

## COVID-19 Discussion

[00:00:02] Hello, my name is Paul Peterson, professor at Indiana University Sport Management, and I'm joined by three doctoral students. And we'll all just be talking about how the pandemic has affected the sport industry in the United States. Thanks to Victor Timchenko for the invitation to provide this video for the conference. International Scientific Conference on Safe Sport 2020. And for the sport management session of the conference that Victor is leading. We'll just talk for about ten minutes.

[00:00:52] Amongst the four of us and about the various levels in the sport industry and how and how COVID-19 has changed things first. We'll first go round this room and then each one will introduce himself and then we'll just start a discussion.

[00:01:19] So, hello, my name's Zach Peterson. I'm a first year produced Ph.D. student studying under Dr. Antonio Williams in a sport management program.

[00:01:32] Hello, my name is Jonathan Benedict. I am also a doctoral student at Indiana University, setting a bureau. Dr. Peterson.

[00:01:42] Hi, I'm Brad Norris. And I'm about to begin the program for a program, and I'm also studying under a Dr. Peterson.

[00:01:53] So obviously, the pandemic because significantly affected the sport industry, all aspects of our lives.

[00:02:02] We were actually practicing what's social distancing here, staying a few feet apart from each other. And for the most part, people are staying in their homes. Some go out and exercise and some go to the grocery store. But for the most part, the COVID-19 situation is as has really changed a lot of things with society, but especially for us in terms of we study sport management and sport overall. It's affected and affected the sport industry at all the levels from youth sport, youth sport participation to high school. We'll talk a little bit about high school athletics and we'll talk a little bit about college athletics and its affected gambling expected. EA Sports affected. A lot of decisions have been made. A lot of people have. I've been affected, a lot of jobs have been affected. And there's still a lot of uncertainty in terms of this. The sport industry looks like with the

four major professional sports in the U.S., the leagues, the National Football League, that is the that's the league with the with the most media rights.

[00:03:42] The money that comes in for meteorites, it's probably considered the biggest league in the of the four.

[00:03:52] It looks like that the plan is for that to start and have a full season come September, come August, September. Obviously, if there's another outbreak of the virus, then there'll be a change in terms of attendance at those games. I think that's still uncertain. There could be no fans or there could be instead of a 80000 seat stadium, there could be 20000 fans and spread around. I'm not sure if they're going to be testing a temperature, taking people's temperature before they come in. I'm not sure of the arrangement yet. But that league still has a few months to decide what what they're going to do. Major League Baseball. They've come up with a proposal to have a shortened season and maybe even just in one state, which would be maybe Arizona.

[00:04:54] And then they they keep all the teams there. They have they play play games, maybe finish I'll finish a quick season and playoffs.

[00:05:05] And then the NBA National Basketball Association, they recent proposal was for just a a a tournament to finish off the season, I think it was.

[00:05:19] But then there's there's negotiations there in terms of of coming back and whether they're going to play in one location. Looked like maybe Disney, Walt Disney Resort down in Florida. Might be where the NBA.

[00:05:37] Is housed and finishes out this season, which was postponed and the NHL, NHL looks like maybe they might go right into the playoffs. A situation where the season, the season will end and the top teams will they'll be seated.

[00:05:58] And there'll be and there'll be a playoff. And they come down to like around eight locations to where they possibly could could have the NHL.

[00:06:07] So those are the those are the big four. But every other sport has been has been affected.

[00:06:13] Obviously, the Masters was put, was postponed and pushed off from April until August or September or something. And golf events overall have been pushed off. They've started back up again this past weekend. You had Tiger Woods and Phil Mickelson, along with a couple of former professional football players, having a big charity that raised twenty million dollars where they played golf, just a televised event with no spectators. A lot of sports in the U.S. are going to be that way where a lot of a lot of events without spectators.

[00:06:53] Women's soccer looks like they might be the first league to actually start to get going. And they're going to maybe if things work out in June, have a season. And I think it's going to be held in Utah.

[00:07:07] So. So. OK. Yes.

[00:07:11] Yes. And in terms of the spectator piece, there's obviously some almost blueprints for how leagues in America can approach that. Obviously, we've got Korean baseball who has decided to go on with their league without any sort of spectators at all, which is interesting. And then also recently, you have Germany and their soccer league starting back up. And what some teams have done have they've got fans that have paid for printouts, Life-Size printouts of themselves, and then the team places those printouts or posters in the seats. So it looks like fans are there. Obviously, the sound aspect is not there, but it looks like more of a full stadium. So it'll be interesting to see how the American leagues respond to that. I know the NFL owners and coaches are really pushing to have even full attendance. They might be overly optimistic on that area, but they really want all the fans there because that's where they get a lot of their revenue from NBA will probably or is leaning towards more of just playing without fans as their media rights deal is big. And they don't necessarily have as many fans on average as the NFL.

[00:08:24] MLB is probably leaning towards the same way. So those are interesting. But in terms of college sports, this is where the decisions really are important. As Ohio State, I believe the athletic director for a house state and even Michigan came out and said that one, if they don't have fans in the stadium, I believe they lose around 10 to 20 million dollars per game somewhere in that in that ballpark. So not having fans at the

stadium for college football games at that level is a huge money loss for those programs. In addition to that, just in terms of their approach. There's a lot of varying opinions in terms of what teams and schools are going to be doing. But the Ohio State A.D. was expecting that they could hopefully get 50 percent of the stadium filled with fans, which is obviously a problem in and of itself, as they usually have one hundred percent attendance. But they were hoping that they could even be more fans in the stadium in the future.

[00:09:34] Yes. One thing I can add to that. It's really interesting in terms of the college sports approach to try to radio printed and resume competitions. Is that college sports sometimes lacks that central organization that oversees everything the NCAA does for the United States. But it's a very decentralized model where you have the different conference affiliations that maintain a lot of the power as well. So, for example, the schools that compete in the FCC, which is in the southern part of the United States, may elect to reopen on a different timeline, a resume to be on a different timeline than the schools that are on the west coast of the United States that competed to the PAC twelve conference because of maybe the outbreak numbers and things in those different areas and the different laws that are in those states. So what's interesting is that college football may resume in the fall, but it may only be some of the leagues and different parts of the country and not necessarily everybody. But you're right. The economic impact of not having football, especially it is really to be felt for years of come by the schools. And basketball is the second most popular sport from a monetary perspective for college athletics here. And I know the cancellation of March Madness, which is the big postseason tournament for college basketball. That cancellation of that term across our university and the university, that four million dollars. So just us alone lost that revenue from just the cancellation of a one term event. So I think that could be extrapolated. All these other schools, all these other things, government as well.

[00:11:14] As you just heard, talking about the school's loss for the NCAA tournament. And you heard Dr. Peterson reference gambling. I don't know the exact numbers, but the city, Las Vegas, it was originally the only city that you can bet allowed sports gambling completely shut down all of their casinos. And I don't know what, but it was in the millions lost from also the NCW tournament because they were losing revenue from people being able to gamble on that. And as this is continued and a lot of sports, as sports have started to cancel their seasons or postpone their seasons, just as online

gambling and different states are getting gambling are starting to get traction, that's hurting not only the traction, but the revenue to keep that traction going.

[00:11:59] Another another aspect of just the whole overall actual product on the field is the high school piece of the equation. And so for us, a lot of sports leagues in America, you've got your high school and then you get recruited out of high school to go play at the collegiate level.

[00:12:18] It's not just a direct path to the professional leagues. And so losing a year of play and eligibility is really hurt. A lot of a lot of seniors entering the college system. So the level of play is going to be interesting moving forward as there's not many academies that they feed into.

[00:12:42] Well, and Zach's fiancée was a student athlete and was affected by that.

[00:12:51] Maybe you could talk just a little bit about how student athletes are affected or or you could as well by by this pandemic in terms of eligibility and lost seasons.

[00:13:02] Yeah. And so for the NCAA, what they've decided to do or they've given the schools the option to do is give the seniors who hadn't fully finished their season in a way. So a lot of the spring sports, such as baseball and softball. They've allowed them another year of eligibility for those seniors. And even for track and field who still have their outdoor season left. They've given them the option to return.

[00:13:30] However, for most student athletes who maybe aren't going to go on to the Olympics in the sport, such as track and field or to the MLB and sports such as baseball, the year really messes up their almost life plan to where they didn't really account for having to go to school for an extra year. And so in the case of my fiancée, issues having a really good senior season and then the corona virus outbreak happened and she wasn't even able to start her outdoor season. So while she was planning on or she would like to would would have like to finish her season, life comes up and she's going to be a teacher. And so she doesn't really have time to go back and finish that last half a year of eligibility. So her her enjoyment and her involvement in the school and all the records that different athletes could have been set during this time, all were washed away. And so they didn't have the ability to actually complete that, which

is very unfortunate for many athletes, especially those in the in the winter sports who missed out on their tournaments. But because they were able to complete their seasons, they didn't get the benefit of having another year of eligibility. So many wrestlers, women's basketball players and men's basketball players, they got to play the full season but didn't get to play in the tournament. And by not playing in the tournament, many basketball players were not able to make their case to move on to the professional leagues. And you see a lot of what we call Cinderella stories where players who are almost unknown and then move on to the NBA because of how well they did in tournaments. So it was a big loss for those those athletes and all athletes involved.

[00:15:23] Just a quick follow up on that in terms of lost seniors lost their season in terms of athletes and some can come back and have another another year, some they just. Their careers are over.

[00:15:38] In terms of college athletics, this has also been a time where college programs, some college programs have used this pandemic to make major cuts to their athletic program.

[00:15:57] There a in the U.S., there are conferences. So you have the NCAA overall and then you have conferences within that and Indiana universities, part of the Big Ten conference and then other conferences. There's another conference called the Mac Conference. Schools within the Mac conference are really struggling. They are kind of smaller, smaller schools, maybe fifteen thousand students. And there they have been making cuts, too. There's a baseball program at a university. It's been cut. It's just they've just wiped it off track and field for some schools, maybe some other programs where they have eliminated not just for the season. They have they've cut them out totally. So some some athletic departments at universities are struggling so much that they are making major cuts like that and they're permanent cuts. They're not just a temporary cut. They're permanent cuts. And so it's affected long term thing there. They're short term cuts as well. Where people are being there on work, they're going to be there. The work's being put on hold. But there are some long term cuts where entire programs are are being eliminated.

[00:17:19] Anyone next?

[00:17:22] Any thoughts next? I was kind of going back to Zach, what you talked about with the spring athletes and the seasons, not really being able to really get complete. I believe, if I'm correct, that there was a new transfer rules brought this year that you don't have to sit out a year because of the ball season and going back to the also the spring, being able to get another year of eligibility.

[00:17:50] I believe they also made that a a conference or a school by school decision, because I think I remember it was Wisconsin was also in the big intern or conference with us. They made the decision that all spring athletes will not get an extra year of eligibility because they want them to move on. So really, depending on the size of school or how they feel about that situation could really affect your eligibility at that school. So I believe that's why the incident passed that rule that you can transfer without sitting out a year if you fall under these conditions.

[00:18:22] Any other any other thoughts, gentlemen, in terms of athletic department marketing? What changes with marketing? Like, do you do any marketing at this at this point? Or. Yeah, just I'm just trying to see terms of.

[00:18:38] You know, right now and sort of try to market to your consumers. It's it's really difficult because there's no sporting events going on. So we don't have any tickets to sell and we don't. So, you know, when things are going to resume. So it's tough to sell a ticket to somebody when you don't know when or what the parameters are going to be. And not only that, the pandemic has hit American society at large with a lot of lay offs, a lot of furloughs, a lot of pay cuts. So maybe some of those same consumers don't have the same discretionary income. They would have had to buy tickets to go to sporting events. So I think today in university, we're trying to be sensitive to that. And I have a very strong sales message because maybe it's not the right time to ask people for a couple hundred dollars to buy season tickets for a sport. So I think the marketing is tended to be just the general brand awareness and general brand engagement to try to entertain fans with content and social media and things of that nature.

[00:19:34] Yeah, and going off of that, there's a lot of what we call a corporate social responsibility going on as well, which is just the teams and organizations where teams and organizations doing good things in the community, whether it be playing with

awarenesses for certain diseases or cancers. But I know here at Indiana University, when you're leaving our city or town, there's a big billboard with our football coach, our men's and women's basketball coaches. And it just says, I believe, stay home. So they're just pushing the CDC warnings or the World Health Organization warnings that it's good to obviously wash your hands, stay separate from each other, stay at home and try and help flatten the curve in any way possible. And so you're seeing a lot of sport organizations do that, as well as social media by just pushing out messages that advance that knowledge and trying to spread that information.

[00:20:36] Ok.

[00:20:36] We think we've probably taken up too much time, but if somehow you need more information, just let us know.

[00:20:47] Dr. Ten Chieko can give you our contact information, but thank you for allowing us to be a part of your conference.

[00:20:57] And thank you Victor for inviting us. And we'll just do one last sweep around here and wave goodbye and sign off. So thank you.

[00:21:08] Thank you. Thanks. Appreciate it.