

The Relationship Between Economy Factor and Football Development

Junzhe Chen^{1,a,*}

¹*HD Shanghai School, Shanghai, 201600, China*

a. 2797172929@qq.com

**corresponding author*

Abstract: Many people identify football as the biggest and the most successful sport in the world, in fact, football population is increasing rapidly since there is more propaganda and advertisements which encouraging people to play this sport. The football culture is also spreading rapidly, this will have considerable effects on different fields, and economy development is one of them. In this essay I will discuss the impact of football in different regions, including job production, increasing the size of economy, boosting the economy, encouraging the tourism industry, and also increasing the sales of football related products. From the study in this field, the paper can conclude that the football industry can make a considerable change in the economy and also benefit the citizens in many aspects.

Keywords: Football development, economy factor, tourism, job production

1. Introduction

Development in football and economy seems like in different category, but they actually have an inner connection, thus, they have the ability to influence each other. The interest of modern citizen's promote the development of football, which is indispensable. To promote football, certain roles and regulations are necessary, only by regulating the order, the paper can guarantee football can be a significant factor for the development for the economy. Nowadays, the culture of football is spreading rapidly since the living standard of people is becoming better, more people are not satisfied by material life but pursuing for spiritual needs, as the result, more people find football can be an ideal spiritual sustenance. Football business expansion is a product of societal and economic development. It includes football-focused economic sports, particularly commercial football leagues, international aid programs, football education, football-themed goods, football equipment, football e-sports, and other football-related enterprises. The world cup is just ended, the paper can conclude many economy facts from it, which is worth for us to explore. There is a obvious fact in the football industry, the investment in this industry is getting higher than before, since the exposure of football is also increasing, it can serve as a good vehicle for the advertisement of those companies. As a kind of sports industry, the impact of football on the development of economic factors mainly lies in driving the development of related industries and consumer groups and promoting related consumer behavior. Due to the deepening of national love for football, the proportion of domestic economic growth driven by soccer is also increasing, and its growth effect is also very obvious [1]. This essay will explore the advantages that the football industry will bring to the society and the economy system, by considering labour shortage problem, the influence to the size of economy, the

impact to tourism industry and the effect to football related products. This research can demonstrate that the football could be an ideal industry to develop since this industry holds plenty of population. It is important to provide reasonable recommendations to those long-lasting problem in the football industry and also predict the development of football industry in the future in the essay.

2. The current situation of football industry

To be more precise, the Premier League in the UK contributed 7.6 billion pounds, or 0.33% of the country's GDP, and generated £3.6 billion in direct tax revenue for the UK government. Additionally, the Premier League generated 96000 employment openings, of which 35000 were from induced effects. Additionally, sponsorship and retail sales are included in the commercial revenue. Manchester United generated 257 million pounds in commercial revenue in 2022, 148 million pounds in sponsorship revenue, and 110 million pounds in retail sales. It is also clear that the Premier League wants to draw in foreign investment. Along with investing in teams to increase competition, investors have helped to build the support system for the teams. The UK Tourism Bureau reports that 880,000 tourists traveled for soccer-related reasons in 2011 and spent a total of €880 million. A further €1.7 billion in incoming tourism output for foreign visitors was generated by the Premier League Tournament by 2019, with 1.5 million arrivals and an average per-person expenditure of €1,075, which is 31% more than the worldwide average [2].

3. The economic benefits brought by the football industry

3.1. The solution to labor shortage

The most important element is the football player. the recent professionalization of football coaches and players. Football officials are in high demand, and coaches and players have become much more professionally oriented in recent years. These advancements contribute to a certain extent in lowering societal workplace stress. Football employment has assisted in easing some of the pressure on social employment.

FIFA data show that there are currently around 10 million football players globally. Over 150 million people work in fields connected to soccer, and there are now 240 million professional football players, according to FIFA data. More than 30 million people worldwide are employed in jobs related to football, and there are now 240 million professional football players, according to FIFA data. While between 160,000 and 240,000 new jobs will be generated by the construction and tourism industries each year over the next five years, Russia added 220,000 new jobs in related industries during the World Cup. More than 30 million people worldwide are employed in jobs related to football, and there are now 240 million professional football players, according to FIFA data. While between 160,000 and 240,000 new jobs will be generated by the construction and tourism industries each year over the next five years, Russia added 220,000 new jobs during the World Cup in related industries[2].

3.2. The increase of macroeconomy

Because there is a great demand for elite players but a shortage of them, the transfer price may be a significant factor in the macroeconomy. Teams are therefore willing to shell out a lot of cash to recruit excellent players who will make them successful on the field. Many different revenue streams, like as ticket sales, merchandise sales, TV rights, and sponsorship deals, all contribute significantly to the success of successful soccer teams. By bringing in strong players, a club may be able to perform better on the field, which may enhance fan interest, attendance, and retail sales, all

of which may boost revenue. Teams consider player movements to be investments. Athletes are signed by clubs for both their potential for long-term value growth and short-term playing success.

The football team Chelsea spent the most, 355.1 million euros, according to the transfer market. According to Forbes' 2023 global athlete income rankings, the majority of professional football players make incredible sums of money. Cristiano Ronaldo has the highest annual income with 136 million dollars, followed by Leonel Messi and Kylian Mbappé with 130 million and 120 million dollars, respectively. The amount of tax revenue is really high.

3.3. The development of economy

When the paperlook at the Middle East, the papersee that they have combined leisure and tourism with other pursuits in an effort to diversify their economies away from the oil and gas industries (the United Arab Emirates and Qatar, respectively). The Catalan squad received €150 million from Barcelona's former sponsor, the Qatar Foundation, in 2011. In 2011, Paris Saint-Germain was purchased by Tamin bin Hamad Al-Thani, the Emir of Qatar. According to experts, the goal of these initiatives is to develop business networks in the west in preparation for a modern, post-gas economy, making enough noise to mask Saudi Arabia's perceived threat. The Abu Dhabi United Group, which also owns Manchester City and New York City, has an impact on Etihad. Out of the top 50 teams in Europe, Fly Emirates sponsors the most, followed by Etihad and Qatar Airways, which have both placed their reputations on teams like Real Madrid, Milan, Roma, and Arsenal. 38% of the 2.7 billion people that watched the Premier League in 2015 were Chinese viewers, a trend that was seen in other European leagues as well. Commercial enterprises are aware of this, and like Chevrolet and Manchester United, they are increasingly concentrating on increasing consumer spending in Asia, Africa, and the Middle East rather than increasing sales within their own countries. The two most significant economic sectors in football, however, are neither the car or aircraft industries. Despite the fact that the majority of teams are of inferior quality, 20% of the top 50 most valuable teams, according to Brand Finances, feature betting shops on their jerseys. The manner in which broadcast rights are allocated, which follows a variety of patterns, affects football's economic effect. Far from being an exception, Spain seems to be in the midst of a bubble brought on by exorbitant prices that in no way represent the value of the investment. Mediapro purchased the Champions League and Europa League rights through 2021 for around €1.1 billion. After telecoms giants like Vodafone and Orange failed to match such high proposals, Movistar finally paid €2.94 billion to get the broadcasting rights for the future three seasons of the Spanish La Liga [3]. Gianni Infantino, the president of Fifa, made the audacious prediction that five billion people will watch the 2022 World Cup. More than one million people are expected to visit Qatar, which is estimated to have spent more than \$200 billion on organizing the event, including around \$8 billion on infrastructure. Football is obviously more than just a game.

3.4. The growth of the tourist business

The Qatari government has an unrivaled opportunity to showcase various aspects of their country to spectators and in-person supporters during the 2022 FIFA World Cup in Doha, which runs from November 20 to December 18. Between 1.2 million and 1.5 million people are expected to attend the 2022 FIFA World Cup, while 5 billion people are expected to watch it online. FIFA and Qatari officials have received harsh criticism, since visibility and criticism typically go hand in hand. However, Qatar's brand recognition is expected to grow dramatically, ultimately boosting the small Gulf state's credentials and potential as a tourism destination. When it was confirmed in 2010 that Qatar had won the bid to host the FIFA World Cup in 2022, officials in Qatar had ten years to plan. To be able to hold such an event, the little state has invested a significant amount of money.

According to reports, Qatar has spent between \$220 billion and \$300 billion on infrastructure over the past 10 years, while government representatives point out that the majority of this increase was initially planned. A wider explanation and subsequent modification of the country's tourism goals were combined with World Cup-focused development initiatives. The National Tourism Sector Strategy for Qatar for 2030 was unveiled in 2014. By 2030, the policy aimed to boost domestic tourist excursions yearly to around 2.5 million, from about 1.2 million in 2012, and welcome more than 7 million visitors annually. Qatari officials anticipated that the tourism industry would grow into the country's "main engine for development" in order to increase the number of small and medium-sized firms, encourage entrepreneurship, and strengthen the private sector. The Gulf Arab states that surround Doha, which operate as convenient hubs for fans anxious to take a fast trip to witness matches, are affected by World Cup-related activities. The airline industry in the United Arab Emirates, Saudi Arabia, Oman, and Kuwait all anticipate profiting from the influx of visitors for the World Cup. Additionally, the World Cup has increased the government of Qatar's opportunities to strengthen ties with the area [4].

3.5. The creation and selling of merchandise linked to football

The fact that every game (or product) is unique and has an undetermined conclusion makes football different from many other forms of entertainment¹⁸. According to Khoshtaria (2005), who bases this definition on this principle, the key product in the football industry is the performance of football players during a game that satisfies spectators' (customers') interest for the sporting event. Like all other sports, football deals with both the main product (the football game) and product extensions (club T-shirts, shorts, etc.). A club's primary source of income is this sort of item, which is likewise in high demand. Additionally, transfer markets are used by clubs to trade the third type of commodity that can be found in the football industry. Take Zinedine Zidane, Cristiano Ronaldo, and other high-priced examples to illustrate how expensive these products are. The majority of the raw materials required to manufacture the main product are players. Since the product in football varies from the product in other sectors, this third form of production (Zinedine Zidane, Cristiano Ronaldo, etc.) uses a unique process [5]. Chinese goods from Yiwu, one of the largest commodity hubs in the world, in the Zhejiang Province, will be present at the quadrennial World Cup. Footballs, flag strings, national flags, horns, trophies, and medals, among other soccer-related things created in Yiwu, have been distributed to fans all over the world. According to the Yiwu Sporting items Association, the city's manufacturing exports make up around 70% of the market for World Cup-related goods. Since sales volume far exceeded expectations, the specialty business expanded orders to recognized Chinese suppliers. Yiwu's exports have increased significantly as a result of the World Cup. According to data supplied by the Customs department, the city exported toys worth 9.66 billion yuan and sporting goods worth \$333.3 million in the first eight months of this year. Examples of similar products include flags, football, whistles, horns, hand racquets, and other objects. In addition to the Middle East, the city exported 7.58 billion yuan to Brazil, a rise of 56.7%. Exports climbed by 67.2% to 1.39 billion yuan to Argentina and by 95.8% to 4.29 billion yuan to Spain [6].

4. Conclusion

From the things discussed, conclusions can be drawn that the football have taken a significant place in the economy development. By pushing the development of football it is possible for the economy of the country to gain lots of benefits, the development of football can lessen the problem of unemployment, and also develop the tourism industry.

To accelerate the development of both football industry and economy, it is worth for the country to complete the football system, including the youth academy system, the scout system. In fact, the football industry in China is not that impeccable yet, which reflect the reason why Chinese football is not very strong. Currently, the CFA(Chinese Football Association) is working on the development of the youth academy in order to attract the youngsters. It is important for the association to learn from the advanced countries. In addition, the evolution in campus football is also one of the most important factor, it is paramount to enhance the football population and also improve the interest in football. In conclusion, Economy and football industry are supplement to each other. All things considered, there are still lots of limitations to this essay, the data collected is not enough, it can not be a good illustration to the content, there are lots of business facts in the football industry, in the future, it is worth for us to explore how the manager runs the football team and transfers the players with a reasonable transfer fee. The future of this industry will be bright, from the promotions and advertisements, football industry is attracting more populations, in addition, more investors sniffed the opportunity in the football industry and willing to invest this industry.

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