

# CURRENT TRENDS IN THE SPORTS INDUSTRY AND THEIR INFLUENCE ON THE DEVELOPMENT OF ORGANIZATIONS

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## Citation:

Leonov, Y. (2020). Current trends in the sports industry and their influence on the development of organizations. *Economics, Finance and Management Review*, (4), 89–96. <https://doi.org/10.36690/2674-5208-2020-4-89>

Received: November 15, 2020

Approved: December 04, 2020

Published: December 07, 2020



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**Abstract.** The article considers the current trends in the sports industry and their impact on the development of organizations. In conditions of rapid changes in the regulatory framework, unstable economic situation, fierce competition for effective demand, organizations must not only focus on the development of domestic capacity, but also to form a flexible policy aimed at adapting to change. Therefore, the task of developing and implementing a model of strategic development of sports organizations, which would increase the efficiency of their functioning in a market environment, take into account the growing needs of the population in sports and health services and allow to form competitive strategies. The impact of the fitness industry on the health of modern man has been studied. In modern conditions, the issue of creating the necessary conditions to involve people in daily and specially organized physical activity of appropriate duration, intensity and regularity is relevant. In Ukraine, due to a number of objective and subjective reasons, significant reserves for increasing the motivation of the population to physical activity, the formation of relevant interests, the use of organizational and managerial capabilities of various actors in the system of sports and recreational physical activity, strategic directions and justification of innovative technologies to create a comfortable environment that will encourage physical activity.

It is proved that for today fitness is a driver of growth and development of the sports industry. This confirms the fact that the fitness industry involves many sectors of the national economy: industry (production of sporting goods, equipment, equipment, facilities), nutrition, sports medicine and pharmacy, and so on. Therefore, consider the current trends in the sports industry on the example of fitness.

The experience of fitness development in the leading countries is analyzed. It is noted that fitness is becoming more and more popular among the population every year, and the health industry has a positive dynamic of development - more than 80% of the market accumulates the ten largest fitness markets. The most active fitness enthusiasts in the world are Americans, Norwegians and Canadians. In the US - 40%, in European countries - 25% of users of the fitness industry product. At the same time, a third of the global market in monetary terms belongs to the United States. It is proved that in the promotion strategy in the strategy of promoting their product, sports organizations should use social networks, content marketing, SEO-promotion, crowd-marketing and other tools. The use of digital marketing tools will allow sports organizations to increase their competitive advantages, stabilize their financial condition in the crisis period and create conditions for growth in the post-crisis period. Thus, it can be noted that the culture of a healthy lifestyle and physical activity is gaining popularity in Ukraine, so the presence of modern sports organizations is an important condition for the development of the country. The support of the state is manifested in ensuring the development of organizations in the sports industry, increasing their social responsibility and prestige, the legal provision of social investment conditions, flexible tax policy for charitable organizations.

Today, there is a need for change in the sports industry and the production of quality sports products based on the use of modern approaches, combining the efforts of interested organizations and the public. The definition of strategic directions of development of the sports industry, forecasting of perspective processes, use of system and program-target approaches in development and realization of practical actions acquires special urgency.

**Keywords:** sports industry, strategic development, physical activity, state policy, fitness, sports organizations, digital marketing technologies.

**JEL Classification:** D40; L11; L83

**Formulas:** 0; **fig.:** 1; **tabl.:** 1; **bibl.:** 12

**Introduction.** Modern socio-political and humanitarian challenges in the global space are related to a complex of various factors (coronary crisis, globalization, integration, decentralization, digitalization, etc.) and are complex and contradictory in the development of states. Leading countries in the face of current challenges are taking an active position in overcoming the crisis - implementing stabilization measures and creating conditions for sustainable development in the long run. Others, following the actions of leaders, implement the best mechanisms and tools in their management practices.

The development of all social processes in Ukraine is influenced by a set of external and internal factors. The main factors are: inefficiency of the state system of government and socio-economic policy, imperfect administrative-territorial reform, lack of political responsibility, a significant decrease in people's trust in state institutions. Therefore, the urgent problem is the formation of effective interaction between government (central, territorial), business and the public in search of new ways to ensure socio-economic development of territories, creating an effective system of government that will positively affect the quality of life.

**Literature review.** Domestic and foreign scientists: Andrey V., Humeniuk V., Dvigun A., Kercher V., Zholdak V., Zolotov M., Platonov V. and others. made a significant contribution to achieving a balanced management system of the sports industry, substantiation of mechanisms and theoretical and methodological foundations of state and territorial governance. ., Available publications focus only on certain aspects of the research issue. But the issue of managing the development of sports organizations in the context of change, taking into account the positive foreign experience, has not been studied enough.

**Aims.** The aim of the study – to form an idea of current trends in the development of the sports industry and their impact on the development of organizations.

**Methods.** The theoretical and methodological basis of the study are the basic provisions of the dialectical method of cognition, in particular induction and deduction. To achieve this goal, various methods and techniques were used: abstract-logical, systematic approach, statistical observation and grouping, analysis and synthesis, comparison, forecasting, graphical.

**Results.** In the context of reforming market relations, rapid changes in the regulatory framework, unstable economic situation, fierce competition for effective demand, organizations should not only focus on developing domestic capacity, but also form a flexible policy aimed at adapting to change. Therefore, the task of developing and implementing a model of strategic development of sports organizations, which would increase the efficiency of their functioning in a market environment, take into account the growing needs of the population in sports and health services and allow to form competitive strategies.

The relevance of the use of modern approaches, models, methods of strategic management in the activities of sports organizations is due to the fact that the level of logistical, financial, personnel, scientific support of these organizations does not allow to provide quality sports and health services, develop mass physical culture in

relevant areas . At the present stage, most non-profit sports organizations have certain problems with attracting professional staff, financial and investment resources, on the one hand. On the other hand, low wages, underdeveloped infrastructure negatively affect their competitiveness. The task of strategic management is to create conditions that will allow organizations to respond in a timely manner to changes in the external environment in the scientific, technical, social and political spheres, implement modern investment tools to attract new sources of funding and ensure sustainable development of organizations.

In the world practice of development of organizations of the sports industry considerable attention is paid to training, retraining and advanced training of personnel. This allows to involve staff in further professional growth, which in general affects the competitiveness of sports organizations and meet the demands and needs of buyers of sports products.

Therefore, the strategic development of organizations in the sports industry is ensured by the comprehensive implementation of the system of personnel training and innovative technologies using the best world practices in the production of quality sports products. This approach will allow organizations to create conditions for increasing competitiveness and sustainable development.

The fast pace of life, competition in the labor market require modern people to be in excellent health and in good physical shape. The standard of a successful and business person today is a healthy lifestyle with mandatory visits to sports organizations (sports and health clubs, fitness centers, etc.). But this pace of change has a negative impact on human health, which is manifested in increased stress, anxiety, depression, cardiovascular disease. One of the effective tools to overcome these phenomena is the prevention of diseases by means of physical culture. Sports and health classes significantly affect the condition, consciousness and social life of people.

A healthy lifestyle means the forms of daily life used, which meet hygienic principles, strengthen the adaptive capacity of the human body, contribute to the restoration, maintenance and development of its reserve levels and increase productivity.

In modern conditions, the issue of creating the necessary conditions for attracting people to the ubiquitous and specially organized physical activity of appropriate duration, intensity and regularity is relevant. In Ukraine, due to a number of objective and subjective reasons, significant reserves remain to increase the motivation of the population to physical activity, the formation of relevant interests, the use of organizational and managerial capabilities of various actors in the sports industry. Defining strategic directions and introduction of innovative technologies to create a comfortable environment allows to involve the population in physical activity. The main producer of a sports product not so long ago were traditional sports organizations (sports clubs, sports clubs, sports schools, etc.), which were financed from the budget and carried out non-profit activities. However, since the beginning of 2000 in Ukraine the world direction on rendering of sports and improving services - the fitness industry develops. It organizationally includes sports organizations of the

commercial type (fitness centers, fitness clubs, fitness halls, etc.), which provide better sports and health services than traditional organizations.

Today, fitness is a driver of growth and development of the sports industry. This confirms the fact that the fitness industry involves many sectors of the national economy: industry (production of sporting goods, equipment, equipment, facilities), nutrition, sports medicine and pharmacy, etc. Fitness is a way of life that allows disease prevention, preservation and strengthen health, balance the emotional state and improve physical fitness. Therefore, consider the current trends in the sports industry on the example of fitness.

The fitness industry is a component of the sports industry, a branch of socio-economic activity that creates an economic, logistical and information-ideological base for the provision of paid fitness services to various categories of the population.

The fitness industry in Ukraine has an accelerated pace of development and ranks second after the IT sector. Due to the rapid growth rate, the investment attractiveness and volume of its market is increasing every year. Experts estimate the market potential to \$ 2 billion. [7, 8, 11, 13]. Therefore, the fitness industry significantly affects the socio-economic development of the country.

In Ukraine, there are various fitness centers, clubs, beauty and health studios that provide a range of services that include popular fitness programs and technologies. They are based on innovations aimed at meeting various needs, demands, interests of people in the sports and health product.

Every year, fitness is becoming increasingly popular among the population, and the health industry has a positive dynamics of development - more than 80% of the market accumulates the ten largest fitness markets. The most active fitness enthusiasts in the world are Americans, Norwegians and Canadians. In the US - 40%, in European countries - 25% of users of the fitness industry product. In this case, a third of the global market in monetary terms belongs to the United States [1, 2, 3]. The US fitness industry is more than 30,000 clubs of various formats. For example, the giant Kryvyi Rih is an economy class network that has a franchise in many countries - more than 10,000 clubs. Clubs of another large American network Planet of Fitness are visited by more than 2.3 million people. According to research conducted in the United States, each dollar invested in attracting employees to physical activity programs, gives up to \$ 3.43. savings on medical expenses and payment of sick leaves [4].

The development of fitness in the leading countries has the state support of sports organizations: preferential treatment for taxation, rent of premises and land, utility tariffs. For example, in Italy, due to legislation aimed at encouraging the opening of sports and health clubs, the profitability is 25-30%, in other business sectors - up to 10%. [4, 5, 6].

Compared to world indicators, the demand of Ukrainians for sports services is still far from world indicators: only 3% of the population use fitness services. The main users are people aged 27-45 living in cities with higher education, secondary or above average income. The characteristics of the sports industry are given in Table 1.

**Table 1. Characteristics of the sports industry of Ukraine for the period 2016-2019**

Indicator	Year			
	2016	2017	2018	2019
Current population, million people	45,8	42,8	42,6	42,4
Number of people engaged in physical culture and sports, thousand people.	5474,7	5841,0	6027,1	6137,6
Number of people engaged in physical culture, thousand people.	4532,9	4867,2	5048,5	5167,1
Number of people involved in sports, thousand people	941,8	972,8	978,5	970,5
Employment in sports (entertainment and recreation), thousand people	201,6	199,8	196,9	197,6
Sports facilities in total, units	80193	81910	82719	80315
including:				
swimming pools	534	557	545	557
sports halls with an area of at least 162 m <sup>2</sup>	14664	14791	14771	14634
playgrounds with exercise equipment	12435	13208	13726	13955
Number of fitness facilities, units	2000	1569	1765	... <sup>1</sup>
Number of people engaged in fitness, million people.	4,1	3,8	1,2	...

<sup>1</sup> ... - no information.

Source: [7, 9, 12, 13]

With a steady decline in the population of Ukraine during 2016-2019, the indicator "the number of people engaged in physical culture" increased: in 2019 compared to 2016 increased by 14%. At the same time, employment in sports (entertainment and recreation) decreased by almost 2%. The number of people engaged in fitness increased during 2016-2017, but since 2018 there has been a negative trend. This figure in 2019 decreased by 2.2 times compared to 2016.

The number of sports facilities in 2019 compared to the previous year decreased by 2.9%. This was due to a decrease in the number of: sports grounds, football fields, shooting ranges and gyms. It should be noted that during 2016-2018 the number of sports facilities with training equipment increased by 12.2%.

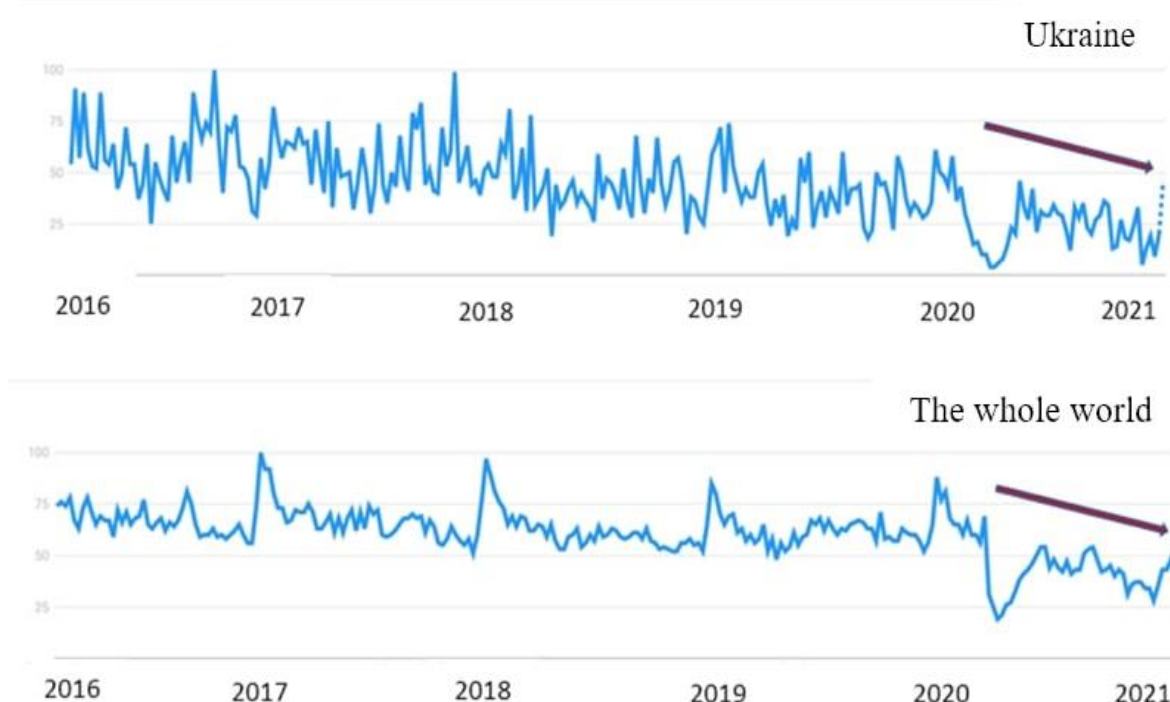
During the period, there was a fluctuation in the number of fitness facilities, which is related to the general political and socio-economic situation in the country. Fitness facilities had the following structure: 57% were fitness clubs, 10% - fitness studios, 9% - martial arts clubs and Pilates studios, 7% - women's fitness clubs, 3% - yoga and dance studios, 2% - swimming pools [4, 6, 10, 11].

Modern demands of society to the level of development of physical qualities of a person, his need for physical activity and the desire for health and well-being have led to the widespread spread of fitness around the world. In Ukraine, fitness has developed over the past 15-20 years.

Over the past few years, there has been fluctuations in demand for the use of fitness services by the population. However, 2020 showed an increase in the interest of Ukrainians in sports and a healthy lifestyle.

The positive dynamics of the fitness industry took place until 2020 and was characterized by an increase in fitness facilities, their financing and the number of visitors, which affected the growth of market revenues and had positive consequences for investors. The fitness market in Ukraine is just being formed, so it has a huge potential for development.

The analysis of sports product market trends on the example of demand for fitness services in Ukraine and the world is shown in Fig. 1. Digital marketing technologies and tools were used in the analysis [10].



**Figure 1. Current trends in the demand for fitness services in Ukraine and the world**

*Source: developed by authors*

From Fig. 1 we see: in the market of fitness services in the world and in Ukraine there are constant fluctuations with declining demand. It should be noted that due to global quarantine, the demands related to sports, healthy lifestyles and physical activity are increasing. In 2020-2021, the opportunity to visit sports clubs decreased, but people are showing interest in sports. Note the sharp increase in popularity, which has not been observed in previous periods. Such changes are associated with quarantine restrictions (closure of sports organizations) and an increased need to engage in physical activity at home. As a result, new opportunities have appeared for sports organizations to meet the demand associated with the transformation and development of online interaction with users of sports products (online fitness services, video consultations, video training, etc.).

In Ukraine, there is a revival of the market in early 2021. This trend is justified by the fact that people in the quarantine period begin to show interest in a healthy lifestyle due to low physical activity, overweight, etc. During the pandemic, the impetus for the development of a sports organization is associated with the introduction of new business models that will ensure stability.

In these conditions for sports organizations there is a question of introduction of effective tools concerning work with the lowered demand. The main tool in the situation of quarantine restrictions are digital marketing technologies that will provide information about the state of the sports market (requests, needs, expectations of people), develop the most attractive conditions for promoting a sports product (increase people's interest, promote the brand of sports organization, etc.) and geographical location of people.

It should be noted that the sphere of information business is actively growing in Ukraine. People are actively interested in information about a healthy lifestyle and physical activity. Therefore, in the strategy of promoting their product, sports organizations should use social networks, content marketing, SEO-promotion, crowd-marketing and other tools. The use of digital marketing tools will allow sports organizations to increase competitive advantage, stabilize their financial situation in times of crisis and create growth in the post-crisis period.

The culture of a healthy lifestyle and physical activity is gaining popularity in Ukraine, so the presence of modern sports organizations is an important condition for the country's development. The support of the state is manifested in ensuring the development of sports industry organizations, increasing their social responsibility and prestige, the legal provision of social investment conditions, flexible tax policy for charitable organizations.

**Discussion.** Physical education is a component of comprehensive human development. It is aimed at ensuring the physical development of the individual, strengthening health, morphological and functional improvement of the body as a whole. The more developed the physical and spiritual strength of man, the higher the level of his ability to work and productivity. A healthy person is more active, mobile, cheerful and generally more viable. Further research should be devoted to the development of the system of state support for the development of the sports industry, the rationale for the development of the National Program and Strategy for the development of the sports industry of Ukraine.

**Conclusions.** Today, there is a need for qualitative changes in the sports industry and the production of quality sports products based on the use of modern approaches, combining the efforts of interested organizations and the public. The definition of strategic directions of development of the sports industry, forecasting of perspective processes, use of system and program-target approaches in development and realization of practical actions acquires special urgency.

It is determined that fitness is a driver of the sports industry and demonstrates positive growth dynamics. The prospects and trends in the development of the sports industry in Ukraine include the involvement of the entire population in physical activity, starting with the active development of children's fitness; individualization of fitness programs; integration of fitness into education; increase people's motivation for a healthy lifestyle.

Doing fitness is becoming prestigious in today's world. Therefore, the number of fitness facilities is increasing in countries where the population fully understands that a healthy lifestyle has a great impact on the development and prosperity of the state.

Thus, the demand for the product of sports industry organizations is growing due to changes in people's minds about a healthy lifestyle and physical activity. Organizations of the sports industry, along with traditional technologies for the provision of sports and health services need to actively implement modern methods, approaches to management (strategic management, innovation management, digital marketing technologies, etc.). This will ensure competitive advantage and sustainable development in the long run. It is necessary to involve state institutions in the development of effective national programs, strategies development of the sports industry and determine their impact on the economic success of the country and the formation of a healthy person.

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