

How Does the Sports Industry Promote Economic Development?

Pinan Tao^{1,a,*}, Pincheng Tao^{1,b}

¹*Guangdong Overseas Chinese High School, Baiyun, Guangdong, China*

a. tpa041129@outlook.com, b. tpc041129@outlook.com

**corresponding author*

Abstract: Sports plays an increasingly important role in modern economic development. This paper aims to explore how sports industry promotes prosperity of overall economy through its unique economic activities and influence mechanisms. This paper found that the holding of sports events, the construction of sports facilities, and the growth of sports consumption not only directly create economic output value, but also stimulate innovation, promote consumption through the extension of the industrial chain, and effectively drive economic growth. In addition, sports industry has indirectly contributed to people's health level and social productivity. It points out that policy makers should fully realize strategic value of sports industry to economic development and realize the sustainable development of sports economy by optimizing the policy environment and guiding capital investment to cultivate sports market. It is suggested to integrate sports elements into urban planning, support the innovation of sports science and technology, and encourage the integration of the sports industry with digitalization and intelligence, to further tap the economic potential of sports industry. Future research can deepen quantitative assessment of the economic effect of sports industry and explore development models and strategies of the sports industry in different economic environments.

Keywords: Sports industry, economic development, promotion, theoretical basis, case analysis

1. Introduction

As a growing emerging industry in the world, the influence of sports industry on economic development cannot be ignored.

Caused by economic globalization and information technology revolution, sports industry has gone beyond traditional category of competitive sports and developed into a comprehensive industry covering sports competition, fitness and leisure, education and training, sports tourism, sports media, sports equipment and other sub-fields.

The strategic position of the sports industry has been unprecedentedly promoted at national policy level. According to Baidu De, Chinese government recognizes the important role of the “sports industry” in promoting economic transformation and upgrading, promoting employment and consumption upgrading, and improving people's health level, and has incorporated it into national development strategy. General Secretary Xi Jinping emphasized strategic significance of sports industry, and major regional development strategies at national level also actively integrated sports

elements, emphasizing cross-regional cooperation and coordinated development of sports industry. These policy supports have provided a strong driving force for growth of sports industry and further deepened interaction between sports industry and economic development.

The rapid expansion of sports industry scale and significant improvement of its economic contribution make it a new engine of economic growth. In past decade, proportion of sports industry” has increased significantly, showing strong market potential and growth momentum of sports industry. Sports industry plays an increasingly significant role in improving people's living quality, providing diversified support for economic growth and playing a key role in building a harmonious society and a healthy China.

Moreover, driving effect of the holding of sports events on the local economy is obvious. Sports events are not only an important part of sports industry, but also a powerful tool for city image promotion and regional economic development. The integration of sports events and cultural tourism has become an effective way to stimulate economic growth.

The digital transformation of sports industry has opened up a broad space for its future development. With application of new technologies such as 5G and cloud computing, sports industry is moving forward to networking and intelligence at an unprecedented speed. The rise of digital sports has not only promoted reform of sports consumption mode, but also given birth to new sports business forms and services, such as intelligent fitness and virtual reality sports experience, which have created new opportunities for sustainable development of sports industry. Research sports industry how to promote economic development, not only help to reveal sports industry to economic structure optimization and contribution of growth mode transformation, also provides scientific basis for policy makers, in order to develop a more accurate sports economic policy, guide capital investment, cultivating sports market, promote the development of sports economy of high quality.

At the same time, an in-depth understanding of economic effect of sports industry is of great theoretical and practical significance, both for the exploration of new models and new strategies for the development of sports industry in a global scope, and for evaluation of adaptability.

2. The Theoretical basis of Sports Industry and Economic Development

2.1. Theory of economic contribution of sports industry

The theory of economic contribution of sports industry can be discussed from multiple levels, among which the most critical is the direct impact on economic growth [1], employment creation [2], consumption-driven [3] and industrial structure optimization [4], as well as the indirect impact of [3] through technological innovation and [2] through industrial chain extension. Economists have built a series of theoretical models to quantify and interpret these contributions.

As a service industry in the modern sense, the development of sports industry directly promotes total growth of economy. According to accounting method of gross domestic product (GDP), the organization of sports activities, construction, operation of sports facilities, and production and sales of sports products and services, all directly form a part of GDP and provide a direct contribution to economic growth. According to the input-output analysis, there is a close interdependence between the various sectors in the sports industry, which further increases total output of the economy.

Sports industry is a part of the job market, especially in the service and innovation-intensive areas, such as sports technology, sports marketing, sports media, etc. It provides a wide range of employment opportunities for the workforce of different educational backgrounds and skill levels, helping to relieve employment pressure and promote social equity. Through the parallel development of labor-intensive and skill-intensive, the sports industry has played a more diversified role in the labor market, thus playing a positive role in supporting the stability of the social economy.

Moreover, sports consumption is an important part of household consumption, which can effectively stimulate domestic demand and promote the prosperity of the consumer market. The viewing of sports events, the use of sports facilities, the purchase of sports equipment, and sports tourism and other activities directly stimulate the purchase desire and consumption expenditure of consumers, thus having a significant driving effect on the growth of consumption. And the prosperity of the sports industry has also brought about the consumption spillover effect of related industries, such as catering, transportation, advertising and other industries, which jointly promote the prosperity of the consumer market.

Sports industry has also played a positive role in promoting optimization of industrial structure. With the development of sports science and technology, integration of sports, information and communication technology, artificial intelligence, big data and other fields is deepening increasingly, giving birth to new economic growth points. This integration not only optimizes internal structure of sports industry, but also promotes upgrading of other industries, such as digitalization process of sports equipment manufacturing industry and sports service industry, as well as the cross-border integration of sports, cultural tourism, health care and other industries.

In the long run, the healthy development of sports industry has an indirect contribution to the promotion of social productivity. By promoting the improvement of national health level, physical education can reduce health care expenditure, improve health quality and production efficiency of labor force, thus having a positive impact on the improvement of social productivity. According to the theory of human capital, healthy human resources are the key factor to promote economic growth, and sports industry indirectly contributes to the improvement of social productivity by improving health level of the people.

The economic contribution theory of sports industry covers both direct and indirect economic impact, including economic growth, employment creation, consumption driving, industrial structure optimization and human capital promotion. These theories provide a theoretical basis for policy makers and emphasize the strategy of the sports industry.

2.2. The driving effect of sports consumption on the economy

As an important part of the sports industry, the driving effect of sports consumption in the stimulation of consumer demand, the adjustment, as well as the promotion of innovation and employment. Sports consumption not only directly promotes the production and sales of sports-related goods and services, but also drives the development of related industries through the spillover effect of consumption, forming a complete economic chain covering production, distribution, exchange and consumption.[4]

The increase of sports consumption directly promotes the growth of sports industry [2]. With the improvement of residents' income level and the enhancement of health awareness, more and more people are willing to invest time and money to participate in various sports activities and buy sports equipment, which is directly transformed into the income of the sports industry.

The increase of sports consumption enables sports enterprises to expand production and improve service quality, thus forming a positive feedback of economy and further stimulating the growth of sports consumption. Sports consumption has promoted the upgrading of the industrial structure of [2]. The shift of sports consumption hotspots, such as the rise of emerging fields such as fitness, outdoor sports and e-sports, forces enterprises to constantly innovate and develop new products and services to meet increasingly diversified needs of consumers. This innovation has not only promoted optimization of internal structure of the sports industry, but also promoted deep integration of sports-related information technology, education and training, media communication and other industries, giving birth to new economic growth points[5].

The spillover effect of sports consumption is significant [4], which has a positive impact on overall prosperity of consumer market. Sports consumption is often accompanied by catering,

accommodation and other related consumption, making sports events become an important engine to drive local economy. For example, the holding of sports events can attract many spectators and tourists, drive the development of local accommodation, catering, tourism and other related industries, and form a "multiplier effect" of consumption[6].

The driving effect of sports consumption on economy is not only reflected in short-term consumption growth of [7], but also reflected in the long-term economic structure optimization and the improvement of innovation ability.

Through sports consumption, consumers may not only improve their physical fitness, but also be stimulated to have an interest in new technologies and new products, which undoubtedly provides a lasting impetus for scientific and technological innovation. With science and technology in the field of sports, the connotation and extension of sports consumption are also constantly expanding, injecting new vitality into the sustained growth of the economy. As an important part of economic activities, sports consumption has a driving effect on the economy in many aspects, including directly increasing the output value of the sports industry, promoting the optimization and upgrading of the industrial structure, creating employment opportunities, and promoting the development of related industries through spillover effect. Therefore, policy makers should further tap the potential of sports consumption, and strive to achieve sustained economic growth and structural optimization through encouragement and guidance.

3. Case Analysis of Sports Industry in Promoting Economic Development

Economic effect of the "Olympic Games" is first reflected in the direct consumption pull. Tickets, souvenir sales, tourism consumption, as well as the catering and accommodation service industries related to the event, all showed significant growth during the event. For example, the 2012 London Olympics attracted millions of domestic and foreign tourists, directly driving travel revenue growth in the UK, with the hospitality industry and restaurants alone up 5% and 7.5% [1] respectively. In addition, the Olympic Games has also spawned emerging consumer markets related to events, such as sports souvenirs, sports tourism, sports media, etc., which provide new growth points for the consumer market.

Impact of the "Olympic Games" on the labor market is mainly reflected in preparatory stage of the event. Large-scale construction of stadiums and infrastructure requires many engineering and technical personnel and labor force, which creates a large number of jobs for the host city in a short time. For example, nearly 400,000 new [8] temporary jobs were added to the construction and engineering industry in the preparation process for the 2016 Rio Olympics. After the event, the operation and maintenance of these facilities provide a lasting employment demand for the market. The more profound impact is the creation of the Olympic heritage, including improvement of sports facilities, improvement of the city's image and its international influence. Perfect sports facilities provide residents and tourists with lasting leisure and fitness places, improving the livability of the city, and thus enhancing the attraction of the city to investment and talent[9].

At the same time, the Olympic Games have enhanced the international recognition of the host city, creating favorable conditions for attracting subsequent international conferences, business events, and foreign direct investment. For example, after the 2000 Sydney Olympics, the number of international tourists continued to grow, driving Sydney's position in the international tourism market. However, economic benefits of the Olympics are not without their challenges. The huge investment in the event requires long-term financial returns, depending on the effective use of the facilities in the aftermath of the event and how to sustain the economic vitality of the event. For example, after the 2014 Sochi Winter Olympics, due to the lack of post-planning, some facilities were left idle, and the economic benefits were not fully released.

Therefore, a successful Olympic Games should give full consideration to the post-competition utilization in the preparatory stage, integrate sports facilities into urban planning, and ensure the long-term sustainable utilization of the facilities by hosting various sports activities and events. According to the above analysis, the government and the organizers of the event should optimize the contribution of the Olympics to economic development: firstly, formulate a long-term sports and urban development strategy to ensure the coordination between the event and urban planning and industrial development; secondly, make scientific budget of event investment to avoid the financial burden caused by excessive construction; secondly, diversify the income sources, such as sports tourism and sports media, and emphasize the inheritance of Olympic heritage to ensure the long-term utilization of sports facilities to achieve sustainable economic development.

As a global event, the Olympic Games has promoted economy mainly in the short-term consumption drive, employment growth and the long-term Olympic legacy effect. Through scientific planning and effective management, the Olympic Games will not only rapidly stimulate economic growth, but also leave a lasting economic legacy for the host city and lay a solid foundation for its future economic development.

In order to optimize the contribution of the World Cup and the European Cup to economic development, the government and the tournament organizers should adopt the following strategies:

1. Formulate sports planning integrated with the urban development strategy to ensure the effective use of resources and avoid excessive construction;
2. Reduce the dependence on ticket revenue through diversified revenue sources, such as sports tourism, copyright sales, sponsorship, etc.;
3. Attach importance to sports heritage, integrate sports facilities into the city's development planning of the city, and ensure continuous use of facilities;
4. Integrate with education, science and technology and other industries to promote innovation and upgrading of the sports industry.

World Cup and the European Cup not only promote economic growth through the short-term consumption stimulus and the promotion of the labor market, but also lay the foundation for development of the economy through construction of sports heritage. Through scientific planning and rational utilization, football events can become a powerful driving force for economic development and provide a steady stream of vitality for global economic growth.

4. Conclusion

At the national strategic level, sports industry has become an important pillar of national development, policy support has been continuously strengthened, and cross-regional cooperation projects have been steadily expanded. In the past decade, the rapid growth of scale of China's sports industry and significant increase in its economic contribution indicate that sports industry has become a new engine of economic growth. Combination of sports events and cultural tourism, as well as transformation of the “sports industry”, have all drawn a broad development blueprint for the future prospects of the sports economy.

Based on the above studies, this chapter proposes the following policy recommendations:

Optimize the policy environment: The government should continue to formulate and implement policies conducive to development of the sports industry, including tax reduction, subsidies, relaxing market access, etc., and encourage more social capital to invest in .

Urban planning integrates sports elements: In urban planning, the layout and construction of sports facilities should be fully considered, and it should be taken as an important part of improving the quality of cities, attracting talents and promoting the health of residents.

Support sports science and technology innovation: encourage enterprises to carry out sports science and technology research and development, promote innovation in sports equipment, event organization, digital sports and other fields, and enhance the added value of the “sports industry”.

Cultivating sports market: By holding international sports events, expanding sports tourism, promoting national fitness, cultivating a diversified and multi-level sports consumption market, and encouraging private investment and entrepreneurship.

Integration of “sports industry” with digitalization and intelligence: accelerate digital transformation of “sports industry”, promote the integration of sports with information and communication technology, artificial intelligence and other fields[10].

Training: strengthen physical education and professional personnel training, improve quality of human capital in the “sports industry”.

Regional coordinated development: Through the cross-regional cooperation of sports industry, promote the regional resource sharing and system docking.

The development of “sports industry” is of far-reaching significance for building diversified economic growth points and promoting the optimization of economic structure. Policy makers and relevant parties should understand the strategic value of the sports industry.

Authors Contribution

All the authors contributed equally and their names were listed in alphabetical order.

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