

Study on the Economic Value Transformation Path of the Equestrian Sports Industry from a Global Perspective and Its Localization Adaptation in China

Ma Xin Yu Dan *

Beijing No.4 High School International Campus, Beijing, China

*Corresponding author: xinyudan.ma@bhsfic.com

Keywords: Equestrian Sports Industry; Economic Value Transformation; Industrial Chain Extension; Sports Event Economy; Cultural Value; Policy Support; Market Development; Localization Strategy; China; Global Perspective

Abstract: This paper focuses on the transformation of the economic value of the equestrian sports industry and the adaptation of China's localization strategy from a global perspective. First, it analyzes the direct economic value of the equestrian sports industry, including event income, education and training fees, and equipment sales revenue. It also analyzes the indirect economic value of the equestrian sports industry, including the industrial linkage effect, the employment driving effect, and the regional economic pulling effect. Additionally, this paper illustrates how the equestrian industry is realizing the transformation of economic value through economic driving, industrial chain extension, cultural value mining, policy support, and market development. Ultimately, this study proposes a localization adaptation strategy for the equestrian industry in China, with a focus on event operations, industrial chain development, and the cultivation of cultural and policy markets. It provides the theoretical reference for the standardization and sustainable development of China's equestrian industry.

1. Introduction

1.1 Research Background

In recent years, equestrian sports have undergone a transition from an exclusive domain of the aristocracy to a form of mass leisure and global-scale competition. The industrial scale has exceeded one hundred billion dollars and has evolved into a comprehensive economy that integrates sports, culture, tourism, education, and high-end manufacturing. China has listed equestrian as an encouraging sport for the first time since the No.46 document of the State Council in 2014. In 2022, the Ministry of Agriculture and Rural Affairs included horse industry into the catalogue of characteristic rural industries. The number of domestic horses has exceeded one million, the number of clubs has exceeded 3000, and the compound growth rate of events in 5 years has reached 25%. However, there are still many problems in the local market, including the inability to rely on their own operations to generate sustained and stable income to cover the event's costs and achieve profitability, scattered industrial chains, low cultural identity, and policy fragmentation. It is urgent to explore the adaptation path between global experience and China's actual situation.

1.2 Research Significance

From a theoretical standpoint, extant academic research on the equestrian industry focuses on a single national case or sector, such as events or training. Therefore, there is a lack of systematic collation of the transformation path of global economic value, and there are few special studies on the adaptation of China's localization. This study will address the theoretical gap between the value transformation and localization adaptation of transnational industries in the sports industry by conducting a comparative analysis of the global path and China's adaptation. Additionally, it enriches the application of sports economics and industrial integration theory in the other fields, thus providing a more comprehensive theoretical perspective for subsequent related research.

From a practical perspective, the research findings will support the development of the equestrian

sports industry in China across multiple dimensions. For enterprises operating within China's equestrian industry, it offers a distinct developmental direction, encompassing guidance on intellectual property development for local events and the articulation of strategies for industrial chain expansion. For policymakers, this study serves as a reference and aids in the development and refinement of related laws and support policies within the equestrian industry. Furthermore, by exploring the combination of equestrian, rural cultural tourism, and traditional culture, it will promote the linkage between the equestrian industry and rural revitalization, as well as cultural self-confidence. This will further release the comprehensive economic and social value of the equestrian industry, promoting the high-quality development of sports industry.

1.3 Research Purpose

This study aims to construct a logical framework for summarizing global experience, solving China's problems, and implementing localization strategies, which specifically includes three aspects: First, it systematically analyzes the fundamental approaches to transforming the economic value of the global equestrian sports industry. It clarifies the operational logic and key elements of four major sectors: the event economy, industrial chain extension, cultural development, and policy market cultivation. Additionally, it identifies the common principles that govern the development of the global equestrian industry. Second, it summarizes the development status of China's equestrian industry, and accurately identifies the shortcomings and pain points of local industry development from the dimensions of event operation, industrial chain integrity, cultural value development, and the connection between policy and market. Third, based on the analysis of the adaptability of the global transformation path to China's actual situation, this study proposes an operable localization strategy. This strategy includes optimizing the event system, improving the industrial chain, fostering cultural integration, and enhancing the linkage between policies and the market. To sum up, it offers theoretical support and practical guidance for China's equestrian sports industry to overcome development bottlenecks and achieve standardized, sustainable growth.

2. The Economic Value of Equestrian Sports Industry

2.1 Direct Economic Values

The direct economic value of the equestrian sports industry refers to the cash flow and income directly generated in the process of industrial operation. It is the main carrier of industrial economic value. The sports event economy primarily relies on several sources, including ticket sales, sponsorship from commercial brands, transactions related to TV and network broadcasting rights, catering services at the competition venue, and sales of merchandise such as commemorative costumes and competition badges. The direct income of top international equestrian events often exceeds 10 million yuan.

The contributions within the domain of education and training are equally noteworthy. These contributions encompass the introductory courses for young people, adult leisure riding training, skill certification, and advanced teaching for professional riders. Additionally, they include course fees, remuneration for coaches, sales of supporting teaching materials and training props, and other related revenue streams. Collectively, these elements constitute a stable direct income [1].

The manufacture and sale of harness equipment is a significant economic source, encompassing professional saddles, riding boots, reins, and protective clothing for riders, as well as horse care products, which cater to high-end, medium-end, and low-end products, meeting the needs of different consumer groups. In addition, basic services such as horse house operation, horse foster care, and equestrian club membership service further consolidate the foundation of direct economic value through stable service charges.

2.2 Indirect Economic Values

The indirect economic value of the equestrian sports industry refers to the added value that the industry brings to related fields and social development through the linkage effect and the radiation

effect, which reflects the comprehensive influence of the industry. In terms of industrial linkage, the equestrian industry effectively promotes the development of tourism, hotels, and transportation. For example, the increasing tourist consumption in equestrian theme scenic spots, the increase of hotel reservations during international competitions, and the increase of traffic flow from the economic effect of the integration of equestrian and cultural tourism. At the same time, upstream industries, including horse breeding and feed production, and downstream services, such as event planning and media communication, have also gained more markets due to the development of the equestrian industry.

Employment is another important factor. The equestrian industry involves full-chain positions, such as coaches, horse trainers, event operators, equipment production workers, and club managers, especially in first-and second-tier cities and rural cultural tourism areas, providing employment choices for different skillful individuals and alleviating local employment pressure. The construction of equestrian industry clusters, such as equestrian towns and training bases, can promote the improvement of surrounding infrastructure, promote the improvement of regional land value, and activate the consumer market. Moreover, due to the spread of equestrian culture, derivative consumption such as cultural and creative products and theme exhibitions has been promoted, further expanding the radiation scope of indirect economic value [2].

3. The Economic Value Transformation of Global Equestrian Sports Industry

3.1 Sports Events

The global equestrian industry generally takes events as the core and realizes the transformation of economic value by building a hierarchical event system. Internationally, the layout of top-level events, regional events, and mass events will be formed. The focus of top-level sporting events is on professionalism and appreciation, attracting high-end brand sponsorship and global broadcast resources. Regional events are characterized by their focus on the specific market demands of individual countries or regions. Meanwhile, mass events are designed to democratize access to cultural and entertainment experiences, thereby expanding the audience base. The three are connected to form a stable event flow pool. On this basis, the event economy is realized through multiple modes. In addition to the traditional ticket sales and broadcasting rights transactions, it also relies on the IP of the event to develop a commercial sponsorship system. Customized cooperation schemes are designed for different industry brands, and derivatives and on-site consumer services are launched in combination with the events to convert the event traffic into direct income. Moreover, some sports events are further expanding their income sources and strengthening the core driving role of sports events in the economy through digital means, such as event data authorization and online interaction.

3.2 Industrial Chain Extension

The development focus of the global equestrian industry is to take the core business as the starting point, extend upstream and downstream to form a whole chain value network, and realize the multi-level transformation of economic value. In the upstream, we focus on the specialization and scale development of basic resources, establish a standardized breeding system for horse breeding, and improve the supply capacity and commercial value of high-quality horses [3]. In the field of equipment manufacturing, it is necessary to use technology research and development to achieve product upgrading, the introduction of both functional and fashionable harnesses, and clothing. Furthermore, customized services are expanded to meet high-end consumer demand. In the middle reaches, efforts are made to enhance the coordination of event operation and club service. The integration of training, teaching, event participation, and other functions with the club as the carrier is also pursued, leading to the establishment of a profit model of membership and service package. In the downstream, we first promote the integration of equestrianism with various formats, combining it with tourism to develop cycling holidays and event sightseeing. Second, we combine equestrianism with education to create youth research and vocational skills training programs. Third, we integrate equestrian activities with rehabilitation, offer rehabilitation training services, break industrial

boundaries through cross-domain extension, and increase the overall economic value of the industrial chain.

3.3 Cultural Value

Through the deep excavation and active utilization of cultural value, the global equestrian industry has realized its value transformation from culture to economic value. On the one hand, it pays attention to the inheritance and innovation of traditional equestrian culture. It integrates the equestrian skills of different countries and regions, including the historical origin of dressage and the riding culture of nomadic people, into modern equestrian scenes. Managers hold cultural exhibitions and theme exhibitions to enhance the reputation of equestrian sports. At the same time, relevant personnel have developed cultural and creative products centered on traditional equestrian culture, including commemorative collections and cultural merchandise, thereby transforming cultural elements into physical consumer goods.

On the other hand, the creation of modern equestrian IP is a key aspect of their activities, as is the establishment of a recognizable image of the event, the rider's personal brand, or virtual role. The reliance on communication channels such as movies, short videos, and social media is evident in their efforts to expand their influence and attract fans' attention and consumption [4]. Moreover, some areas combine cultural experiences with tourism and leisure consumption by building equestrian cultural parks and museums, forming a closed loop between cultural experiences and consumption and releasing their economic potential.

3.4 Policy Support and Market Cultivation

The transformation of the economic value of the global equestrian industry is inseparable from the coordination of policy guidance and market development. At the government level, special policies have been issued to ensure industrial development: in infrastructure construction, they support the planning and construction of equestrian venues, training bases, and transportation facilities, and lower the hardware threshold for industrial development. In terms of industrial support, the government has introduced tax relief and subsidy incentive policies to encourage enterprises to participate in the equestrian industry investment. In addition, the government has simplified the approval process of sports events, standardized industry supervision standards, and created an orderly industrial environment. In terms of international cooperation, they support the connection between local events and the international event system, promote the international exchange of equestrian sports, and attract global resources [5]. Industry associations assume the responsibility of cultivating the market and enhancing the degree of industrial specialization by establishing industry standards in the domains of horse breeding, coach qualification, and event operation. Furthermore, they engage in the dissemination of equestrian knowledge and the facilitation of experiential activities, intending to enhance public awareness and expand the demographic of consumers. They set up an enterprise exchange platform, promote upstream and downstream cooperation in the industrial chain, promote efficient allocation of market resources, and provide a stable market foundation for economic value transformation.

4. Localization and Adaptation Strategy of Equestrian Sports Industry in China

4.1 Localization Operation of Sports Event Economy

For the operation of equestrian events in China, it is necessary to combine the audience base and regional characteristics to build a hierarchical event system. First, it is suggested to give priority to the development of mass events, lower the threshold for participation, attract ordinary consumers to participate in community equestrian events and urban amateur leagues, and expand the audience bases of the events. Second, it is suggested that regional characteristic events should be developed, relying on resources such as grassland areas and equestrian towns, and the IP of events with regional characteristics should be created, such as Inner Mongolia grassland equestrian events and Yangtze River Delta leisure riding events, so as to avoid unthinkingly copying the international competition

mode. Third, with the advantage of digital communication, we can cooperate with domestic short video platforms and sports live broadcast platforms to optimize the broadcast and interactive experience, and show the highlights of the event, rider interviews, to enhance the audience's stickiness. Fourth, it is recommended to develop localized derivatives, design merchandise products with traditional elements, promote the transformation of sports event flow into economic benefits, and gradually form a localized operation mode with regional characteristics and digital communication.

4.2 The Localization Path of Industrial Chain Extension

For the extension of the industrial chain, it is necessary to closely follow China's policies and market demand, and promote cooperation in many fields. In upstream, we focus on the integration of localized resources. In horse breeding, combining the advantages of domestic agricultural production areas, we should establish horse breeding bases suitable for the local climate and reduce the dependence on imported horses. In equipment manufacturing, we support local hardware enterprises and develop basic equipment with high cost performance. Moreover, for young people, it is essential to design lightweight and safe training equipment to meet the needs of mass consumption. In the middle reaches, we strengthen the linkage between clubs, campuses, and communities to promote the spread of equestrian education. Additionally, pilot equestrian interest courses will be launched in primary and secondary schools to expand the user base through cooperation between clubs and schools. We focus on integrating local cultural tourism resources in the downstream sector. This involves combining equestrian activities with rural revitalization efforts. We develop research bases and cycling trails in rural areas and launch products such as equestrian experiences, village lodging, and farming activities. Our goal is to extend the industrial chain into rural communities. At the same time, it is a good way to dock the rehabilitation industry, explore the combination of equestrian rehabilitation training and community rehabilitation services, and form an industrial chain extension path with Chinese characteristics [6].

4.3 Localization Practice of Cultural Value Mining

The excavation of cultural value necessitates a foundation in the traditional equestrian culture of China, with a concomitant integration of tradition and modernity. It is suggested that the local equestrian cultural resources should be comprehensively sorted out, Mongolian horse culture, ancient cavalry culture, and folk equestrian skills should be integrated into modern equestrian scenes, and public awareness of local equestrian culture will be enhanced through equestrian cultural exhibitions and traditional equestrian performances. At the same time, we develop localized cultural and creative products, integrate traditional patterns and zodiac signs into harness design and sports event costumes, and launch derivatives with high cultural recognition, such as embroidered riding boots and ink-and-wash style event medals. Moreover, it is suggested that relying on domestic new media communication, equestrian culture popularization should be carried out through short video platforms and social communities. Additionally, lightweight content such as cold knowledge about traditional equestrian and the relationship between modern equestrian and traditional culture should be produced to promote cultural communication [7]. In addition, it is necessary to implant equestrian cultural experience in cultural tourism. For example, traditional equestrian performances and immersive equestrian culture experience halls are set up in the ancient city scenic area to transform cultural experiences into a consumption driver and create a localized cultural value transformation model that integrates tradition, modernization, and scenic beauty.

4.4 Localization Scheme Based on Policy Support and Market Development

It is necessary to consider the industrial environment of China and build an all-around security system. At the policy level, the following measures should be implemented: first, localization-supporting policies should be improved; second, policies on rural construction land and sports facilities for equestrian venues should be coordinated; and third, the approval process for equestrian venues should be simplified.

Additionally, it is necessary to formulate industry standards, standardize horse breeding and coach qualification, ensure event safety, and address the existing gaps within the industry. The equestrian

industry will be included in the scope of sports industry support funds, and local equestrian enterprises will receive tax relief and loan interest subsidies, with a focus on supporting the development of small and medium-sized equestrian enterprises.

In terms of market development, we focus on sinking market development, carry out public welfare activities in second-and third-tier cities, and lower the threshold for participants by organizing free experience days. In addition, it is suggested to give play to the role of trade associations, build an enterprise exchange platform, and promote the docking between enterprises and international institutions. At the same time, it is suggested to conduct localized training for talents such as coaches and horse trainers, thereby improving the professional level of the industry and gradually developing a localized training plan based on policy guarantees, market needs, and talent support.

5. Conclusion

The economic value of the equestrian sports industry involves direct and indirect economic value. The direct economic value is reflected in the operation of sports events, education and training, equipment sales, and basic services to form a stable income carrier, which is the core support of industrial development. Indirect economic value reflects the radiation ability of industry to related fields by driving cultural tourism, employment, regional economy, and derivative consumption. Together, they constitute the comprehensive value system of the equestrian industry.

The global equestrian industry has formed a mature path of economic value transformation. First, with the sports event economy as the core, the flow is activated through a hierarchical event system and a diversified monetization model. Second, by expanding the industrial chain, they enhance the value network through collaboration with upstream and downstream partners and by integrating across industries. Third, they harness cultural value, blending traditional and modern elements to stimulate consumption. Fourth, with the coordination of policies and markets as the guarantee, we should lay a solid foundation for development through government support and industry cultivation. The four paths are connected, which constitutes the common logic of global industrial development.

The localization adaptation of the equestrian industry in China should be based on the local actual situation. On the one hand, China has policy support—including the "Sports Power" initiative and the Rural Revitalization Strategy—which provides a foundation for expanding the market scale. On the other hand, it is imperative to address the following deficiencies: firstly, the lack of ability among existing events to generate sustainable, stable revenue from their own operations; secondly, the fragmentation of the industrial chain; thirdly, the underdeveloped cultural identity; and fourthly, the need for policies to be perfected. Through stratified competition operation, localized industrial chain extension, and traditional culture empowerment, the policy and market will be cultivated to build a development path that conforms to China's actual situation and realizes the effective adaptation of global experience and local characteristics.

This study aims to fill the research gap of transnational value transformation and localization adaptation in the sports industry from the theoretical level, and enrich the application of sports economics and industrial integration theory. In addition, it outlines the development direction for equestrian enterprises in China, serves as a reference for policymakers, and assists the industry in overcoming obstacles. Furthermore, it promotes the equestrian industry to be associated with rural revitalization and cultural self-confidence, further releases its comprehensive economic and social value, and provides support for the high-quality development of the sports industry in China. Future research will integrate dynamic market changes, further investigate subdivision areas such as adaptation strategies for youth equestrian activities and digital integration, and enhance the practical relevance of the research.

References

[1] Keener M M, Tumlin K I. The Triple-E Model: Advancing Equestrian Research with Perspectives from One Health[J]. Animals (2076-2615), 2023, 13(16). DOI:10.3390/ani13162642.

[2] Williams A. Are equestrian competitors a valuable sports tourism segment? An exploratory study[J]. Cauthe Sharing Tourism Knowledge, 2005.

[3] Pickel-Chevalier, Sylvine. Can equestrian tourism be a solution for sustainable tourism development in France?[J]. Loisir Et Société, 2015, 38(1):110-134. DOI:10.1080/07053436.2015.1007580.

[4] Radmann A, Hedenborg S, Broms L. Social Media Influencers in Equestrian Sport.[J]. Frontiers in sports and active living, 2021, 3:669026.

[5] Choi M K, Yun Y K. Experience and meaning of equestrian participation as a leisure sports[J]. The Korean Journal of Physical Education, 2020, 59(5): 285-296. DOI:10.23949/KJPE.2020.9.59.5.20.

[6] Chevalier V. Commercial businesses in the community sports sector: The case of equestrian companies[J]. Sociologies pratiques, 2016, 32(2): 55-64. DOI:10.3917/sopr.032.0055.

[7] Yao-Nan L I, Kun Z, Meng-Meng Y, et al. Chinese Horse-racing Industry's Cultural Awareness and Development Scheme[J]. Journal of Wuhan Business University, 2017.