

# Research on the Development of Shanghai Leisure Sports Industry in the Post-EXPO Era by the ‘Integrated 4 Traditional Chinese Diagnoses’

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**ABSTRACT:** This research statistically analyzes the problems of Shanghai leisure sports industry in the post-world expo era by the Integrated 4 Traditional Chinese Diagnoses (abbr. I4TCD). Then it is suggested that the development ways of Shanghai leisure sports industry be the municipal government providing a platform, the enterprises playing the vital role, and the social organizations participating actively.

**KEYWORD:** leisure sports industry; Shanghai; the Post-EXPO Era; the Integrated 4 Traditional Chinese Diagnoses

The post-EXPO era is a sensitive period for Shanghai as to its social and economic development. Meanwhile, it brings a strategic chance for Shanghai to develop the leisure sports industry. Today, Shanghai requires a systematically scientific research on the opportunities and problems faced by and a structural change of the industries. How to develop the leisure sports industry in Shanghai is a necessary topic concerning that change. In traditional Chinese medicine, the so-called ‘Integrated 4 Traditional Chinese Diagnoses’ means a studying principle which urges systematically applying the basic methods of ‘Watching, Feeling (by Listening and Smelling) Asking and Touching’ to accurately identify both the facts and the reasons accordingly. Thus this concept is introduced into our research on Shanghai’s leisure sports industry to exhibit the fours specific approaches of inspection, which is for reasoning the development of Shanghai leisure sports industry.

in the whole tertiary industry, the output value of sports and games of the west is next only to banking and securities. The world’s annual output value is above 400 billion US dollars. In UK, the government can collect taxes from the leisure sports as many as 3.9 billion US dollars annually, which amounts five times of the government’s original investment accordingly.[1] The industry of sports and games has become one of the most active emerging industries in the new century, have full potentials. Thus this industry, including the leisure sports, should be considered as an important sector of economy.

Standing for a positive way of private/family life, leisure sports are accepted worldwide as they can bring both health and entertainment to the people. Sports as “a positive way of life” was actually defined by the World Health Organization and chosen as the exact slogan in its 1997’ conference in Geneva, which was focused on the topic Sports and Health and announced to initiate the ‘Global Positive Life Movement’. Experts believe that sports and games not just benefit the people physically but also promote the people mentally with a lively social-cultural environment.[2]

## 2 I4TCD’S ‘FEELING (BY LISTENING AND SMELLING)’: A CLOSELY DOMESTIC VIEW OF SHANGHAI LEISURE SPORTS INDUSTRY

In the I4TCD, ‘Feeling by listening and smelling’ means studying closely in order to master the field pros and cons.

## 1 I4TCD’S ‘WATCHING’: AN INTERNATIONAL VIEW OF SHANGHAI LEISURE SPORTS INDUSTRY DEVELOPMENT

In the I4TCD, ‘Watching’ means observing from a distance in order to have a broad view.

Sports and games are becoming more and more economically important for the world in the 21st century, especially for the industrial countries which benefit from the industry in a variety of ways, such as health, entertainment and business returns. Today

The first advantage that the leisure sports industry enjoys in Shanghai may be the politics: when the Chinese Communist Party is appealing to the building of the 'socialism social harmony', the municipal government believes it is worth to fully support the leisure sports industry for people who live in this metropolis. The core values such as peace, friendship, teamwork and coordination are emphasized in order to exercise the citizens and ultimately improve the inter-personal and inter-community relationships. Outdoors are especially useful to fix the intense relationship between the human and the nature.

The second advantage is the location: Shanghai naturally deserves the attentions of those who are in favor of its vitally incomparable geographic position in terms of marketing. The 2010' EXPO has further turned Shanghai into a more and more attractive host for sports and entertainments. For example, Shanghai hosted 37 international sports events of 28 types and 55 national sports events of 33 types in 2006. Since 2009, Shanghai has become the world's number nine and Asia's number one in hosting the Tennis Masters Cup. (Also see Table 1 and Table 2 about Formula one World Championship Shanghai (F1 Shanghai).

Table 1 Costs and Incomes of 2004' F1 China

Items	Hardware investment		Application costs		Incomes					
	Stadium building	Transportation infrastructure	Application fees	Other expenses	Tickets	ads and parking	hotels	transportation	Land appreciation	Broadcasting right
value (100 million RMB)	26	7	3	24	3	0.03	2.25	0.12	64	1
Total (100 million RMB)	33		3	24						

Source: Shanghai Municipal Sports and Games Bureau. 2005 Shanghai Sports and Games Statistics. Shanghai: Baijia Publishing House, 2006: 76.

Table 2 Hotel Prices before and during 2004' F1 Shanghai

	Five-star hotels			Two/three-star hotels		Local ordinary hotels
	Hotel Marriott	Hotel Renaissance	Hotel Hyatt	Two stars	Three stars	Quasi two/three stars
Prices before F1 (RMB)	1000	2100	2500	180	200	400
Prices during F1 (RMB)	2600	2950	4200	400	800	1300

Source: Shanghai Municipal Sports and Games Bureau. 2005 Shanghai Sports and Games Statistics. Shanghai: Baijia Publishing House, 2006: 8

The third advantage is the economy: Shanghai has kept a steadily fast economic growth for more than 30 years, which allows a rising solid base to improve its people's living standard. It is expected that Shanghai will be of the pioneer Chinese regions which can reach industrialization and modernization by 2020. This should be the period when people tend to spend more on leisure sports and games and the industry development tend to speed up according to foreign experiences.

### 3 THE I4TCD'S 'ASKING': AN IN-DEPTH PROBE INTO THE PROBLEMS OF SHANGHAI LEISURE SPORTS INDUSTRY DEVELOPMENT

The I4TCD's Asking implicates one should probe the probable illness by asking the patient, i.e. the true stakeholder(s). Experts from the leisure sports industry in Shanghai were interviewed and literatures were studied during this research as to the

question what problems are probably hanging up the development of the industry.

Thanks to the rapid development of Shanghai's domestic society and economy, the leisure sports industry has grown fast along the latest 30 years. However it's still far from maturity in comparison to what can be enjoyed in the developed countries. One of the problems is: the administrative regulations are still old-fashioned, which were originally for the state-owned manufacturers and organizations in the past time, and the professional planning is still not enough. The second problem is the bureaucratic system which keeps a low-efficiency high barrier for the new entrants. The third problem is the lack of enough balance: some sports are too emphasized while some others are almost neglected, which is not likely an optimistic picture for a sustainable ecology. The fourth problem of the industry is being lack of an economic scale and thus being weak in competition against foreign companies who are in the same business.

#### 4 I4TCD'S 'TOUCHING': A REALISTIC EXAMINATION OF THE OPERATIONS OF SHANGHAI LEISURE SPORTS INDUSTRY DEVELOPMENT

In the I4TCD, 'Touching' means examining the reality of the body conditions.

Leisure sports industry can contribute to the economic development and job creations in Shanghai. It can also extraordinarily improve the image of the city as a fit-for-living metropolis.

Today, most Shanghai citizens have no problems in their daily consumptions, whether living in the urban or rural districts, while they become more and

more concerned about the consumptions on spiritual services. Sampling shows 43.7% Shanghai citizens would like to spend significantly on sports and games, including fitness, sportswear, etc.[3] According to the research, demands for leisure and entertainment emerge which the Engel Coefficient reaches 65%. When the Engel Coefficient drops below 50%, such demands start steady and continuous growth.[4] An official statistics proves that Shanghai families obviously prefer more expenses in entertainment and sports and games than not just the national average but also families in Beijing, the rich capital of China (as in Table 3).

Table 3 China's Urban Households Annual Expenses per capita (2007)

area	Total expenses per	foods	cloths	Household facilities and services	Medical care and health services	Transportation and telecommunication	Education, culture and entertainment services	accommodation	Spending on other commodities and services
The whole China	9997.47	3628.03	1042.00	601.80	699.09	1357.41	1329.16	982.28	357.70
Beijing	15330.44	4934.05	1512.88	981.13	1294.07	2328.51	2383.96	1246.19	649.66
Shanghai	17255.38	6125.45	1330.05	959.49	857.11	3153.72	2653.67	1412.10	763.80

Source: China Statistics Yearbook (Database)

<http://tongji.cnki.net/Kns55/Navi/result.aspx?id=N2009030129&file=N2009030129000223&floor=1>

Citizens of Shanghai have built a commonly positive attitude towards sports and games as a way of enjoying the leisure time and socializing. Although already profitable, the market still urges more supports and applicable policies for growth, such as tax exception for investing in sports and games which is implemented in the U.S.[5]

Therefore, the aim at high quality of life of Shanghai citizens and social harmony needs the leisure sports industry to be development with innovated methods.

#### 5 SUGGESTIONS ON SHANGHAI LEISURE SPORTS INDUSTRY DEVELOPMENT DUE TO THE INTEGRATED 4 TRADITIONAL CHINESE DIAGNOSES

The development of the leisure sports industry in China reflects the move of a Chinese society from the material-driven to the leisure-driven.

The Shanghai municipal government should be responsible for establishing a platform, which could facilitate the development of leisure sports industry. The administration needs innovation, and the government should invest in the statistics of the leisure sports industry in terms of data creating and issuing. Of this industry, there are six major areas which currently are of great opportunities and thus worth for more supports: fitness, competitions, lottery, sportswear, athlete agents and stadiums[6].

Laws and regulations should also be improved accordingly, in order to fit the market-driven entrepreneurs, competitions and business growth.

The enterprises should play a vital role in developing Shanghai leisure sports industry. Along the expansion of this industry, many enterprises may also be will to enter, who are originally from other industries. The leisure sports industry can well comprise businesses such as tourism, media, broking, insurance etc., which are fairly strong in Shanghai. Meanwhile, domestic branders can use sports and games as integrated marketing approaches to promote worldwide.

Involvement of talented human resource is necessary to develop Shanghai leisure sports industry. Today, there are two basic ways of creating the talents who are good at managing and marketing leisure sports: the business schools of the domestic universities which can systematically train executives and researchers for Shanghai, and the international head-hunting for those who are interested in living and working in Shanghai. Meanwhile, the existing sports and games associations and NGOs should pay their most attentions to the popularity of the individuals, which means they main job should become organizing and encouraging the common people to join in all kinds of leisure sports.

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