COVID-19: Impacts and future challenges for the sport industry

Like so many other industries and activities, sport suffered devastating impacts from the COVID-19 pandemic. Governing bodies, sporting organisations and media corporations faced huge commercial challenges, while communities for a time lost all forms of organised sport and recreation. Professors James Skinner and Aaron CT Smith, at Loughborough University London, have looked closely at the effects of the pandemic, and reveal how many segments of the industry adapted with the help of technology, changing the way we interact in a sporting context. They explain changing the way we interact in a sporting context. They explain changing the way we interact in a sporting context. They explain changing the way we interact in a sporting context. They explain changing the way we interact in a sporting context.

Previously taken for granted as part of the fabric of everyday life, sport in almost all its forms was suspended to prevent the spread of a novel virus and save lives. For perhaps the first time in history, the pandemic focused attention onto sport’s crisis, disaster and emergency management. But while the lessons of the pandemic are yet to be fully understood, it has created an opportunity for the industry to reshape itself.

As well as the more obvious effects of the pandemic, the event that turned the world upside down also challenged the way we think about what sport is and how it should be managed.

The shockwaves of the COVID-19 pandemic have been felt by a wide range of individuals and communities across the globe. Likewise, few industries have been left untouched. New research by Professors James Skinner and Aaron CT Smith, at Loughborough University London, reveals just how acutely the fallout has been felt within the sport industry in particular, presenting a wide range of challenges to its many stakeholders.

WIDESPREAD EFFECTS

The pandemic hasn’t just affected elite sports clubs and events; its impacts have been felt severely in a range of connected commercial areas, including events management, sponsorship, and broadcasting. Likewise, at the recreational and community sports level, government-imposed restrictions meant the suspension of a range of physical activities, while others moved online or from indoor to outdoor venues. ‘COVID-19 plunged the sport industry into unprecedented disarray,’ observes Skinner.

Sport is entrenched in the economic, social, and cultural fabric of most countries, and its sudden loss resulted in huge costs and commercial challenges for governing bodies, sporting organisations, and media corporations.

The importance of bringing together crowds of people, united in a passion for the sport that extends beyond borders, is undeniable. Meanwhile across the world, everyday people participating in recreational and club sports, and fans following teams for community and connection, experienced a sizable sports-shaped hole in their lives – as did employees in sports-related industries – as all forms of organised sport and recreation were suspended, including commercial fitness operations such as gyms.

Media organisations, too, presents further mental and physical health challenges for athletes.

At the heart of the sport industry, the elite athletes who thrill us with their skill and dedication face severe pressures, due to financial instability from cancelled competitions, isolation from their teammates, threatened training schedules, and motivational struggles owing to inhibited progression. The rescheduling of events, too, presents further mental and physical health concerns, for example, the World Athletics Championships, the European Athletics Championships, and the Commonwealth Games are all now planned to take place within four weeks in summer 2022 – a gruelling schedule for track and field athletes.

To prevent the spread of a novel virus and save lives, sport was not immediately resilient to the effects of the pandemic. Certain sections of the industry mustered great ingenuity in adapting to new ways of working and, indeed, thriving.

As well as the more obvious effects of the pandemic, the event that turned the world upside down also challenged what might have been considered a relatively settled question – what is sport? Is it defined solely by what happens live, on a field of play?

ECONOMIC CATASTROPHE

Skinner and Smith discuss the brutal economic damage inflicted by the pandemic, explaining that recovery from the financial crisis is expected to take years. For context, in 2018 the total global sports industry was valued at £390 billion, and the pandemic mitigation measures have affected every aspect of the industry.

Professional sport coffers haemorrhaged cash as the flow of income from ticket sales, merchandise, and sponsorship came to an abrupt halt, along with the devastating impact of lost broadcasting revenues.

Taking football as an example, the English Premier League alone is expecting to lose between £50 million and £120 million in match-day revenue, while across Europe, the ‘Big Five’ football leagues, along with their respective clubs, were estimated by consultancy KPMG to lose approximately £3.5 billion in total.

LOCKDOWN IMPACTS ON ATHLETES

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Smith observe that the severe impacts of COVID-19 on the sports industry have accelerated innovation and created new opportunities. There are concerns that women’s sport, having come a long way in the fight for equality of value, funding and coverage, might lose hard-won ground as attention focuses on the higher price-tags of men’s sporting competitions. A potential silver lining, however, could be a surge in participation and the acknowledgement that their work is focused on the developed world, and that more data and research is needed to understand how sport in much of the developing world has been impacted by the pandemic.

PUBLIC SENTIMENT
Perhaps somewhat unexpectedly, many fans of traditional sport have responded positively to the changes that the sports experience the pandemic has demanded. Likewise, participants have willingly engaged with virtually mediated competitions. These new ways of enjoying sports build on traditional live events – played on a field, with fans watching – with the added advantage of allowing for remote participation in limitless virtual environments.

Traditional approaches to sports may continue to form the core content, bringing in revenue from tickets, broadcasting rights and sponsorship, but new digital communities are building up around it, increasing profit through stories, fan-generated content, influencing, and engagement.

POST-PANDEMIC DIRECTIONS
While the post-pandemic lessons are yet to be fully clarified, Skinner and Smith observe that the severe impacts of COVID-19 on the sports industry have accelerated innovation and created new opportunities. There are concerns that women’s sport, having come a long way in the fight for equality of value, funding and coverage, might lose hard-won ground as attention focuses on the higher price-tags of men’s sporting competitions. A potential silver lining, however, could be a surge in participation and the acknowledgement that their work is focused on the developed world, and that more data and research is needed to understand how sport in much of the developing world has been impacted by the pandemic.

The pandemic has fast-tracked technological developments in player tracking, user-generated interaction, AI and learning algorithms, and immersive technology. The pandemic created new opportunities for digital interactions – and may lead us to reframe the very definition of sport.