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National Sports Exchange: Has Sports become a Business in India?

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ABSTRACT: Research in the field of sports have become a dynamic study area over the past few decades and is likely to become even more so as the importance of sports management is rapidly gaining momentum. Therefore, understanding business of sports will be viewed as increasingly important.

Sports Management is one of the most neglected components in Indian Management education due to the complexity in its computation. This article aims at examining the relationship between Sports and Business at the national Sports Exchange in India.

KEYWORDS: Sports, Business and National Sports Exchange

I. INTRODUCTION

“Sports does not build character, it reveals it”, and as we can see the Indian sports culture has come leaps and bounds from when it had initially started and Ancient history confirms that our sports culture dates all the way back to the Indus valley civilisation and has gone through a lot of changes in the era's that followed the Indus valley civilisation. India was always known to be rich in knowledge about various topics and sports is one of them. Games like Polo, Martial arts of Judo and karate And Chess were invented in India and these few Sports games have now become familiar sports played world wide.

This showcases ancient Indian sports culture but the period in which sports started to get integrated into the Indian economy was at the start of olympic games. India always took part but was not in a position to compete with other countries who were far more superior in sports during this period.

The growth of sports industry contributing to the economy was as good as negligible until the 21st century started. the showcasing of sports events on various platforms like T.V, radio and Internet was the key trigger in the development of this industry of sports. The start of this period was when sports was recognised by the government, various businessmen and organisations not only as an opportunity to make money but at the same time to help develop the sports performance in India by increasing active participation in a country with over 1.3 billion people. This idea of making sports a new business, gives an opportunity to develop infrastructure, employment, economicdevelopment, increase capital flow within a country which has the potential to be one of the best in various sports and has also helped connect sports to various aspects like economy, socialite, media and politics which has influenced the society as a whole. This marriage between sports and the economy has only began, and it has transformed sports. Just how much does a world of bat and ball, shuttlecock, and wrestling contribute to a growing economy? well it is much more than you think and it is onlygrowing and well on it's way to become a business which had been largely ignored by the country until few years ago.

Although some people might lament the commercialisation of sports, it has been noticed that now more and more people look at sports as a way not only to stay fit and play for the love of the game but also to earn money (to provide for their family) while pursuing their passion which could not have been possible if sports is not commercialised, but as you know everything has its pros and cons.

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Few of the above facts highlight the inconceivable growth and changes sports has gone through in India, keeping in mind that it is only the beginning. basically the value of sports to the business economy extends beyond playing the sports now days.

II. LITERATURE REVIEW

Sports in India is on the edge peripheral, but not until recently have people and the government started to recognise but also give way for the development of sports, by making sports a business and indulging everyone in this environment of 1.3 billion people. Playing and participating in sports and looking after one's fitness is the new trend in India and few articles and books suggest and look into this aspect of sports.

globalisation of sports by WladimirAndreff : Do you think there is an impact of sports on the society? This paper looks to tackle this point by studying whether or not there is a relationship between sport participation and the economy. In this article, He talks about the features of a globalised sports economy along with the economic flows that occur due to a globalisation of various professional sports.

Money, Myth and The Big Match by David Rowe : In this the author talks about how sports and media, the fourth pillar of the democracy, have been incorporated in the society and everyday life. While both media and sports are a part of entertainment, the immense growth and emergence of media in the Indian scenario has only helped develop the sports culture in India in the past decade.

The Global Economics of Sport by Chris Gratton (2012) : This book is the first to use economics to analyse and examine the globalisation of sports market across the globe. The author covers every aspect from sports market, sports organisations, sporting events, sport corporations, broadcasting and sports sponsorship, All of which are important for sports to be truly grow in size. Analysing the true impact of sports in an economy is also focused on by the author.

Sports, jobs, and taxes : The economic impact of sports teams and stadiums by Noll, R., & Zimbalist, A. (1997) : A lot of costs are involved in making a new stadium or a sports franchise and this books looks at the economic impact of this on the economy. It looks at various aspects like the importance of the stadium design and economic effects of sports facilities along with its benefits, opportunity cost, employment and various other factors.

Economics of sport and recreation (2nd ed.) by Gratton, C., & Taylor, P. (2000) : In this the author talks about various sport's contribution to the global economy. It focuses on all aspects of the economics of sport and recreation but gives prominence to the staggering rise of the commercial sector of sports over the last decade.

Sociology of Sport by Serra, Pamela. (2015) : The author looks to address and talk about how we humans, using sports, have become socially involved with the society and how the way we play sports has completely changed after the commercialisation of the game.

Sports economics: theory, evidence and policy by Paul downward (2009) : This book mainly focuses on the economic aspect of sports in mass participation, professional sports and sports events comparing all these in various countries around the world.

sports finance and management by Jason Winfred and Mark Rosentraub : sports has evolved and along with it the scope of finance in sports has also come leaps and bounds and this book takes notice about the changes that have occurred in the sports industry in terms of management and how there are financial problems between teams and their businesses, sponsorship development and team revenue.

Observations:Sports has been globalised and has become a business around the world. Sports is more than just a game

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now, its a spectator game which involves the society, media, economics and all economies. The studies conducted so far clearly state how business has impacted and helped various sports and other aspects of sports grow.

Research Gap: There is hardly any information on current sports scenario and how businesses are being developed in and around the sports industry in India. This research aims at filling this gap by understanding how sports has been globalised and become a business in India

III. RESEARCH METHODOLOGY

This research is both quantitative and qualitative study.

- **Primary data** was obtained by conducting a sampling of 45 people (of various age, gender, occupation so the data is free from any form of bias) using very detailed and structured questionnaire. All respondents were taken from Bangalore, India. The questions were asked in order to assess opinion on the sports industry.

Research objectives: The exact state and emergence of sports in India and how making it a business model has contributed towards the development of various sports in India. Basically showing how India has transformed through sports and how sports has changed by becoming a business.

Hypothesis: H0: Sports industry in India is not a business
H1: Sports industry in India has become a business

Sampling Design: The sampling profile consists of stratified sampling, as the population of Bangalore was divided into various distinct strata and then a smaller group was obtained randomly from it.

- **Secondary data** method for this study was obtained mainly through the books and journals mentioned in the literature review. While more information was obtained by various magazines, news articles from newspapers and internet. Monetary value was not the only basis of criteria to evaluate sports as a business in India, but it also depends on the overall effect of it in the market and economy.

IV. SPORTS CULTURE IN INDIA

India is a land where opportunity are big since many large markets are untapped, and sports is one of the major industry with enormous consumer demand, with each individual indulging or watching it because it means different things to different people. Passion for the game, spectator excitement, money making business models, fitness focused, entertainment, unpredictability are few of the reasons. The mere small amount that sports industry actually contributes to the Indian economy only suggests how much of potential it has if the government and private businessman bring about changes to help grow and make this a multi billion dollar worth industry in no more than a few years. As of now the sports industry has grown in net worth from \$1.3 billion to \$2.7 billion in just a matter of five years. As of today it is valued at around the \$3 billion mark, with the Indian sportssponsorship itself passing \$1 billion (A 14% jump from 2016) . Sports is still at 0.1% share of our GDP, while globally the industry is sized at around 0.5% of GDP share. the rise of increasing Television Rating Point (TRP), advertising,sponsorships, development of sports facilities and manyentrepreneurs making business models in the sport can only increase its potential to reach the \$10 billion mark within the next 5 years.

The hard truth reality is that money making in various sports in India relies on very complex data and mix of various off-field deals, contracts and rights and on-field performances. It's like more the number of eyes on the product, more money can be made off it. Sports industry has six main income streams: Sponsorship, Match day revenue, Broadcasting, Merchandising, media rights and player sales in auctions. In India sponsorship and Broadcasting rights

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are the money making and main source of revenue and this is an ever-increasing aspect of sports industry. Other Non-sporting incomes are earned by renting out the stadium during off-season, giving sports facility tours and hosting events to popularise a sport. Many brands are very bullish on sports teams to thrive as a business and that has seen a 25% increase in franchise fees and branding in emerging sports in India. On an average a franchise team can be run at a cost of 10-15 crore per team (IPL franchise cost varies from 55-60 crores, 1.5-2 crores for a pro-kabaddi franchise, 10-12 crores for ISL franchise, 4-5 crores for a badminton franchise), as most of it is for the organiser and the player and rest are spent on miscellaneous expenses and on the income aspect, it takes about 2-3 seasons to break-even before they can start earning. Since the past few years we have seen a rise in the sports competition along with a significant increase in commercial activity as almost all sports events are broadcasted, and most countries trying to compete and win medals/championships. All in all we can see an increase in the number of professional sports turning into transnational corporations and profit seeking entities.

Right now the way it's going, it seems as though professional sports in India are more like entertainment companies. Even though we ignore this fact, it's the truth as sports in India is becoming a business and is much more than what meets the eye. However the relationship between sports and the economy cannot be overlooked as many consumer nowadays spend on merchandises, membership, clothing and sports equipment of their favourite team and this significantly contributes to the Indian economy.

The only problem being that this industry is divided in two halves, cricket and 'other sports', along with each sport seating capacity (mid-sized stadiums) being limited to as few 30000-40000 seats which is a problem in the overall development. Sports industry is now run by the private players benefitting only them and has had very little real impact for the other people. the thought of sports becoming a activity about who gets how much rather than playing the game for passion and love has seen people neglect their idea on sports becoming a business in India. There are also a lot of cases where the coaches and academies engage in age-fraud, doping, etc just to produce better results for themselves, and this is something that not only has a detrimental effect on the players' career but also harms India's reputation in sports, and stringent measures should be put in place to ensure this is kept in check. In India, cricket is a metaphor for globalisation of sports, No matter what, cricket will continue to thrive with the ever increasing growth of IPL in india with it's huge corporate sponsorship, high mass following and broadcasting coverage shows that the richest sport in India will only continue to get a whole lot richer. However A small change can be seen, as now the love for sports in India is also growing beyond cricket to a variety of sports giving way to newer opportunities in terms of emerging niche ventures, sports fields (sports management, sports law, sports medicine, sports nutrition, sports analytics, sports journalism, sports psychology) and technology. Sports like Kabaddi (which is the second largest professional sport after the IPL, attracting over 195 million viewers in rural India in 2017), Football (Including both ISL and I-league, this sport in India grew by 63.8% in 2017), Badminton, tennis & basketball (which is now popular among the upper middle class), and squash (popular among the young men) are on an upward growth trajectory. Sports has seen an increase of people with Leadership qualities and team player qualities that are being recognised in individuals and thus helping the youth a little more dynamic in their thinking via playing and watching sports on a global platform.

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V. ANALYSIS AND INTERPRETATION

The table (1) below shows the demographic details of 45 respondents:

Table 1 Demographic Details	
1. Gender:	45
Male (28)	
Female (17)	
2. Age group:	
10-20	23
20-30	10
30-40	7
40-50	5
3. sports involvement	
those who play	82%
those who don't play	18%

The above data (Table 1), shows the details of the primary subjects. After the analysis we can interpret that out of 45 people 82% of them play sports or are involved in it in a way. this indicates the growth opportunity of the sports in India is huge as almost every 7-8 people are involved in sports out of 10.

Findings of The Study

Sports has surely impacted the Indian economy as significant changes have occurred in the sports industry in the past 7-8 years and this has led to a globalised sports market in India which is only growing year on year. As long as these businesses don't compromise on ethics and passion for the game, sports industry will thrive as a game and as a business. Globalisation of sport industry in India can only accelerate the growth of the sport industry in the country, and sports is bound to be globalised when it grows beyond a certain scale in terms of popularity in the country and number of people involved in the sports. For years sports fanatics and fans in India have had to look abroad to fulfil their sporting appetite, But now the excitement seems to be coming home and this is a good step up for the sports industry in Indian land. One thing that makes sports an exciting business prospect is that it's a market that can never saturate, just like the other ever growing leisure markets. If channelized in the right way, globalisation is the way to lead the sports development in India.

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The below figures (1.0 and 2.0) were survey questions asked to people and their responses were recorded in the form of a graph :

Figure 1.0

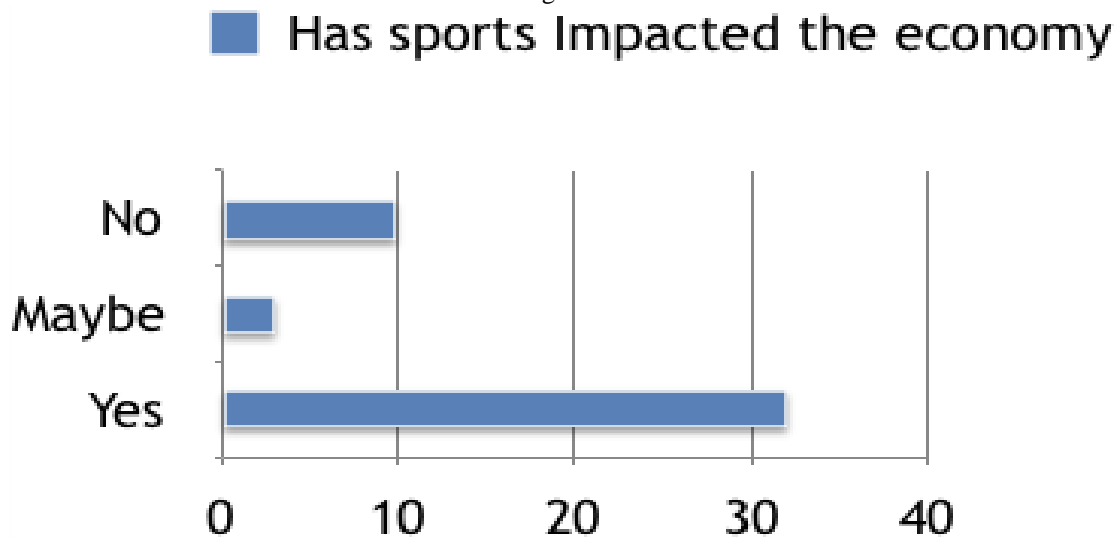
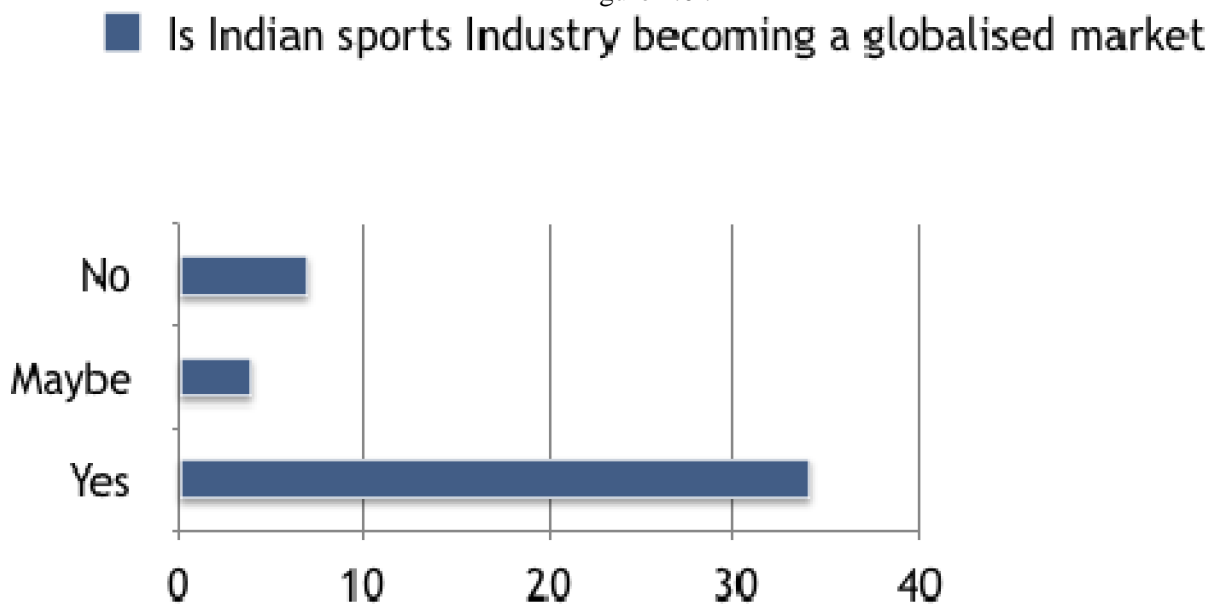


Figure 2.0 :



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Alternative Hypothesis is supported : Sports industry in India has become a business

Interpretation

The sports industry in India is indeed a business as the numbers in this research support the data. Most other studies talk about business opportunities in the sports sector and this study supports it by stating the figures and numbers with regards to the Indian Sports industry.

Limitations of study

1. Very small demographic covered in the research paper
2. Small demographic also led to fewer respondents due to the paper being an open ended questionnaire.
3. Time span was very less. all this research is only from 2 months of studying, findings and survey
4. There were times when the respondents were bias from their conclusion which can effect the conclusion

VI. CONCLUSION

After looking at all aspects, with the majority opinion and financial facts in hand we can say that sports in India is indeed heading and has actually become a business with huge upside potential, the way the football, Kabaddi and badminton business is booming and cricket already being the cash cow in this country, there are going to be amazing amounts of money in the sports industry. although other than IPL, other sports leagues are in the 'investment period' and several new leagues are being set up as we speak in order to tap the business of the sports. At the highest levels of sport it involves gold medals, world records, championship cups and global awareness, it seems as though big companies now want to associate themselves with various sporting franchise as it paves way for companies to market its brand and products to the large sporting fans around the world.

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