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## Impact of globalization on sports goods industries

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### Abstract

The term Globalization means integration of economics and societies through cross country flows of information, ideas, technologies, goods, services, capital, fiancé and people. Historically the growth of globalization was mainly led by the technological forces in the field of transport and communication. The rapid development of the capital market has been one of the important features of the current process of globalization. There are many negative and positive effects of globalization in every field. The main two fears of globalization are that globalization leads to a more iniquitous distribution of income among countries and within countries and other one is that globalization leads to loss of national sovereignty. Globalization is not only an economic phenomenon. In sports globalization started as early as in 1877 when the inaugural cricket test match was held between England and Australia. Sport is affected by and participates in the process of globalization in several different ways. Many International competition benefits the country economically. This topic deals with effect of globalization on sports goods industries.

**Keywords:** Globalization, economics, sports, growth

### Introduction

The term Globalization means integration of economics and societies through cross country flows of information, ideas, technologies, goods, services, capital, fiancé and people. Cross broader integration can have several dimensions-cultural, social, political and economic. The term globalization has been used as early as 1944 but economics began applying it around 1983 when Theodore, Levitt wrote an article for the Harvard Business Review entitled "Globalization of Markets".

Historically the growth of globalization was mainly led by the technological forces in the field of transport and communication. In last two decades the process of globalization has proceeded with greater vigor. More and more developing countries are turning towards an outward oriented policy of growth. The rapid development of the capital market has been one of the important features of the current process of globalization. There are many negative and positive effects of globalization in every field.

Globalization significantly modifies the sovereignty of countries where countries now have to compose with forces whose impact is beyond their national limits. The economic characteristics of globalization are:

1. Increase in international trade at a much faster rate than the growth in the world economy.
2. Increase in international flow of capital including foreign direct investment.
3. Creation of international agreements leading to organizations like the WTO and NAFTA.
4. Development of global financial systems. The term globalization is now part of a familiar discourse where economists advocate its virtues while social scientists attempts to raise awareness concerning its dangers.

The main two fears of globalization are that globalization leads to a more iniquitous distribution of income among countries and within countries and other one is that globalization leads to loss of national sovereignty.

Globalization is not only an economic phenomenon: it is also a cultural, social and political. This topic deals to impact of globalization on sports. In sports globalization started as early as in 1877 when the inaugural cricket test match was held between England and Australia.

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The modern Olympic movement was then proclaimed in 1894 and held its competitions in Athens in 1896 (Horne *et al.* 1999) <sup>[1]</sup>. Since the sports has emerged in their modern forms and many sports were diffused from Britain to various corners of the British Empire, but begin as a cultural exchange between empires and colonies has now become an international commerce with most money related to sport circulates between Western Europe and the United States (Miller 2001) <sup>[2]</sup>.

The sports economists, a blog is a depository of economic thinking on issues in sports and economic in general. Sports provide an entertaining useful platform for economic discussion. They believe that the sports of the world are reflector of economic forces of the world since 1980; we can really speak of sport globalization in particular because it coincides with and is linked to economic globalization.

Sport is affected by and participates in the process of globalization in several different ways. First by internationalization of sports competitions and events, Sporting events such as the formula one race, which was previously conducted only by a few countries in Europe, but now it is being hosted by other countries throughout the world.

Globalization also affects sports through the international diffusion of sports. Sport is increasingly shaped by communication technologies (Satellite, Cable and Webcast) through films, news and the media. This allows the diffusion of sporting events that contributes to the development of a global culture. As the result, a national event as the NBA has now become an international sport media spectacle with a popular following in other countries.

There are many international competitions to conduct among nations for example Olympics and World Cups, Common Wealth Games. These all events include professional services, venues, sports goods and equipment that contribute significantly to the country's economy. Hosting of sports competition benefits the country economically if it increases wealth, creates employments and provides global marketing opportunities. Most of equipment used in international competition by player such as jerseys, helmets, shoes etc. produced and sponsored by some agencies or sport industry which directly affect the economy of county. Small companies do not have the benefits of economy at the lower cost of production. To compete in the global market the sports industries must be committed to produce innovative products to customers and meet the needs of investor and sponsors who often demand the highest value, quality and service. It is also important for sports business to see their levels in sports industry because by the respond of sponsors it will be easier to respond to globalization challenges and create new business, to take advantage of relationship with mega sporting events, athletes, players and government sport agencies. Relationship with government sport agencies is important because a successful industry needs an effective grass root program to encourage (or stimulate) the demand for sport products and services. For example if there are no football/hockey/badminton/ or any other game player, for these games equipment manufacturer cannot sell their sports equipment, which does effect the economy of country.

### **Strategies of Globalization/or methods to explore globalization**

Globalization is an opportunity for companies to penetrate new markets in other parts of world.

1. By establishing an agency for the sale purpose of

promoting local sport products and services.

2. The industry needs to capitalize on country's reputation as successful host of world class competitions and use this opportunity to explore new markets in different areas such as exporting expertise in the venues construction such as stadiums or golf courts.
3. To capture the new markets through branding and endorsement of goods.
4. Companies should make an internationally recognizable brand image for gaining the market share.
5. Agency should add its name and logo in sports products for globalization but it is very important that the agency's branded product meets international quality standard.
6. Companies need to take advantages of Government export assistant program i.e. as (MITI) Ministry of International Trade Industry because without this assistance product facing many problems in foreign market.
7. Critical Research & development program is most needed aspect for every industry to upgrade the quality of sports product & services and to meet the changing needs of market.
8. The full use of technology by the industry makes the innovative products.
9. Awards can be given to companies for innovative, creative productive and services.
10. The issues of protection of intellectual rights should addressed by government timely to improve the quality of product.
11. Research & development can be encouraged by providing opportunities for cooperative research between universities and sport business.
12. Other way to improve the research is to collaborative research between businesses and universities by setting a sport industry Research center Industries can help fund for research projects.
13. Workforce skill is also important to improve the quality of products to complete in global market.
14. Physical Education program/courses club with other courses from other departments (business, economics and communication) is called "Package".
15. Sports Training Programs should be needed for executives and manages.
16. Twinning program with foreign institutes of higher education.
17. Exploring opportunities for distance education and online education programs.
18. Industry needs reliable data regarding quality and availability of information on economic data, industry performance, long term trends in participation, consumer profile, and job and employment creation, value of exports, annual growth, facilities and usage of products.
19. By establishing a sport industry statistical group who will help to give the task of collecting data relevant to sport industry.

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