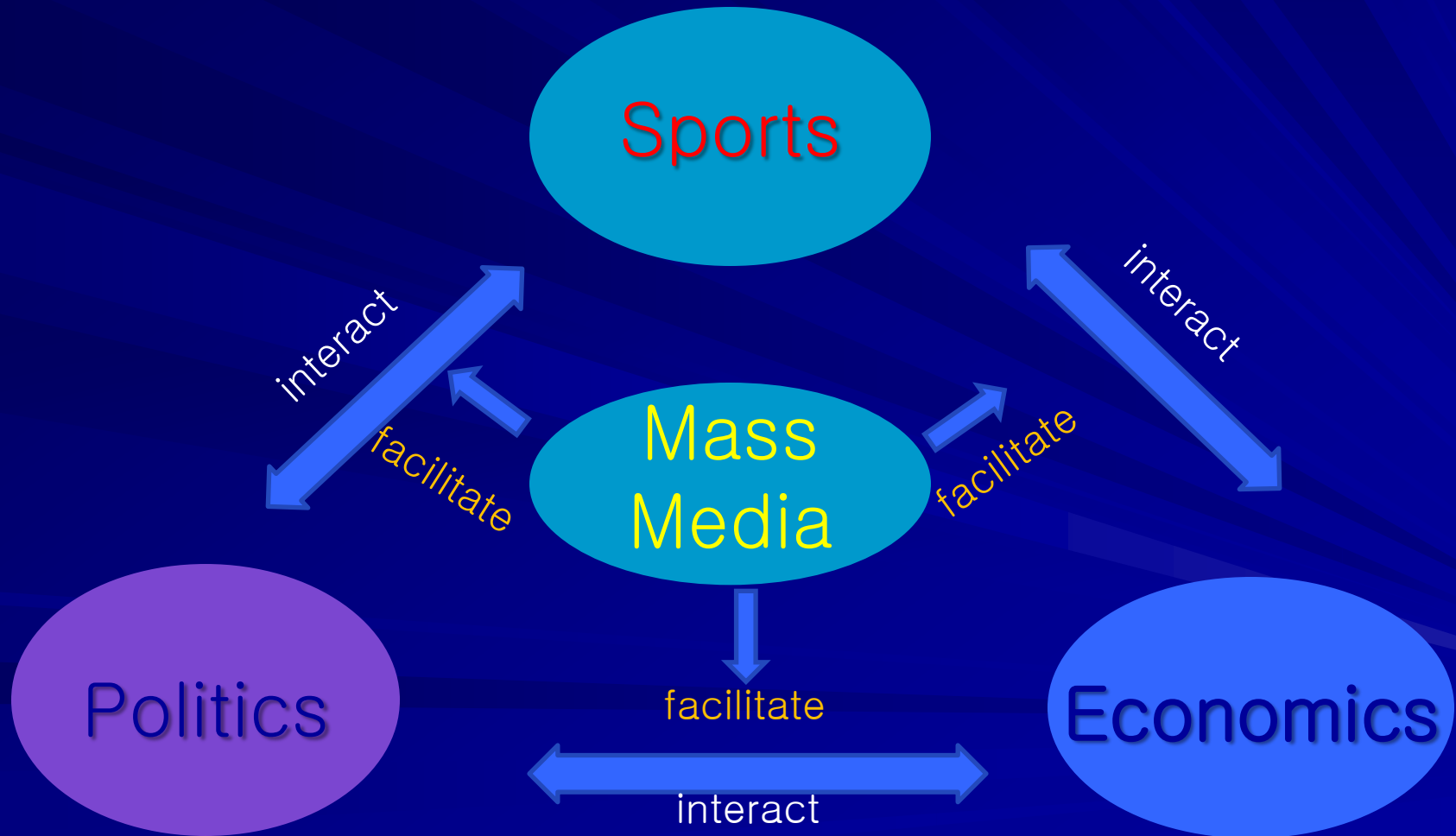


Sports and Economy :

What are the characteristics of commercial sports?

The Structure of factors' relationship



one of case study



Topics

- **Sports and economy?**
- **Trends of Sports commercialism?**
- **Mega sports events and economy?**

Commercial sports are organized and played to make money as entertainment events.

The reason why Pusan wants to host 2020 summer Olympic

They depend on a combination of gate receipts, **concessions**, sponsorships, and the sale of media broadcasting rights.

Therefore, **commercial sports** grow and prosper best under certain social and economic conditions.

Commercialization of Sports Phenomenon

Sports commercialism: S. C. permeates all of the people in the sports life.
(a typical target for pro. sports)

Companies are related to sports competition held [Sponsorship]

Obtains **exclusive rights** to sell their products

Generate revenue through the sale

Sports commercial source of success → gate receipts and media broadcasting rights

Official Sponsor of the Beijing 2008 Olympic Games



Need to entertain a **mass audience**



Aesthetic orientations

Heroic orientations

Emphasis on

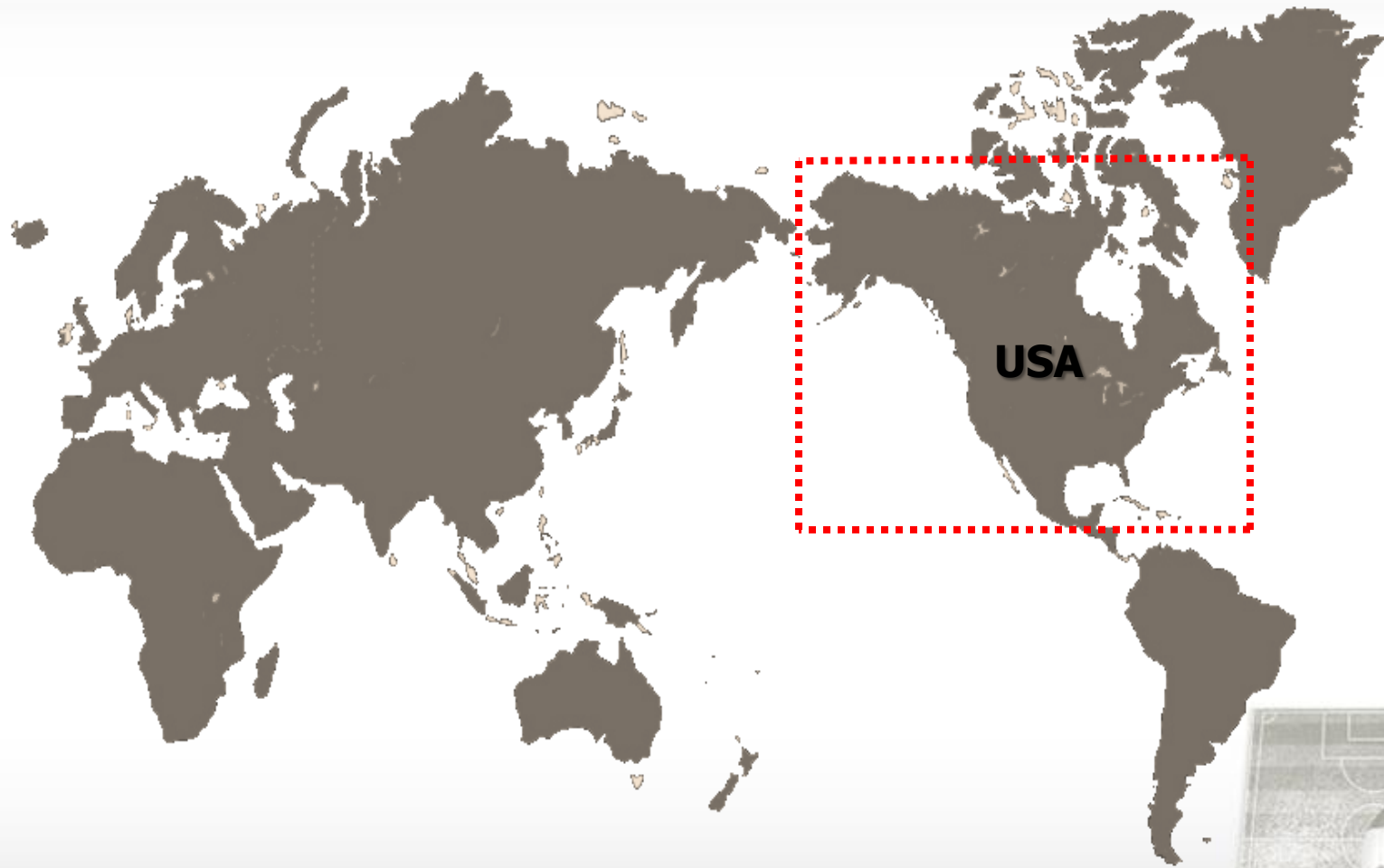
- * Beauty and pleasure of movement
- * Ability/mastery of technical skills
- * Willingness to explore limits
- * Commitments to staying active and involved as a participant

Emphasis on

- * Danger and excitement of movement
- * Style/mastery of dramatic expression
- * Willingness to go beyond limits
- * Commitments to victory and success of the team/sponsor

Shifting orientations : What happens when there is a need to entertain a mass audience

Overview of World's Sports Industry

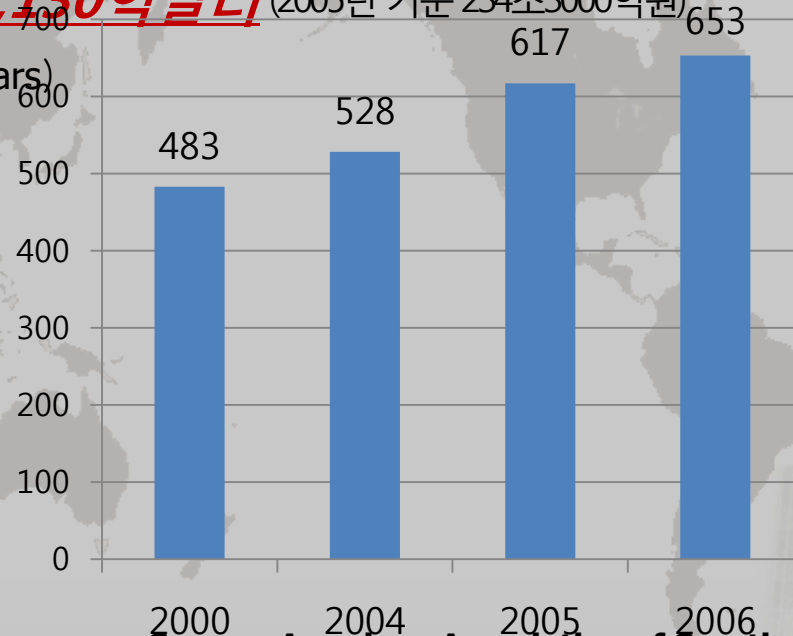


Overview of World's Sports Industry

미국 United States of America



Sports on an industrial scale (Unit: billions of dollars) **2,130억달러** (2005년 기준 234조3000억원)



Source: American Association of Sporting Goods Producer



Overview of World's Sports Industry

미국 United States of America



- Four professional sports



Overview of World's Sports Industry

미국 United States of America



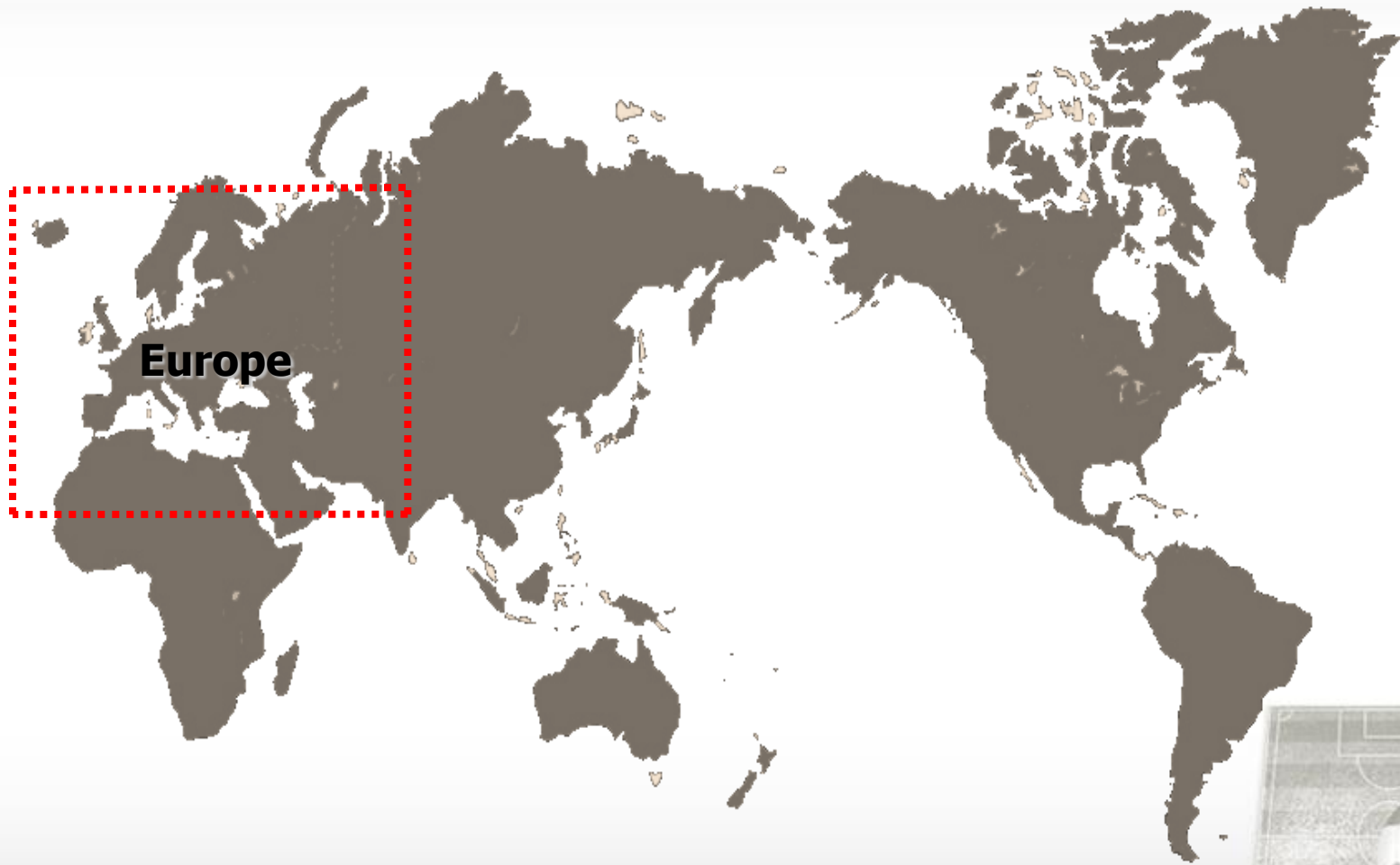
- Four professional sports

표_미국의 4대 스포츠 유니폼 스폰서 잠재가치

리그	총 노출 횟수	총 노출 시간	1회 노출 시간	노출 결과 지수	잠재가치
NFL	28,560회	18시간26분40초	2.33초	0.209	230,911,504달러
MLB	314,280회	273시간36분	3.13초	0.308	101,052,782달러
NBA	127,920회	94시간11분10초	2.65초	0.238	31,186,931달러
NHL	74,620회	60시간08분	2.89초	0.248	8,171,211달러
합계	545,380회	446시간21분50초	2.94초	0.278	371,322,428달러



Overview of World's Sports Industry



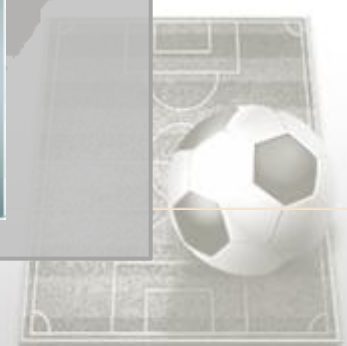
Overview of World's Sports Industry

유럽 Europe



■Sports on an industrial scale **4,070억유로** (2006년 기준 488조4000억원)

■Football industrial



Overview of World's Sports Industry

유럽 Europe

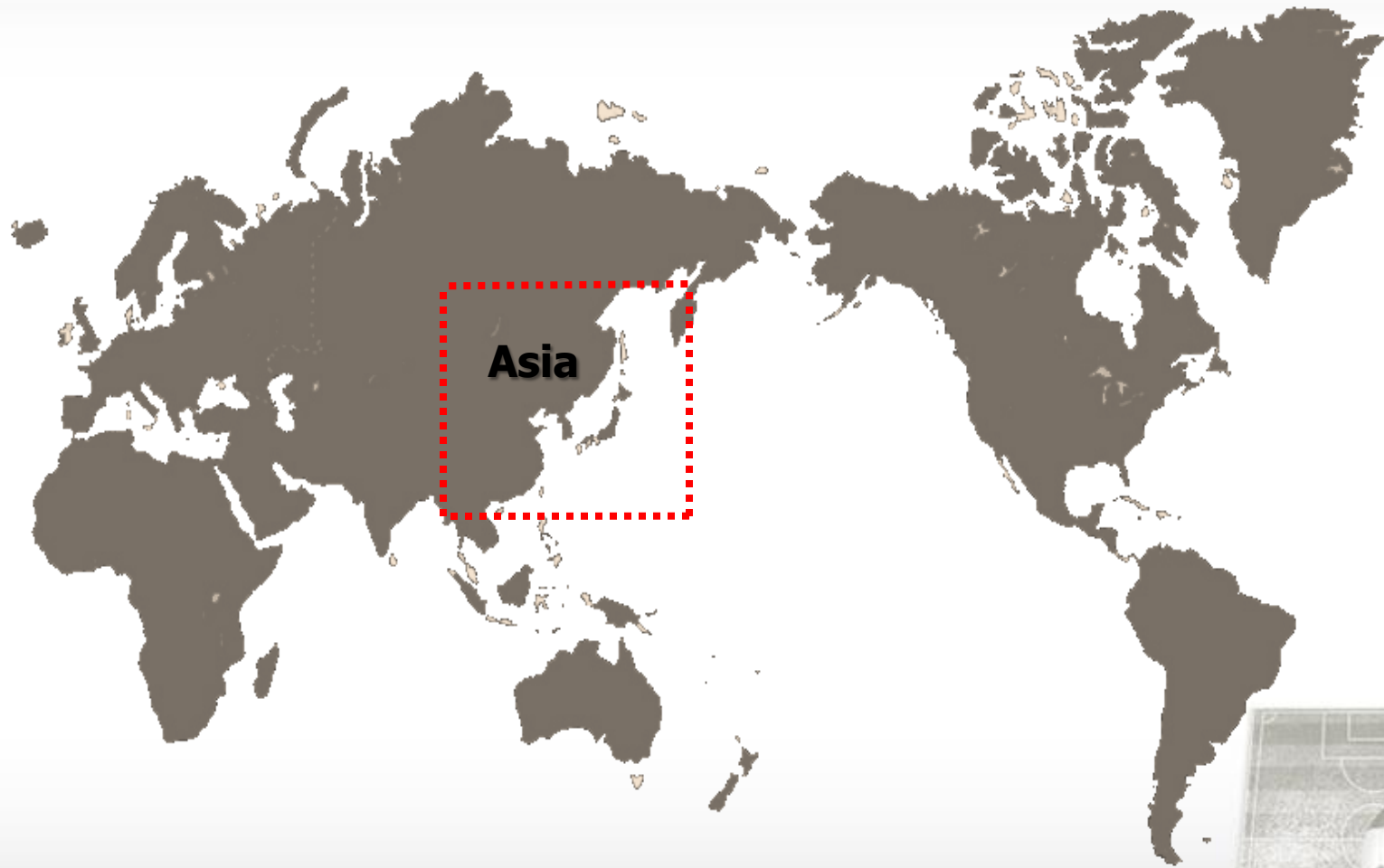


- *Lionel Messi*
8,000만 EURO(**1183억 원!**)

- *MANCHESTER UNITED*
현재 가치19억 달러(**약 2조 5백억원!**)



Overview of World's Sports Industry



Overview of World's Sports Industry

아시아 Asia

- 일본(Japan)의 스포츠 산업 규모

2002년 **805억** 달러
(96조6000억원)



2008년 **1135억** 달러
(GDP 2.54% 수준)



Overview of World's Sports Industry

中國 China

Sports on an industrial scale

- 중국(China)의 스포츠 산업 규모

2000년 ~2005년 : 연평균 17.38% 증가

2005년 **약 1.19조원** 규모로 성장



Overview of World's Sports Industry

Other area

■ Oceania



Overview of World's Sports Industry

Other area

- Middle East



Overview of World's Sports Industry

Other area

■ Africa



Definition of Sports Industry

What is the Sports Industry ?

The sports industry today is a wide-reaching business that spans the field of play—from the food and memorabilia stands at the stadium, to media rights and sponsorships.



Definition of Sports Industry

The change of sports paradigm



Elite Sports



Sports for All



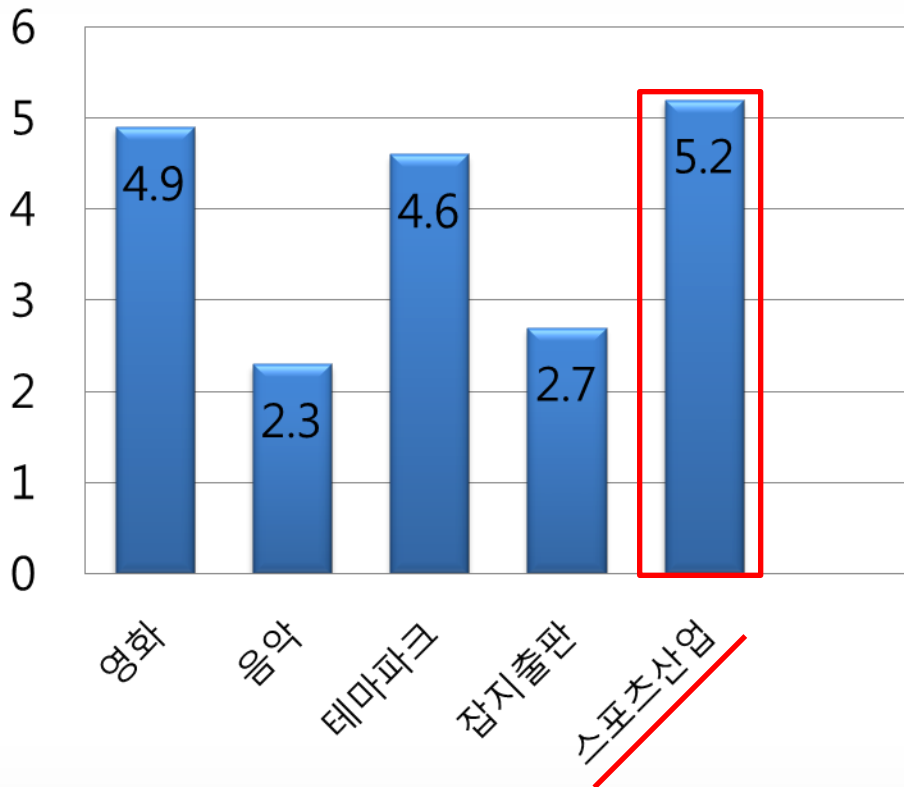
Sports Industry



How important is it?

The Importance of Sports Industry

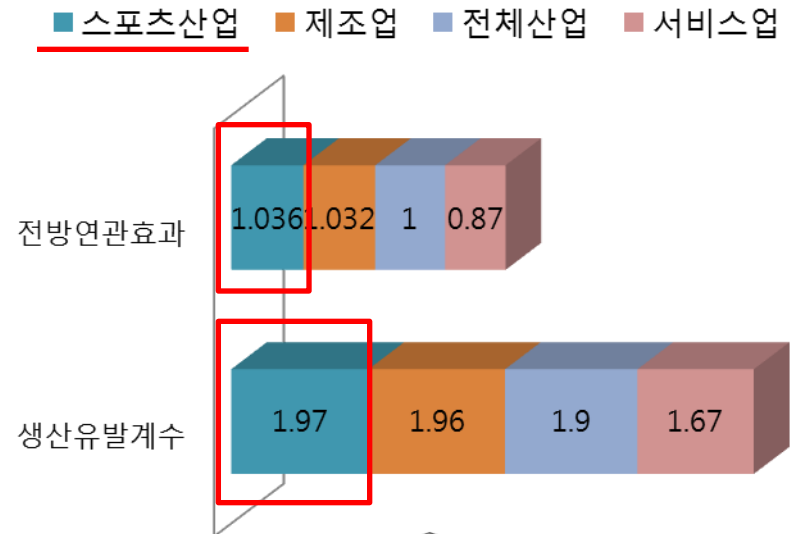
Growth from 2007 to 2011



Source: PricewaterhouseCoopers, www.pwcglobal.com

High income elasticity advanced country pattern Industry

The ramifications of the sports industry



Manufacturing + Distribution + Construction + Services

Employment impact of a large industrial



Features of Sports Industry



Sports Industry

- 1.** Industry classification structure with a complex industry
- 2.** Space, location focused process industry
- 3.** Central concept of entertainment to industry
- 4.** Hours consuming industries
- 5.** Brings excitement and health industry



Current Condition

Overview of Sports Industry

	Korea(2011)	USA(2011)	Japan(2011)
GDP	\$1.116trillion	14.99trillion	5.867trillion
Sports industry	26조 3614억원	2130억달러	1135억달러
Sports industry % GDP	2.57%	1.71%	2.54%

Market size

출처: 각 업종 내부자료

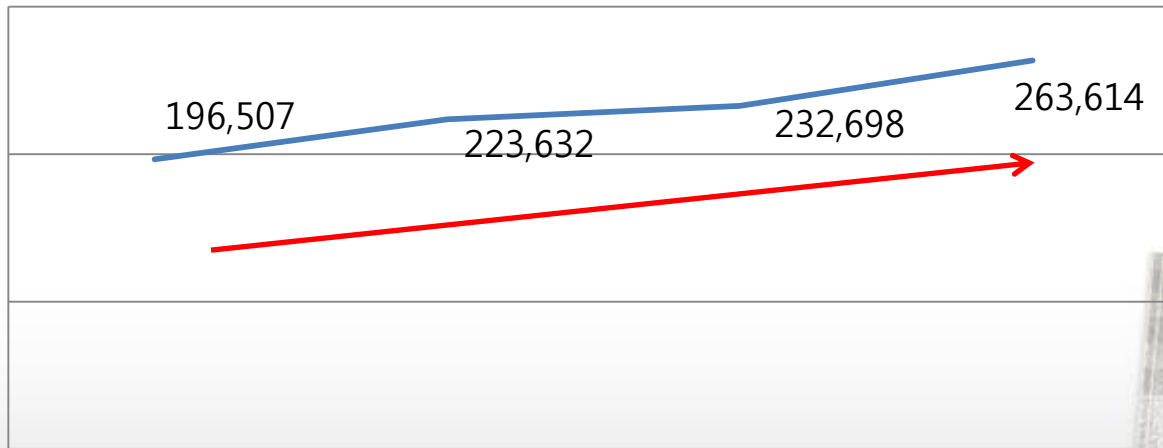
300,000

(단위:억원)

200,000

100,000

0



2005

2006

2007

2008



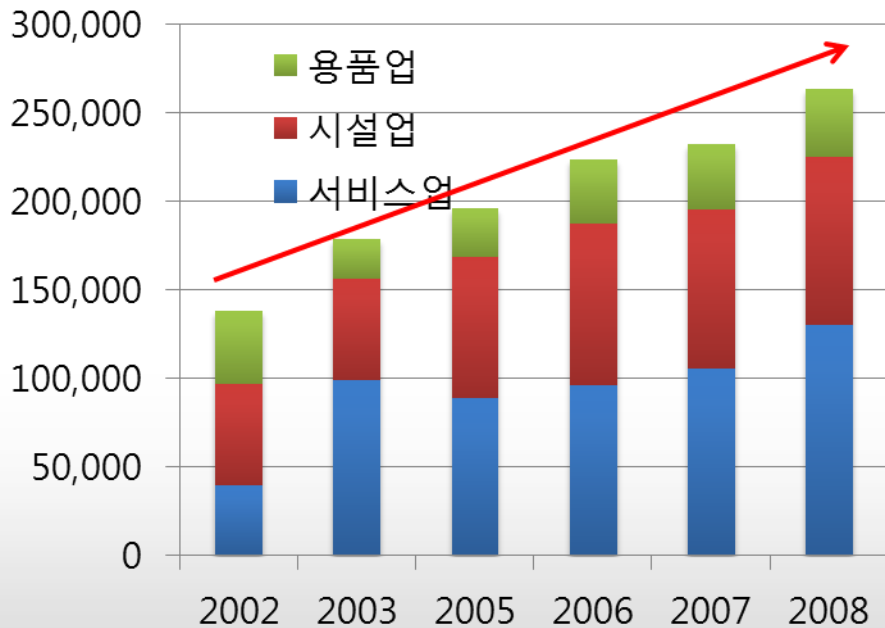
Current Condition

Overview of Sports Industry

Before 2002



After 2002 World cup



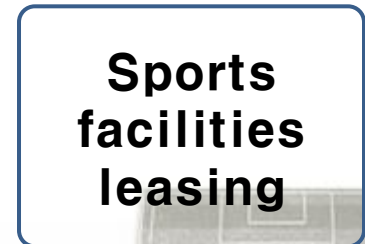
Structural changes in the industry and the trend of continuous increase of the Korea Sports Industry

2009-2013 long-term planning for development of sports industry



Current Condition

Classification of Sports Industry

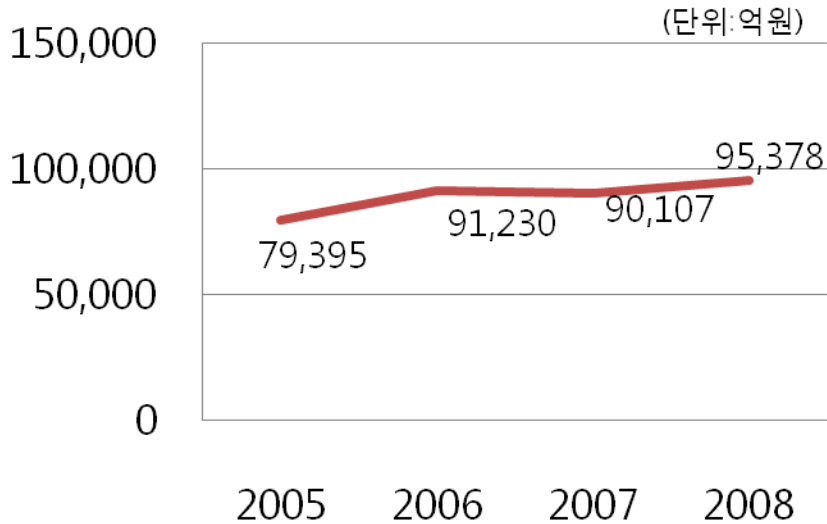


Current Condition

Sports facilities business status

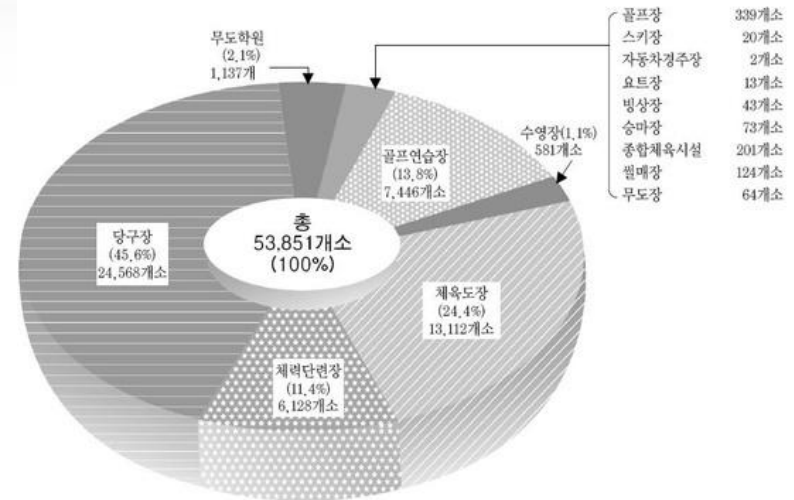
출처: 문화체육관광부(2010)

스포츠 시설업 시장 규모

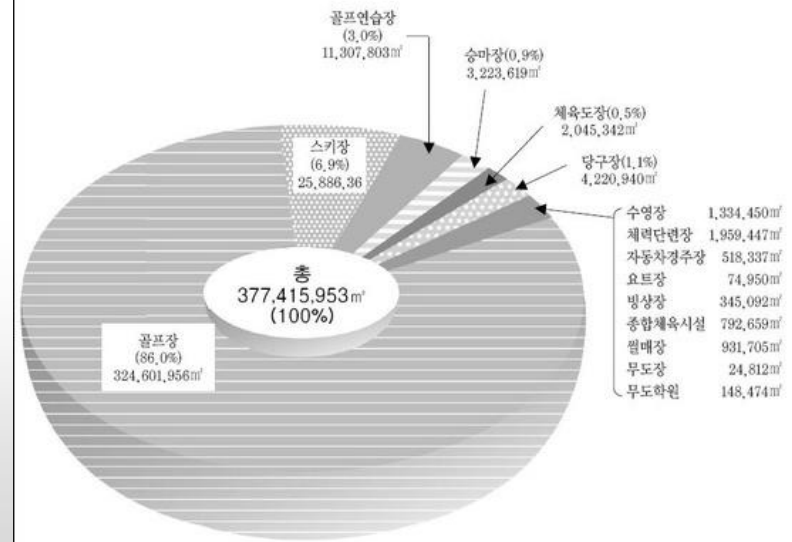


Size of sports construction business decrease,
Management of sports facilities business increase

가. 업종별 업소수 분포



나. 업종별 면적 분포



Current Condition

Classification of Sports Industry



Manufacture of sports goods

**Sports
equipment
manufacturing**

**Sports shoes
manufacturing**

**Sports clothing
manufacturing**

**Leisure sports
equipment
manufacturing**

Sporting goods retail

**Supplies
Wholesale and
retail trade**

Goods leasing

**Supplies repair
services**



Current Condition

Sports goods business status

Underdevelopment manufacturing of sports :

- Plant 10 to 19 employees 63.8%
- lack of specialized division of labor

Underdeveloped type corporate structure

Lags behind international competitiveness as a lack of new product research and development and quality innovation.

Exercise equipment trade deficit

4억 983만 달러

Supplies a surge in demand due to increased participation in sports activities

Sporting Goods-up to overcome the deficit is desperately seeking overseas.



Current Condition *Case 1*

**Athletic shoes inside the
sports center**

Nike + Apple joint venture

→ *Nike+*

Sensors to record the pattern of movement

Released in 2006, three months sold over
450,000

A new genre of jogging culture



Current Condition

Classification of Sports Industry



**Sports events
business**

**Sports market
business**

Pro-sports

**Amateur
sports**

**Sports
marketing
agency**

**Sports
agency**

**Cycle,
Horse,
Motorboat
Racing**

**Sport
events**

**Player aims
at fostering**



Current Condition

Classification of Sports Industry



**Sports
Facilities
Business**



**Sports
Supplies
Business**



**Sports
Services
Business**

Sports information business

**Sports
newspaper**

**Sports
internet**

**Sports
broadcasting**

**Sports
tourism**

**Sport
lottery**

**Membership
seller**

**Sports
software
development**

Other sports business

**Teaching
service**

**Adventure-
type natural
sports**



Current Condition

Status of sports service

Sports events

37.1% of the entire sports industry

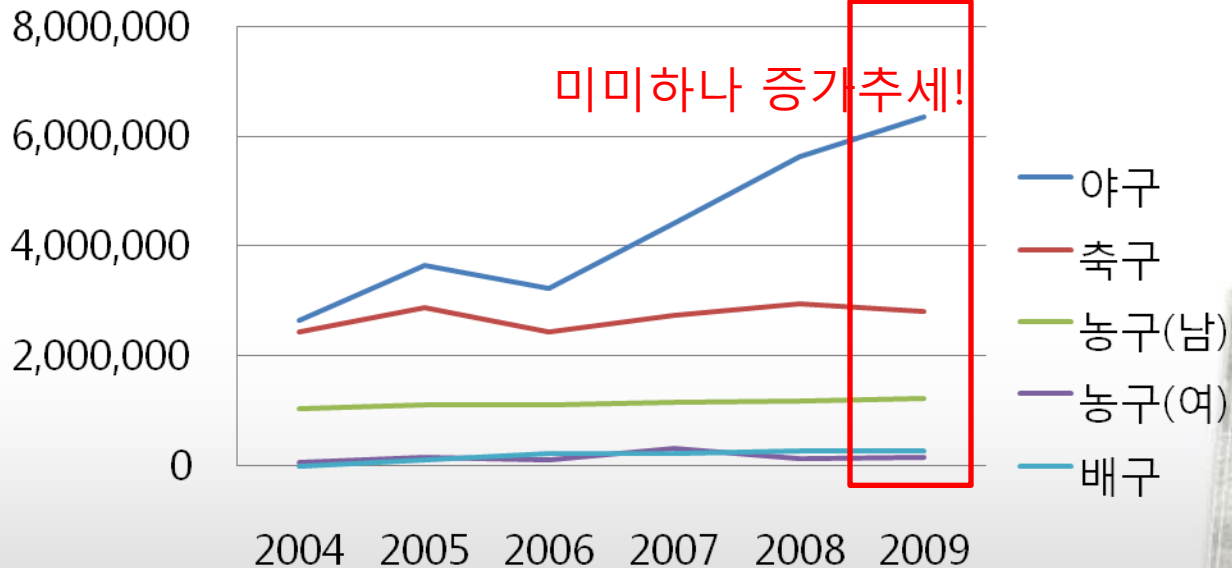
9.7863 trillion won(9조 7,863억원)

Can lead to the growth of sporting goods business and sports facilities business with



Key sectors of the sports industry!

주요 프로 스포츠 관중 추이



Current Condition

Status of sports marketing

Sports marketing business

2.1% of the sports service

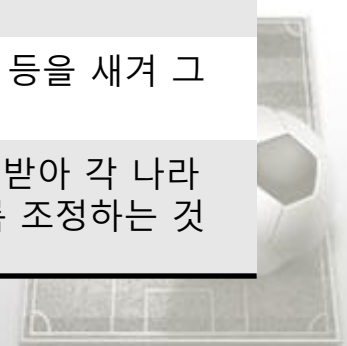
2,723억원

Spectators growing trend, increasing overseas players, the absence of experts, fall behind in the competition with foreign companies



Sports marketing agency, consulting business, sports agency business will grow

명칭	내용
Sponsorship	후원회사가 그 행사의 내용, 혹은 상당 비용을 지불하고 그 행사를 후원하는 것
Licensing	대회의 로고나 마스코트를 후원하는 기업의 상품에 붙일 수 있는 권리
Merchandising	대회의 마스코트나 로고, 선수의 캐릭터 등을 사용해 기념품 등 기타 상품을 만들 수 있는 권리
Endorsement	선수나 팀을 후원하여 그들의 경기용품 및 의류 등에 후원사의 로고 등을 새겨 그들의 이미지를 이용하는 것
TV right	대회 운영단체에 일정금액을 내고 TV중계에 관한 모든 권한을 위임 받아 각 나라 혹은 국내의 타 방송사에 일정금액을 받고 방송 중계를 할 수 있도록 조정하는 것



Current Condition Case 2

IB 스포츠



스포츠 마케팅 종합회사

매출의 50%는 *미디어 판권* 수익

추성훈, 김요한 등 스타선수 소속

각종 스포츠 중계권, 국제대회 유치 마케팅,

시장개척 컨설팅, 스포츠 마케팅 솔루션 등 제공



Current Condition

Status of sports information

Sports information

15.4% of sports service business

2조35억원

Various media and contents relay

Increased broadcasting right fees, but viewership congestion(시청률의 정체)



Increase the possibility of the development of the sports service

Internet developing:
various mass media

