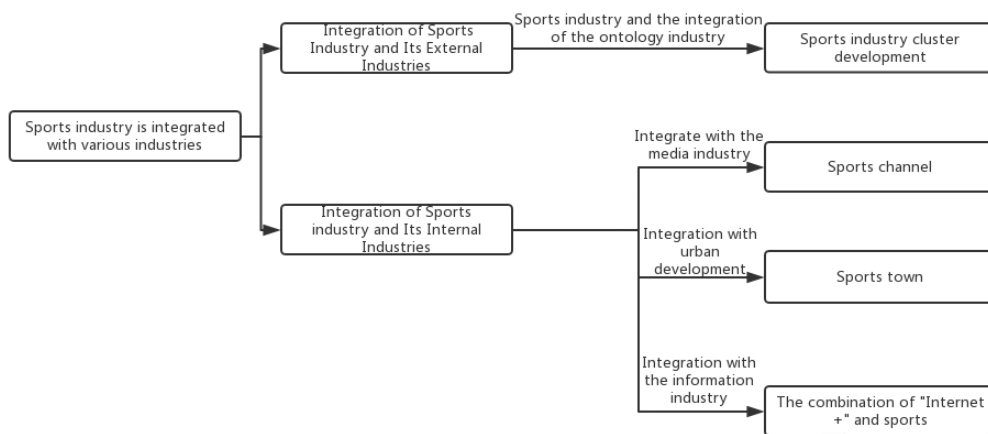


Figure 1 Path of Integrated Development of China's Sports Industry

3. Multidimensional Development Path of China's Sports Industry

The development of an industry is jointly controlled by multiple factors, which determines the diversification of its development direction. Sports industry is composed of sports noumenon industry, sports extension industry, sports-related industry and sports fringe industry. Sports noumenon industry refers to intangible physical products such as sports competitions and performances, sports training, fitness and entertainment; sports-related industry means the production and marketing of sports goods, such as clothing, sports equipment and other tangible products; sports extension industry includes sports lottery, sports tourism, etc.; sports fringe industry provides catering, accommodation and other related basic services for sports activities. The development of sports industry is affected by numerous factors, including the government's macro-control policies, the continuous changes in the structure of market economy, the renewal of the mainstream of the times and the changes in people's consumption intentions. While affecting economic development, these factors also provide sports industry with innovative development methods, and point out the development direction and goals for the development of sports industry from different paths. The integrated development of sports industry and external industry is the main path of offline development. The integrated development of sports industry and its external industries is beneficial to the expansion of sports industry and can provide more development paths.

3.1 Path of Integrated Development of Sports Industry and Its Internal Industries

The government can advocate the concentration of sports industry and its related competitive enterprises in a certain area, and boost the development of sports industry in China through cooperation and competition among enterprises. The sports industry cluster excavates the competitive advantages of a specific region from an overall angle, breaks through the problems of the single development of the original industry and the limitation of regional development, etc., increases the competition and cooperation among enterprises, and interacts with relevant institutions, government and non-governmental organizations, etc. By forming sports industry clusters, the coordinated development of economy and society can be considered from a regional angle, and the potential competitive advantages of sports industry in a specific region can be developed, and meanwhile, the competition and cooperation with neighboring regions can be increased as well. The cluster development of sports industry can upgrade the efficiency and innovation of cluster industry through competition, thereby promoting the continuous expansion of sports market, regional prosperity and the improvement of local economic level. Taking Hunan Changyuan Crane Industrial Park as an example for China's industrial clusters, the development of the industrial park has driven the economic growth of Henan Province. In 2007, Changyuan ascended to one of the "Top 100

Economic Counties in Central China” and the sales volume of medium and small cranes has accounted for more than 50% of the national market. Currently, four pillar industries have taken shape: hoisting machinery, construction machinery, auto parts and green food processing. Simultaneously, a number of leading enterprises have emerged, such as Zhongyuan Derricks Group, Longyuan Group and Yuhua Hoisting Equipment.

3.2 Path of Integrated Development of Sports Industry and Its External Industries

3.2.1 Integration of Urban Development and Sports Industry

Sports featured town is a significant measure to push forward the modernization of our country's cities and towns and to drive the structural reform on the supply side. Sports featured town is a multi-functional space area integrating sports leisure, culture, health, tourism, old-age care, education and training, a national fitness development platform and a sports industry base (‘Notice of the General Office of the General Administration of Sport of China on Promoting the Construction of Sports and Leisure Featured Towns’). Compared with other featured towns, sports featured towns can better boost the structural reform on the sports supply side, stimulate the economic development in poor areas, and enhance the awareness of local people on physical exercise, thereby well promoting the implementation of the overall construction plan. Governments in different regions can develop sports events and competitions with local characteristics based on local characteristics and proceeding from reality, advance the development of their related leisure sports industry and other sports industries such as sports goods manufacturing, sports venues and facilities, and facilitate the mutual integration and coordinated development of sports and local culture, tourism and health service industries. Currently, the sports featured towns in our country are developing rapidly, all of which carry their distinctive urban characteristics. Rizhao Olympic Water Sports Town, on the strength of its unique geographical location and sports opportunities, has principally developed water sports, especially sailing, dragon boat and other water sports; Anning Hot Spring International Tennis Town combines sports and sports services so that athletes can experience hot spring services after training or competition so as to relieve their sports fatigue.

3.2.2 Integration of Information Industry and Sports Industry

The integrated development of China's sports industry and information industry is principally reflected in its combination with “Internet+”. Thanks to the advent of the digital information era, the Internet has gradually taken root and sprouted in people's lives, and eventually, multiple industries will survive only when combined with the Internet. The so-called “Internet+” is not a simple addition of the Internet and traditional industries, but upgrades the industrial upgrading of traditional industries by using modern Internet communication technology on the basis of in-depth integration with traditional industries, and can further form new industrial forms (He Kai, 2016) [6]. The combination of sports and the Internet provides a fairly good platform for sports information. As a professional sports marketing company with China's resource advantages and marketing strength, “Hupu” effectively combines the sports noumenon industry with the Internet, especially the development of Chinese football, effectively pushes forward the structural reform of economic football related industries and brings huge profit space for the football industry. Sports sharing economy is another concrete manifestation of the combination of sports industry and the Internet. Sharing economy realizes the maximum utilization of production factors with the Internet as a medium. Thus, the integration of sharing economy and sports industry can make the best use of sports resources, alleviate the burden of government investment in sports, and strengthen people's sports concepts.

3.2.3 Integration of Media Industry and Sports Industry

Sports events, especially high-level ones, are highly appreciative, thereby attracting a large number of consumers. However, due to the limitation of venues, watching sports events on the spot once became the only way for spectators to appreciate. Fueled by the emergence of the Internet, to meet the needs of more people for watching sports events, there have been live broadcasts and

rebroadcasts, etc., which have broken through the time and space constraints and satisfied the needs of consumers. The media industry acts as a disseminator of sports industry, and the sports industry provides the media industry with some meaningful contents. The combination of sports industry with TV and Internet has become one of the latest development paths of sports industry. The sports industry and the media industry have combined their modes of production to a certain extent to maximize benefits and advance the development of the two industries simultaneously. Hence, the combined development of the two as a new development path will bring huge profits to sports industry, and will also be conducive to the transformation of sports industry, breaking away from the original inherent framework and thereby contributing to the expansion of the industry. CCTV Channel 5 is a special TV channel with the main content of live broadcast and rebroadcast of sports events, and the TV station has well integrated sports industry with media industry, reflecting the combination of sports industry and media industry.

4. Industrial Integration Promotes Globalization of Sports Industry

Economic globalization is a process in which the economy crosses national boundaries and forms a global organic economy through foreign trade, capital flow, interdependence and mutual connection. Economic globalization is conducive to the rational distribution of resources and the flow of capital and products on a global scale. It can not merely stimulate national economic development, but enlarge the expansion of industrial scale. Industrial globalization is the only way for industrial development and sports industry globalization is the inevitable trend. Taking the path of internationalization and globalization has become a long-term strategy for large numbers of sports enterprises to seek development. Only by speeding up the reform of sports system and mechanism, upgrading efficiency and expanding scale can China's sports industry grasp the opportunities fueled by globalization and accelerate the development of China's sports market and industry (Zhang Chaohui, 2017) [7]. Economic globalization has spawn a large number of multinational sports industries, and sports-related industries such as sports clothing and supplies have developed most vigorously like a raging fire. For instance, Adidas (Germany), Nike (United States) and Decathlon (France), etc. have developed more prominently in the clothing, professional sports shoes and sports equipment of basketball, soccer and other mainstream sports, and are well known in the world. From the development of these industries, it can be seen that the globalization of sports industry is inevitable. Viewing from this perspective, China should actively encourage its sports industry to enter the international market, thereby advancing the development of its sports industry and stimulating its economy.

5. Summary

If an industry intends to go further and better, it needs to not merely have its own unique advantages, but interact with various factors to promote the rise and booming development of the industry. The future development of sports industry boasts broad prospects, especially in the integration of sports industry with other industries. This thesis, by means of case analysis, explores the integration of sports industry and other industries, and generalizes with reference to the theory of industrial integration. Although the integration of sports industry and its development trend have been roughly demonstrated, there still exist quite a number of deficiencies. The development direction of sports industry is diversified. Facing the overall background of economic globalization and rapid development of high technology, it is inevitable for sports industry to develop towards industrial integration. The integrated development of sports industry with other external industries or noumenon industry has facilitated the reform of sports industry structure to a certain extent. Promoting the internationalization of China's sports industry through industrial integration can not merely enhance the influence of China's sports industry in the international sports industry, but foster the development of China's sports industry in the global economy, providing a broader market and favorable resources for China's sports undertakings.

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