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## **The Factors That Affect the Development of Sports Industry as an Economy**

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### **Abstract**

When the history of sports is analyzed, it can be seen that it dates back to antiquity. Sports became more widespread and an important and indispensable part of life as it appeals to nearly every section of the society. The more widespread it became, the bigger an industry it turned out to be, with the involvement of money in it. The components of sports are participants (active and passive), entertainment (sports contests and organizations, etc.), outputs (goods and services), sports facilities (stadiums and saloons), media, security and management systems (sports clubs, federations and political managers, etc.) Sports industry can be defined as the marketing of the goods and services associated with sports. From a broader perspective, it is the place of sports with all of its parties within the economy systems. Sports economics and industry have already become a sector establishing its own market. There are various reasons behind this speedy growth of sports economy. Some of them are generation of different sports activities, sports becoming a demonstration game, increase in the amount of free times of people, increasing tendency to associate themselves with sports, development of the sports products and technologies, globalization of sports as a concept and increase in the size of areas of sports economy and technology. The fact that the annual revenue of European football industry is approximately 15 billion EURO and revenue of Turkish football industry is approximately 1 billion TL has created the need to study and analyze the sports economy. In this context, this study attempts to reveal the size of the sports industry (football industry in particular) and the factors behind the development of sports into an industry. The methods of content analysis and literature research were used in this study.

**Keywords:** Sports, industry, economy

## Spor Endüstrisinin Bir Ekonomi Olarak Gelişmesini Etkileyen Faktörler

### Öz

Sporun tarihine bakıldığında antik çağlara kadar dayandığı görülmektedir. Spor, zaman içerisinde yaygınlaşmış ve toplumun neredeyse tüm kesimlerine hitap etmesi nedeniyle önemli ve vazgeçilmez bir olgu haline gelmiştir. Sporun yaygınlaşması ve işin içerisine paranın da girmesiyle spor büyük bir endüstri haline gelmiştir. Spor endüstrisinin içerisinde yer alan ögeler; katılımcılar (aktif ve pasif), eğlence (spor müsabakaları ve organizasyonlar vb.), ürünler (mal ve hizmetler), spor tesisleri (stadyum ve salon gibi), medya, güvenlik ve yönetim sistemleri (spor kulüpleri, federasyon ve siyasi yöneticiler gibi) dir. Spor endüstrisi dar anlamda spor ile ilişkili mal ve hizmetlerinin üretilmesi ve pazarlanması olarak tanımlanabilir. Daha geniş manada bakıldığında ise sporun tüm taraflarıyla ekonomik sistemler içerisindeki yeridir. Artık spor ekonomisi ve endüstrisi kendi pazarını oluşturan bir sektör haline gelmiştir. Spor ekonomisinin bu şekilde hızlı bir şekilde büyümesinin nedenleri arasında; yeni ve farklı sportif faaliyetlerin oluşması, sporun gösteri oyunu haline gelmesi, insanların serbest vakitlerinin artması, insanların sporla özdeşleşme eğilimlerinin artması, spora ait ürün ve teknolojilerin gelişmesi, sporun küresel bir olgu haline gelmesi, spor ekonomisi ve pazarlaması alanlarının arttığı görülmektedir. Avrupa futbol endüstrisi cirosunun yaklaşık 15 milyar Euro ve Türkiye futbol endüstrisi cirosunun ise yaklaşık 1 milyar olduğu düşünüldüğünde spor ekonomisinin incelenmesi ve analiz edilmesi gerektiği ortaya çıkmaktadır. Çalışmanın amacı da spor endüstrisinin (özellikle de futbol endüstrisinin) büyüklüğünü ve sporun bir endüstri haline gelmesindeki faktörleri ortaya koymaktır. Çalışmada araştırma yöntemlerinden içerik analizi ve literatür taraması yöntemleri kullanılmıştır.

**Anahtar Kelimeler:** Spor, endüstri, ekonomi

## Introduction

Sport fact which became one of the essential parts of social life in our day made progress in each period of history. Technological and economic developments which have been occurred following Second World War showed its affects in field of sports as all the fields. After 60's sports have been considered as an industrial branch and became a field which constituted its own economy and market (Argan and Katirci, 2008).

Developments in world economy bring along important changes and transformations. Innovations which were brought by economic developments caused important changes in sports sector.

Request to increase the income of sport clubs by constructing new stadiums started in Europe in 80's foremost England and started in Turkey early 90's, later continued with advertisement and sponsorship incomes and licensed product incomes which increased by effects of these formed football industry at an unprecedented pace (Ikiz, 2010).

Becoming sports as an industry not constituted a market only besides revealed a sectorial development and growing of sports with that. Major factors which affect industrialization, growing and development of sports are handled in 8 essential titles (Pitts and Stotlar, quote from 2002. Katirci, 2012:13)

- Sport activities and events (Sportive Organizations)
- Human
- Sport Media
- Sport goods
- Sport facilities
- Commercialization and marketing
- Professional Service Enterprises
- Education

If we consider the economic scale of football sector which is one of the most important title of sport ([www.futbolekonomi.com](http://www.futbolekonomi.com)),

- Annual turnover in Europe scale 14.6 Billion euros,
- Annual turnovers of great clubs in world scale 200 Million euros,
- Europe Champions League annual turnover 1 Billion Euros,
- Global scale of sector with external economies 200 billion USD,
- Increase of Turkish football Federation budget from 6 Million USD up to 150 Million USD level.
- Turkey Football share is approximately 800 million euros,
- Constructing a modern stadium; 100-500 million USD,
- Countries could invest 4-5 Billion USD in order to take Europe and World cup championships,

- Providing great sponsorship and broadcast income of World cup and Europe cup organizations, interacting with football media, advertisement and sponsorship sectors.
- Arising attraction of illegal sectors due to added value which football industry generated.

Afterwards factors which affect development of sport industry and events lined up above will be tried to explain.

### **Sportive Organizations**

4th clause of regulation concerning application of law of preventing violence and disorder which was entered into force by 22.12.2012 dated 28505 volume official Gazette includes the definition of “Sports competition: states each type of sportive events and competitions organized by federations or permitted to be organize by federations or contributed by federations excluding sports organized by elementary or secondary schools, public organizations.” Fişek (1998) mentions that sport organizations are performed by affection, respect, tolerance, by contributions of public and private sector using the possible and current sources, coordinated, planned, systematic, in determined flow of a program, economic, social, cultural and political interests with the permits of sport organizations and rules.

News, images and photos about these organizations are published by mass medium tools and media and delivered to widespread audience. So interest and curiosity is increased by this way. Thus several people stand to watch TV’s and sport areas. Either numerical or participant increase of mentioned sport organizations provides increase and development of sport industry.

### **Human**

Reason of becoming sports one of important parts of social life is human and sport gets industrialized by means of human (Katırcı, 2012:13).

People give importance to sports either for actively or for inactively. Active sport participants are the ones who perform and apply sports in person; inactive participants are watchers and ones who give importance to sport. Elements such as sport facilities, sport organizations and employment providers in this field are included in these active and inactive participations.

Addressing sport to female, child, disables and older people constitutes different market shares. Tendency of people cause development of sport economy and industry.

### **Sport Media**

While Mass Medium tools (media) functionalize as informative and entertaining at the same time directs society. In spite of people percept media in different sides, ever thing we heard, see and read in media constitute one of the most important parts of our life experiences (Mil and Şanlı, 2015:237)

Mass medium tools could be grouped as: (Acet, 2005:131):

- Printed media (Newspaper and Magazines)
- Cinema – theater

- Radio and Television

It is seen information and news are spread via internet especially by social media by the development of technology in our day. It is seen interest towards sport increases by effects of mass medium and internet.

One of the public opinions molded by mass medium is sport public and sport media. Sport public and media increase the expectations each passing day. While sport public and media contribute to industrialization of sport also directs participation behaves for sports which performed actively or inactively.

Sport media; not only determine which sport branches or games to be selected and presented also what to be emphasized in the game. While doing that it can affect the interpretation of live and explanation of life also sports too (TBMM, 2011:81)

### **Sport Goods**

Clothes which are used for sport and defined as sport goods, tools and equipment are one of the elements which encourage people to participate for sport and recreations activities. Especially with the possibilities provided by technology, several type, qualification and sort of sport goods included in to sport industry. For example, several products such as shoes which better grips base and helps to make better jumping and/or faster running, training suits which don't hold sweat and swimsuit which helps faster walking are included in sport industry. Several sport materials, tools and equipment for children, older people and disabled people are offered sport market by sport industry. (Katırcı, 2012:14).

### **Sport Facilities**

Sport facilities are the areas where are suitable for sport activities, specific training fields for sport branches, preparing trainings, national and international events which can meet the necessities of sportsmen and audience before and after the sport activities (field, bleacher, shower, changing room etc.) units (Efil, 1998).

One of the most important tools which provides sport services are sport facilities with no doubt. Interest towards sport caused increase of sport facilities. Facilities such as Olympiad facilities, football ground, tennis courts, golf courses, swimming pools, ski tracks attract interest of people and contribute sport industry.

Costs, architectures and management types of sport facilities demonstrate different characteristics in sport industry. For example; 42.000 tons of steel were used in construction of Beijing National Olympiad stadium, bird nest with known nickname which hosted opening ceremony of Beijing Olympiads in 2008 and cost of stadium was 500 million dollars. Stadium was constructed on 258 thousand square meters area and has 91 thousand seats capacity. In order to operate such a great complex, several departments work with care from marketing department to ticket sales department, maintenance and repair department to security department (Katırcı, 2012:15).

### **Commercialization and Marketing**

Marketing sport as entertainment and demonstration event transform sport industry more commercial condition. This situation increases the possibility of companies for advertising and sponsorship and economic expectations from sport increases for that reason too. Licensed product sales of teams and sportsmen, branding of broadcast and sport elements contributes sport industry development.

### **Professional Service Enterprises**

When Parties and industry of sport were considered sport sector should be operated professionally. Management and organization in sport sector, economy, finance, law and accounting fields are included in sport industry. These fields should be managed by expert teams.

### **Education**

Playing and management of sport of course bring the necessity of some education methods. Written and visual materials such as course, seminar, conference, magazine and book are included in these methods. These education necessities bring commercial activities and they are evaluated within the sport industry.

### **Result and Evaluation**

Sport is a fact which gained a place in social life by time. Sport influenced child, adult- aged, disabled – able society.

Sport has become one of growing entertainment sectors in respect to society and individuals especially in recent years. This orientation to football increases in active and inactive means every day (Şanlı, Mil, Güçlü and Arıkan, 2015:153).

Interest towards sport causes increase of supporters especially for football. State, sportsmen, trainers, referees, managers, audience, amigos, security forces and supporters are included these group. Spread of sport causes several fractions which are interested with sports and sport became a great industry by joining of advertisement, sponsorship, broadcast, guessing games and money.

Most important elements which are the most important development of sport economically as an industry are following; sportive organizations, human and sport media, sport materials, sport facilities, commercialization and marketing, professional service enterprises and education. It is seen, sport organizations, human factor and commercialization and marketing factors come into prominence in development of sport industry and economy. Besides, importance of sport public and media, sportive products and facilities on behalf of advertising sport economy has a great share.

In addition except all of these; increase of subsections such as education, professional support services and transforming sport as a global material enlarged sport economy dimensions in field of sport management, marketing and economy (Katırcı, 2013:16).

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