

SPORTS ARE KEEPING US ALIVE- BUT HOW ARE THEY KEEPING ALIVE?

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DOI: 10.46609/IJSSER.2021.v06i05.005 URL: <https://doi.org/10.46609/IJSSER.2021.v06i05.005>

ABSTRACT

Though India boasts to be the inventor of multiple sports like Kho- Kho, Kabaddi, Ludo, Chess and even Badminton, the game of Cricket has a much larger market share within the country. The latest take on the game "The Indian Premier League" or IPL itself is estimated to be \$862.5 million worth in the Cricket industry which is almost 75% of the total Cricket revenue of \$1.9 billion within the country. The sport accounts for 85% of the total sports earnings within the country, being the highest contributor of revenue putting Football and Kabaddi.

The IPL, since introduced in 2008, redefined the sports industry within India, introducing the Premier league games format. This helped rejuvenate other smaller sports like Kabaddi, Badminton and Football to formulate their League format games attracting additional earnings via sponsorships, broadcast rights, ticket and merchandise sales.

As the Ministry of Home Affairs imposed a nationwide lockdown in India to battle the surging CoronaVirus cases within the country on 24th March 2020. Though the MHA allowed sports events to continue post-May 18th 2020, spectators were not allowed to attend the matches.

One of the major consequences of the spread of the coronavirus has been the cancellation or postponement of major sports events which were scheduled to be held in 2020, eg. the I-League (2nd Division Football League of India), firstly postponing their matches, then suspending and finally canceling the tournament for the year.

Keywords: Sport, lockdown, IPL, Kabaddi, Covid 19.

Introduction

As per the BARC report, in the 2018-19 season, the Pro Kabaddi (PKL) league had a viewership of 1.2 billion while the Premier Badminton League (PBL) reached 200 million tv viewers which

were never heard of earlier. However, since the lockdown has been imposed

They mainly survive on sponsorships and ticket sales but as the covid 19 cases increased government forced lockdowns leading The Pro Kabaddi League to be called off. This caused over 60 crore rupees loss and with no ticket sale, the industry is struggling to survive.

Another league that has met the same fate is the Indian Super League. The 7th season of the Indian super league is being held behind closed doors. It has affected the merchandise sales, ticket revenue and sponsorships accounting up for huge losses in revenue.

This report is important as it determines who is affected by the ongoing pandemic situation, how much and what could be done to lessen the losses. It would help the organizer of different sports leagues. Some leagues such as the Indian Super League (ISL), the Pro Kabaddi League, Premier Badminton League are still not well known across India and the ongoing pandemic has made the situation worse as they have lost their sponsorships, ticket revenue, merchandise sales so it is difficult for them to survive amidst this covid 19 pandemic so it is helpful for them.

This report uses secondary research by analyzing available data from reliable and verified sources for this research.

Research Methodology

While there are many various forms of research methods that can be used to provide insight into the situation smaller sports are in. I have used the Secondary Research approach considering the amount of data available and the lockdown throughout the various states.

Secondary Research is a systematic analytical investigation where I would rely on the data available on the subject. As I shall be using Data available online, I have ensured that I use data presented by reliable sources and media channels only.

This format of research is not only cost & time-effective, gathering data from reliable sources ensures the authenticity of the data. Using this form of research also allows me an opportunity to identify any knowledge gaps which could be used to serve as the basis of further systematic investigation.

While I may have reduced the possibility of the questionability of data by using only reliable sources, I still need to consider many other factors that come with secondary data. As the data is freely available to all, the information presented in secondary data is going to be common and may not present any unique advantage, thus It would solely depend on my analysis and interpretation of the data that shall bring uniqueness to this paper. Also as information may be

generic I would have to identify relevant data, specific to this paper and discard the others. Though the chance of the data being outdated may be less, I still need to be aware of newly updated data and information available in context to this paper.

Literature Review

Considering all of this I have decided to use Data from sources like

- **BARC Report 2018-19** looks into the growth of various sporting events and its broadcast within the country and their earning.
- **Niti Ayog 2020** looks into the growth of various esports
- **Sportskeeda** looks into the participation of people in India in different sports
- **Mondaq** looks into how the sports industry has been affected by covid 19
- **India sports sponsorship report 2020** looks into growth of different sports in 2019
- **Statista** looks into the top revenue-generating sports manufacturing globally

Analysis

The overall sports industry in India before Covid -19

As mentioned earlier apart from ticket sales, the sports industry earns from event sponsorships, merchandise sales, media adverts and broadcasting rights on various forms of media. Before the pandemic Indian sports industry was valued to be over 91 billion rupees. There was a growing popularity of small domestic leagues such as the Indian super league and the premier badminton league. There was a 17% growth in sponsorship to the 12% growth in sponsorship in 2018.

Sporting events can be categorized into three main categories namely, Contact, Non-Contact & Limited Contact Sport.

Contract Sports

Contact sports are sports that emphasize or require physical contact between players, for example, Kabaddi. The sport of kabaddi has seen a 14% growth since 2015 and The Pro Kabaddi League, a domestic kabaddi league, saw a growth of 9% in viewership and 33% of increment in interest making it the second most-watched sport after cricket and the most-watched non-cricket sport in India.

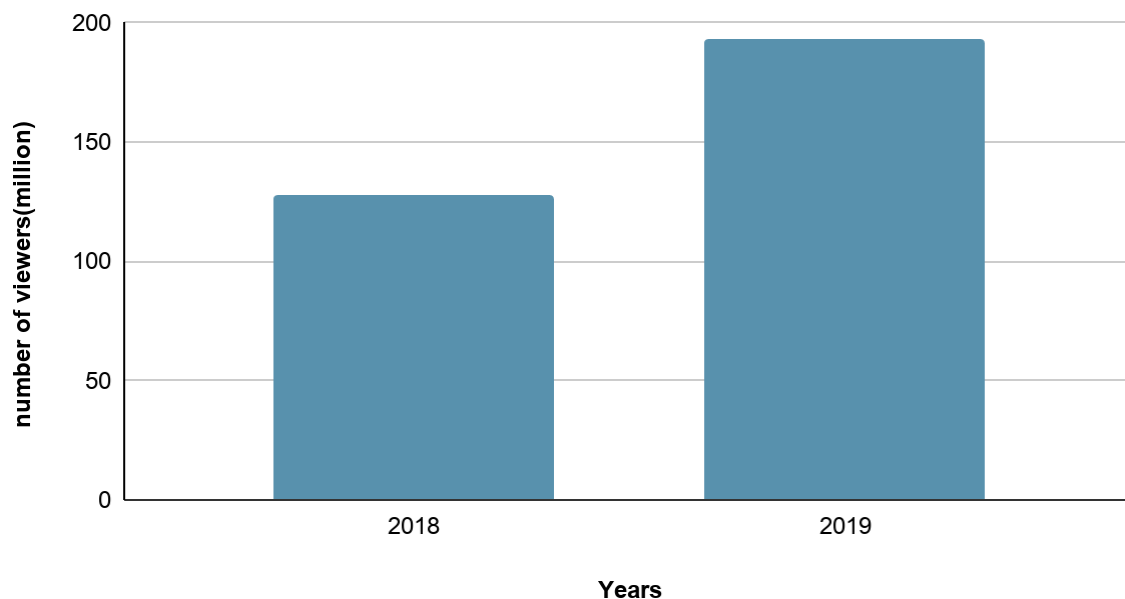
Non-contact sports

Non-contact sports are those where participants should have no possible means of touching, for example, badminton. Badminton is the second most played sport in India after cricket. In 2019 the Premier Badminton league saw a growth of 40% in interest and the awareness about the league went up to 57% in 2019 which was 50% in 2018 and reached about 133 million people which was just 35 million in 2016 (first season of premier badminton league) making a 280% growth in reach.

Limited contact sport

Limited-contact sports are sports for which the rules are specifically designed to prevent contact between players either intentionally or unintentionally. Contact can still happen, but penalties are often used to disallow substantial contact between players for example football.

Viewership of Indian Super League

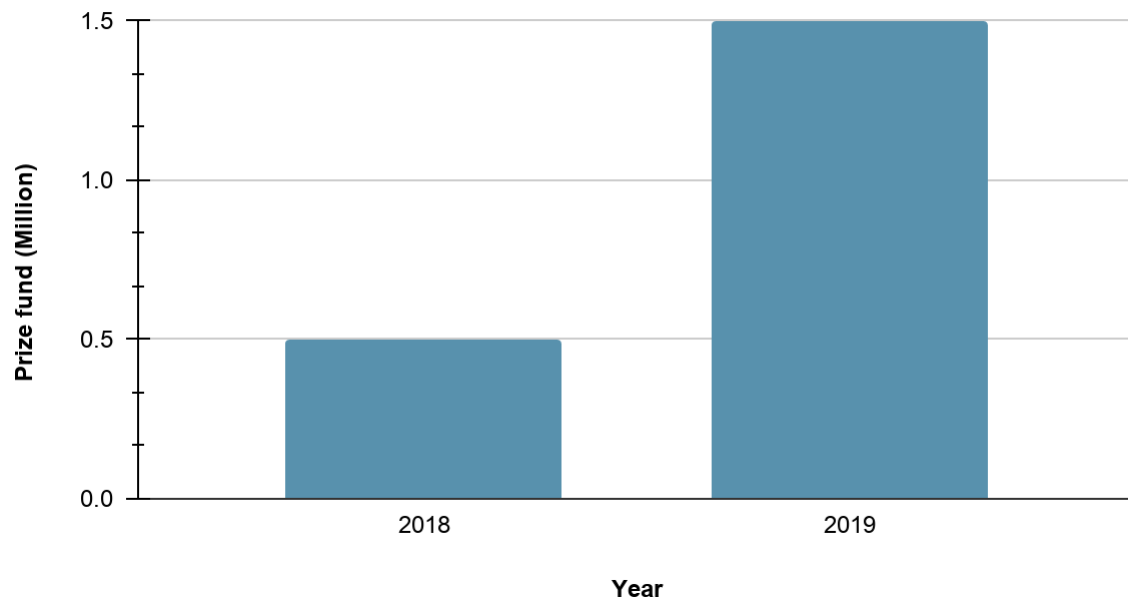


The graph shows the number of viewers in 2018 and 2019 (the X-axis shows the years and the Y-axis shows the number in millions). This graph shows that there was a 51% growth in viewership compared to 2018. This signifies how big of growth the Indian Super League made in viewership which in turn means more revenue for the industry. It had a 96% growth in TV rating and a staggering 97% growth in viewership on Hotstar (an OTT platform).

Pre covid scenario of esports

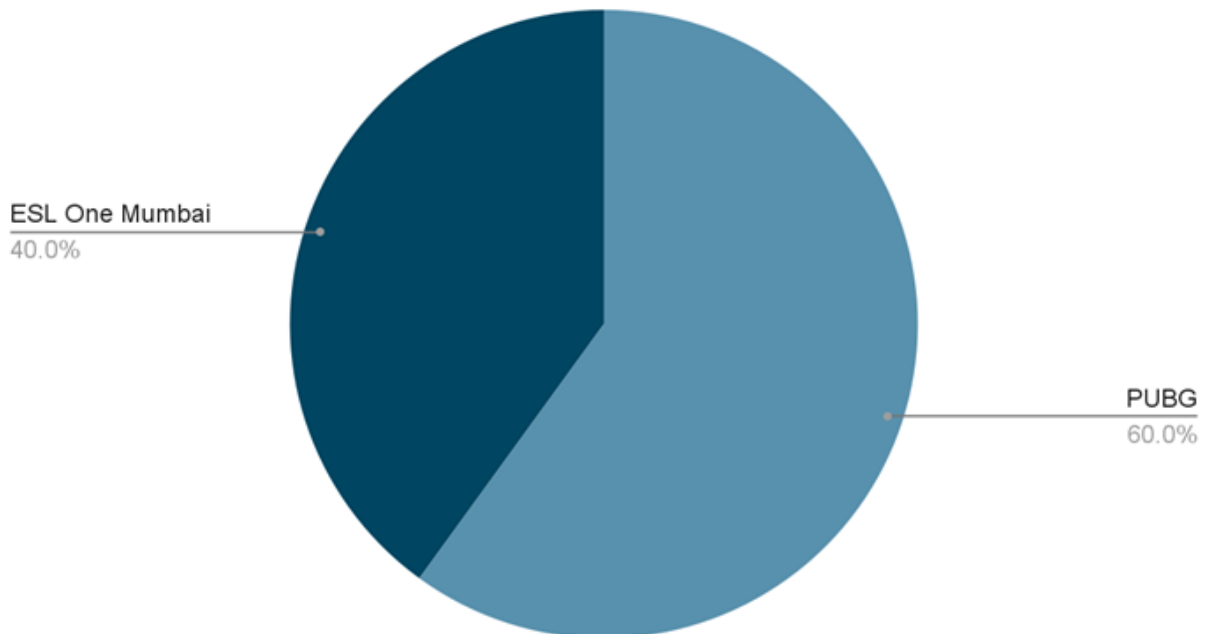
Esports (also known as electronic sports, e-sports, or eSports) is a form of competition played online among individuals or teams on various devices like mobile, gaming consoles or computers. As betting is illegal as per the Indian Law, IPL helped introduce newer formats of public engagement in the form of Fantasy Leagues like Dream11 and MPL significantly increasing Digital Sports Engagement bringing in additional earnings INR 80 Million in 2018.

Prize fund for Esports in India



The prize pool for esports in 2018 and 2019 (the x-axis shows the years and the y-axis shows the amount of money in million USD). There was an increment of 180% in terms of the prize pool. This means that many more esports tournaments were held in 2019 which increased the interest of people in esports.

composition of prize pool of esports in India



The chart shows the composition of the prize pool in India. According to the pie chart, Players Unknown Battle Ground had 60% of the total prize money. Increasing the interest of people in this sport 60% of the total prize pool is from Players Unknown Battle Ground (PUBG). While the other 40% came from ESL One Mumbai.

Comparison

The overall effect of covid on sports

According to reports, the projected growth of the sports industry has fallen off to 3.3% in the upcoming 3-5 years compared to the 8% in the last 3-5 years. Sponsorships have also seen the same fate as they fell to 2.2% in 2020. The main cause of this is covid 19 as the spike in cases has caused the government to force lockdowns, leading to many sporting events being called off or rescheduled. Reports also show that many clubs such as the Chennai City FC and Quess East Bengal FC, have terminated the players' contract by force majeure clause (A contract provision that allows a party to suspend or terminate the performance of its obligations when certain circumstances beyond their control arise, making performance inadvisable, commercially impracticable, illegal, or impossible.)

According to a report by Republic World, there has been an increment of 11% in job searches

while job placement has fallen by 25% in the sports industry. This is a direct effect of the lockdown as all the sports complexes have been shut down, making coaches unemployed as, unlike academics sports cannot be taught online. The closure of stadiums has left ushers, cleaners, caretakers, etc.

The overall effect of covid on associated businesses Sports

broadcasting

Research shows that the viewership of sports channels has gone down by 65%. This drop-in viewership has led to a drop of 13% in advertisement booking. Because many sports events such as Pro Kabaddi League, Indian Premier League are getting canceled and postponed, there are no new events, sports channels have been reduced to repeating old tournaments with no certainty of the live telecast of events.

Sports equipment manufacturing

Sports equipment manufacturing has also been affected badly as all stadiums and sporting complexes have been shut down. It has been reported that an industry in Jalandhar, which manufactures around 70% of all sporting goods in India, was facing a business loss of Rs. 2 to 3 crores per day.

Fantasy sports and esports

The business of fantasy sports saw about 90 million users with a growth of 212% and the gross revenue for fantasy sports operators was around 2,400 crores which was 920 crores the previous year. According to industry estimates, the viewership in India doubled to 17 million while the prize money pool grew 25-30%.

Conclusion

The spike of Covid-19 cases has forced lockdowns due to which sports organizers have been forced to call off the event or continue behind closed doors which have further amounted to huge losses as they have lost their ticket revenue, merchandise sale and sponsorships this has made the sports industry difficult to survive especially for small and developing industry such as pro kabaddi league, ISL and premier badminton league. Not just the industry but many associating businesses such as the equipment manufacturing industry, sports broadcasting have also been crippled. Many coaches, trainers, sports teachers were left unemployed as all the sports complexes remained closed. Due to the enormous number of cases in India the Indian Premier League was held abroad leaving the ushers, cleaners, caretakers unemployed. The Pro Kabaddi

league lost its sponsor.

With lockdown many new apps such as zoom, google meet, google classroom are being used for video conferencing and academics coaches and trainers can take advantage of these apps and teach to a large number of people thus opening a new way of earning. Sports should be taken virtual, many sports such as formula 1 and chess have been holding their events online, technology should be developed for players to play from their respective homes.

Fan engagement should be increased by investing more in fantasy and esport. Teams and clubs should start their TV system where they provide exclusive content of the insides of the organization. This will increase fan engagement besides that it will provide a new revenue stream for the team/club.

Taking the example of the sports broadcasting “fox sport” they redesigned their mobile app so that the viewers can get the traditional feed as well as from different camera angles. Other sports broadcasters should find new ways of broadcasting sports.

All the necessary precautions should be taken before the match starts. During the IPL 2020 season players had to wear a band that alerted them when there was a player near 2 m of distance from them. Other sports should also incorporate this to lessen the threat of the virus spreading.

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