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SWOT Analysis on the Development of Sports Industry in Guanzhong-Tianshui Economic Zone

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Abstract: **This paper studied the status quo of the sports industry in Guanzhong-Tianshui economic zone, in four aspects—the strengths, weakness, opportunities, and threats, by investigating, interviewing, and drawing on data and statistics. And it proposed the development strategies for the sports industry in Guanzhong-Tianshui economic zone: (1) hold large-scale sports game, attract investment as much as possible, and optimize allocation of resources; (2) adopt market principle in sports industry; (3) hold mass sports, expand sports market, and upgrade sports services.**

Keywords: Sports in Guanzhong-Tianshui economic zone; sports industry; SWOT

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1. Introduction

Sporting events, also known as sports competitions, sports games and performances, are special activities that provide products for competition and related services. It can exert great influence on society, culture, nature, politic, economy, tourism, entertainment and other fields, creating enormous social benefit and economic benefit.

Nowadays, China's sporting industry which has developed rapidly becomes one of the forces expanding domestic demand and stimulating consumption, playing an active role in the development of the national economy. However, due to gap between the east and west in economy, culture and social development, sports industry develops unbalancedly. With solid economic base, excellent natural conditions, profound history, and unbounded potential, Guanzhong-Tianshui economic zone is the leading force in the Western development region. Holding large-scale sporting events in the Guanzhong-Tianshui economic zone helps to extend the industrial chain, promote the adjustment of industrial structure, speed up construction and development, strengthen regional economy, and lead the development of the whole Western region.

By adopting the method of SWOT analysis proposed by McKinsey firm, this paper analyzed the strength, weakness, opportunities and threats of the Guanzhong-Tianshui economic zone for holding large sporting events.

2. The software and hardware advantages of the Guanzhong-Tianshui economic zone for developing sports industry

2.1. Geographic location

The Guanzhong-Tianshui economic zone is located in the center of Asia Europe land bridge, where is of great strategic importance. It covers Xian, and Tongchuan, and Baoji, and Xianyang, and Weinan, and Yangling, and part of Shangluo (in Shaanxi Province) and Tan Shui's administrative area in Gansu province, about 79,800 square kilometers. It also affects Hanzhong, Ankang, in southern of Shaanxi Province, Yanan, Yulin, in northern of Shaanxi, and Pingliang, and Qingyang and Longnan, in Gansu province. Many railways, highways, airlines and pipelines converge here, greatly facilitating the sports games held here.

2.2. Economy

Sports development and economic development are inextricably linked. A country or region's GNP, per capita income, and other basic indicators are prerequisite for the development of sport. Implementing the strategy of developing West China for more than 10 years, the Guanzhong-Tianshui economic zone has seen remarkable changes: investment environment has improved greatly, both at home and abroad; material and cultural living standards have been greatly improved; Total population was 29.27 million in late 2007;GNP in the economic zone reached 381 billion yuan, accounting 28.6% in Northwest Territories; investment in fixed assets totaled 951.1 billion yuan, an annual growth of 23.4% than previous year; large construction projects, like power, transportation, municipal and other infrastructures, were established step by step; the added value of industrial enterprises was 127.1 billion yuan in 2007, accounting 23.5% in the Northwest. In 2010, the GDP of Guanzhong-Tianshui economic zone was 683.1 billion yuan, and urban fixed-asset investment 559 billion yuan, 14.5% and 28.7% respectively higher than the national average of 4.2%. According to the plan, by 2020, the total economic output in the region will reach more than one-third in the Northwest, gross regional product per capita will quadruple, and urbanization rate will be more than 60%.

2.3. Ample sports resources

With large cities locating in the Shaanxi Guanzhong-Tianshui economic zone, there are 19,227

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stadiums, including 9477 with standard level, covering 1.1081 million square meters, and 137 can immediately take on big game after renovation. Besides, Shaanxi Province, renowned for education, has more than 80 colleges, which can make great contribution to sports facilities.

As for sport talents, Wang Baoshan, Qiu Chen, Tian Liang, Qin kai, Guo Wenjun, Wu Liuxi, Wu Yanan, Ji Zhen and a lot of other outstanding athletes emerged from Shaanxi. They won gold or silver medal in Olympic and Asian Games. The professional sports college--Xian sports College, one of the most time-tested sports colleges, trained nearly 10,000 students each year, providing enough sport talents for big sports events.

2.4. Market demand

Market demand is a great stimulus for promoting sporting events. With the improvement of living standards, people are increasingly concerned about recreational activities, and attending the sports becomes a new trend. It is the huge market demand that supports NBA and World Cup. It is safe to say that huge market demand of Guanzhong-Tianshui economic zone was able to provide a solid basis for holding large sporting events.

2.5. Cultral features

Profound cultural accumulation features this area: it is the cradle of Chinese civilization, beginning part of the famous Silk Road and hometown of Xihuang; it is where the ancient capitals of 13 dynasties located, with ample historical and cultural legacy and rich cultural resources. It also has sophisticated science and education, with more than 80 colleges, over 100 national and provincial key scientific research institutes, and more than 1 million scientific and technological personnel. In 2010, the expending of research and development took up 3.8% of gross domestic product, much higher than the national average. Comprehensive strength in science and education topped.

2.6. Regulating system

Scientific and qualified system is essential for hosting big sports events and propelling sports industry. In September 2010, Shanxi sports industry limited company, China's first provincial-level State-owned sports industry group, was founded. The company mainly provides services for sports capital operation, sports services, and special sports industry, participating in the construction of provincial public sports facilities, public services, sports industry planning, decision making and studying of the large projects. The appearance of the management organizations will play a huge role on the development of sports events, and can make sure that the sport events will be conducted scientifically and orderly.

3. The weaknesses of the development of sports industry in Guanzhong-Tianshui economic zone

3.1. Underdevelopment of sports market

According to the survey, sports events in the Guanzhong-Tianshui economic zone generally is of low level of industrialization, which can be shown in the following aspects: first, the sporting events still use the outdating operation, and market mechanism has not been established. Large sports events are mainly conducted by the government, with no other financial recourses than Government allocation. And few sports events are held. Second, relevant sports industry such as the sports leisure industry are of low level of marketization. There are few leisure projects and services paid by individuals, and fully market-oriented sports and leisure club has not been established. Sports and leisure advertising, professional sports show, and sports training are to be developed. Third, capital market development in the sports industry is slow. Forth, the revenue of sports industry in Guanzhong-Tianshui economic zone revenues comes from a single source, that is, the lease of stadiums and Sports Ticket revenue.

3.2. Lacking huge projects and sports game

Holding international sports events has a very significant impact on the economy; while improving local infrastructure and tourism images, it could increase the number of tourists and expand the sports industry's consumption market, thus it can contribute significantly to local economic development. For example: according to analyses by Korea Development Institute, in 2002 when Korea hold World Cup, it had roughly 13 trillion revenues, equivalent to $ 10 billion. By contrast, few international sports events are held in Guanzhong-Tianshui economic zone. Only a handful of sports events are held every year, such as Huashan International Tourism and Mountaineering Day, Rock Climbing Competition, Xi ' an city wall International Marathon Championships, but none to make a big impact and bring economic benefits because of inadequate publicity. By using Han and Tang culture, the name card of Xi'an city, we can hold big sporting events and promote sports industry development while driving traffic, communication, television advertisement, venue construction, hotel, catering, tourism and industrial development, to make the area more popular.

3.3. Management system unmatched with operation system

The current laws and regulations on sports industry in the Guanzhong-Tianshui economic zone are too vague and general to provide any specific help. Therefore more comprehensive and specific laws should be made. The sports industry in our country is brand new industry, so theory relatively lags behind practice. And governments are still learning how to manage sporting industry effectively; related adjustment mechanism has

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not yet formed.

4. Opportunities for the Development of sports industry in Guanzhong-Tianshui economic zone

4.1. "Eleventh-Five years" planning proposed to establish Guanzhong-Tianshui economic area

Guanzhong-Tianshui economic area, among the three new economic zone, proposed by the "Eleventh--Five years" planning, is the key construction project. The west development will propel the urbanization of Guanzhong-Tianshui economic area which can be indicated by the transition from agriculture population to non-agriculture population and modernization of the city. During the two processes, the demanding for sports also grows, which played an active role in expanding sports market and increasing capital of sports industry .At the same time, the ongoing health care reform, reform of the social security system and the reform of the housing system are becoming a powerful incentive for sport consumption demand growth and create sound external environment for the implementation of the plan of national keeping-fitness and the cultivation of the sports market, bringing huge opportunities for the sports industry in Guanzhong-Tianshui opportunity.

4.2. Shaanxi bit for large sports games

Euro-Asia Economic Forum, the world Horticultural Exposition, Expo International Conference in Central Asia have been or will be held in Xi ' an, and more and more countries are building their own embassies in Xi'an. At the same time, Shaanxi Province is working hard to apply for the National Games, which will give an incentive to the development of Guanzhong-Tianshui economic zone and will drive the region to achieve sound and fast development.

4.3. The forthcoming 2016 Olympics

The 2016 Olympic Games is coming soon, when London Olympic heat has not dissipated. At that time, "Olympic games fever", brought by the Olympic Games, will undoubtedly cause a new round of development of the sports industry and will also stimulate the development of domestic sports industry and sports services. More importantly, the Olympics will attract more and more people to participate in physical activities and sports, thus contributing to the expansion of sports industry market.

4.4. Government should establish state sports group and brings opportunity to sports industry

In order to foster the development of the sports industry, the government sets up Shaanxi Provincial sports industry group in Shaanxi. The Company will follow the development strategy "market-oriented, company-centered, park-based, project-support" to establish 7 sports industry Park, namely, the high-tech Zhang Ba industry Park, Guanzhong sports facilities manufacturing Park, Suzaku sports industry Park, and Yangling sports tourism Park, Pucheng General Aviation sports industry Park, Chang'an new sports industry Park and Qinling mountain sports industry economic circle.

5. The threats of the development of sports industry in Guanzhong-Tianshui economic zone

5.1. Low economic level

Sport is closely related to economic. GNP, per capita income, and other basic indicators are prerequisite for the development of sport. In recent years, the Guanzhong-Tianshui economic zone's economy has developed steadily and fast, with GDP 683.1 billion Yuan in 2010. But compared with the relatively developed regions, like Shanghai, with GDP of 1369.815 billion Yuan, the economy's fallen behind. With low levels of economic development and little income, people don't have much spending on sports, leading the demand of sports industry insufficient. Thereby expansion of sports market is constrained. These potential threats block the development of the sports industry in the Guanzhong-Tianshui economic area.

5.2. Big gaps between the east and the west

Regional differences in development of the sports industry make the east and west develop unbalancedly. As studies by Qian Wenjun shows, in the sport competition bidding plan, released by the General Administration of national sports, 197 games were held by 88 small and medium cities in coastal cities, 158 games in 63 middle cities, and 89 games in 35 west cities, which indicates cities in the east with better economic conditions host more the events; and games held in the middle and west cities concentrated on the several cities with better conditions. There is a huge gap between the east and west in scope, commercialization, product structure, ability to provide more jobs, and laws and regulations. Guanzhong-Tianshui needs to speed up the pace of the development of the sports industry.

5.3. Deficient laws and polices

Survey shows that people's views on sport industry are conservative, and a lot of people don't see sports as an industry, let alone recognizing the link between sports and economy. And this is often reflected in the Government's decisions: the deficient laws and regulations, unclear responsibility, complex procedures when asking for administrative approval, which block the development of the sports events.

In this section, authors must give the key positive results of the study, and the description of the results need be provided. Discussion is the good way for authors to found the profound mechanism.

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Table 1 SWOT analysis

	Opportunities	Threats
The immanent cause Solutionss and suggestion External cause	1.The Western development "Eleven-Five" opportunities for planning and construction, the Guanzhong-Tianshui economic zone in 2.Opportunities to bid to host the games 3. The influence of 2012 Olympics 4.Government should establish a State-run sports industry group, foster opportunities for sports industry development	1.Threats posed by low levels of economic development 2.With the development of sports industry in the eastern part, large gap emerged. 3.Policies and regulations are inadequate
Advantages 1.Covieneient transportation 2.host large sport events 3.Rich resources and complete infrastructure 4.Huge market demand, popular among the mass	SO solutions 1.Take advantage of the policies 2.accelerate the development of sports industry 2.Hosting large sport events 3. With sporting events, promotion of all-round fitness; advocate the concept of sports consumption; and improve residents' sports consciousness.	ST solutions 1.Use of sport tourism resources with cultural features, to make the city business card 2.Take advantage and sports, to create unique sports brand 3.Make Full use of sports resources and improve competitiveness of sports industry 4.Guid and stimulate consumption, promote the development of large sports events
Disadvantages W 1.Underdevelopment of sports market; low level of industrialization 2.Lacking special sporting events and projects 3.Management system don't fit operational mechanism of sports industry	WO solutions 1.Make full use of policies, foster sporting 2.Accelerate the process of commercialization of sports industry 3.Make use of state-run sports industry group to regulate management and operation of large sports events 4.hold large sport events with unique characteristics	WT solutions 1.Improve policies and regulations, and create a good environment for sports industry 2.Study market, clarify position, and remove the restrictions on economic development 3.Update management strategies, reform the current system of sports industry

6. The analysis and strategy on the development of sports industry

After analyzing internal and external factors of sports industry in the Guanzhong-Tianshui economic zone, by using SWOT matrix analysis, factors relevance and impact degrees emerged. Thus the SWOT matrix (see table 1) came into being. In the matrix, there are respectively four SWOT combinations-strength-opportunity (SO), strengths-threats (ST), weaknesses-opportunities (WO), and weaknesses-threats (WT). Through matching them one by one, corresponding solutions was drawn.

6.1. SO solutions

Seize the policy advantages of national economic development, speed up the development of sports industry. Actively undertake various big sporting events, promote comprehensive wellness, advocate sports consumption, and improve residents' sports consciousness.

6.2. ST solutions

Draw on the pool of sports tourism resources and unique culture; make the city card; Develop advantageous sports; create unique sports brand; take full use of sports resources; improve competitiveness of the sports industry; guide and stimulate consumption; and promote the development of large sports events.

6.3. WO solutions

Take advantage of policies to expand sporting events; Accelerate the commercialization of sports industry; follow the leadership of state-run sports industry group; regulate the management and operation of large sports events; hold large sporting events with unique characteristics; and broaden the diversity of sports industry market.

6.4. WT strategies

Improve policies and regulations; create good environment for sporting industry operation. Actively respond to the market; clarify the position of large sports events; lift the restrictions of economic

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development. Update management strategies; reform the current system of sports industry.

7. The development strategy of sports industry in Guanzhong-Tianshui economic zone

Through a series of research and analysis on the SWOT, the Guanzhong-Tianshui economic zone, to develop the sports industry, should introduce sports events with its unique characteristics, promote the development of related sports industry, improve urban competitiveness in the economic zone. Following strategies are suggested:

7.1. Host large sports events with special characteristics.

Guanzhong-Tianshui economic zone should bid for more large sporting events, based on expanding existing Huashan international rock climbing Championship and the Xi ' an city wall International Marathon friendly match, and pay attention to build the city brand and the city “name card”.

7.2. Strategies for introducing market rules to sports industry

Push the sports industry in the Guanzhong-Tianshui economic zone’s into market, then gradually adopt market rules. Learn state of the art management from large sports games, inside or outside the province, and raise the level of commercialization of sports events. Build sports industrial chain, introduce market-oriented principles, and expand development of the sports industry. Develop sports equipment, sports drink, sports goods, sports tourism to expand the industrial chain.

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