



## Sports Career Consulting - COVID-19 Pandemic: Sports & Entertainment Industry Impact

### In this lesson, you will learn:

As The COVID-19 outbreak has become a global crisis, how has the sports and entertainment industry been impacted?

- Define media (Lesson 1.3)
- Understand the concept of media (broadcast) rights and how viewership / audience size is measured (Lesson 1.3)
- Explain the importance of a quality product and offer examples of how technology has influenced the sports and entertainment product (Lesson 2.5)
- Define and provide examples of sports and entertainment industry segments (Lesson 2.5)
- Recognize how sports and entertainment companies generate revenue (Lesson 3.2 / 3.3)
- Understand how the economy impacts the sports and entertainment industry (Lesson 3.5)

RESOURCES	QUESTIONS
<p><b>DISCUSSION PROMPTS</b></p> <p><b>1</b> Discuss these questions with your classmates or with a partner.</p>	<p><i>Estimated time: 5 mins</i></p> <ol style="list-style-type: none"> <li>1. What is media? (<b>Lesson 1.3</b>) <i>A means of communicating a message to large numbers of people</i></li> <li>2. What is a product? Provide three examples of sports and entertainment products. (<b>Lesson 2.5</b>) <i>STUDENT ANSWERS WILL VARY</i></li> <li>3. What is revenue? (<b>Lesson 3.2</b>) <i>The means for an organization's cash inflow, typically as a result of the sale of company products or services</i></li> </ol>
<p><b>STUDENT ACTIVITY</b></p> <p><b>2</b> <a href="#"><u>COVID-19 Pandemic Sports &amp; Entertainment Industry PowerPoint</u></a></p> <p>To help examine the impact of the pandemic on the sports &amp; entertainment industry, open the "by the numbers" PowerPoint.</p> <p>Discuss the questions at the end of the PPT and think about how the industry has responded to this crisis.</p>	<p><i>Estimated time: 20 mins</i></p> <ol style="list-style-type: none"> <li>1. Why is revenue important to sports businesses? (<b>Lesson 3.2</b>) <i>STUDENT ANSWERS WILL VARY</i></li> <li>2. How has COVID-19 impacted the way sports businesses generate revenue? Have all businesses been impacted the same way? (<b>Lesson 3.2</b>) <i>STUDENT ANSWERS WILL VARY</i></li> <li>3. Do you think some organizations within the industry will end up going out of business as a result of the pandemic? (<b>Lesson 3.5</b>) <i>STUDENT ANSWERS WILL VARY</i></li> <li>4. What is the U.S. Small Business Administration (SBA)? (<b>Lesson 3.5</b>) <i>The SBA was created in 1953 as an independent agency of the federal government to aid, counsel, assist and protect the interests of small business concerns, to preserve free competitive enterprise and to maintain and strengthen the overall economy of our nation.</i></li> </ol>

	<p>5. What was the Paycheck Protection Program (PPP)? <b>(Lesson 3.5)</b>  <i>The Paycheck Protection Program allows entities to apply for low-interest private loans to pay for their payroll and certain other costs. The amount of a PPP loan is approximately equal to 2.5 times the applicant's average monthly payroll costs. The loan proceeds may be used to cover payroll costs, rent, interest, and utilities.</i></p> <p>6. How do you think the PPP helped businesses in the sports and entertainment industry during the pandemic? <b>(Lesson 3.5)</b>  <i>STUDENT ANSWERS WILL VARY</i></p>
<p><b>EXPANDED DISCUSSION</b></p> <p><b>3</b></p>	<p style="text-align: right;"><i>Estimated time: 40 mins</i></p> <p>7. What is an industry segment? <b>(Lesson 2.5)</b>  <i>A grouping of similar types of products or services offered to consumers by businesses within the same industry</i></p> <p>8. What segments of the sports &amp; entertainment industry might have seen a benefit from the pandemic as consumers were forced to stay home? Do you think those segments will continue to grow? Why? <b>(Lesson 2.5)</b>  <i>STUDENT ANSWERS WILL VARY but TV ratings for live sports are up, good news for advertisers and broadcast companies, and to sports leagues enjoying a ratings bump, and also the gaming industry, video games and esports in particular.</i></p> <p>9. How do media companies measure audience size / viewership? Who is “Nielsen” and what do they provide? <b>(Lesson 1.3)</b>  <i>Nielsen Media Research provides ratings system that helps determine the size of an audience. Nielsen can identify peak hours in which the most people are tuned in to watch or listen. Nielsen can also identify specific markets in which ratings were the highest so marketers can strategically target consumers.</i></p> <p>10. Why is it important to have information on how many people are watching / streaming sporting events &amp; shows? <b>(Lesson 1.3)</b>  <i>Without ratings, broadcast companies would have a difficult time selling advertising and sports/entertainment programs would not be able to command million-dollar rights fees</i></p> <p>11. How does an advertiser benefit from ratings information? How might a sports league benefit? What about a broadcast company like TNT or ESPN? <b>(Lesson 1.3)</b>  <i>Ratings provide information on which programs fans are watching, helping to establish a value for broadcast rights. Higher ratings means more viewers watching ads, benefitting an advertiser. Broadcasters benefit because they can charge more for ads when viewership is higher. Leagues then benefit because they can charge higher rights fees to broadcast companies. Lower ratings typically means lower advertising rates and lower rights fees.</i></p> <p>12. What is “virtual” advertising? <b>(Lesson 2.5)</b>  <i>Virtual advertising is the use of digital technology to insert virtual advertising images into a live or pre-recorded television show, often in sports events</i></p> <p>13. Why do you think some broadcast companies are experimenting with virtual advertising (and virtual crowds) during the restart of leagues like European soccer, MLS, MLB and NBA? <b>(Lesson 2.5)</b>  <i>STUDENT ANSWERS WILL VARY</i></p> <p>14. Have you watched any live sports in the past week? What did you notice that was different about the broadcast?  <i>STUDENT ANSWERS WILL VARY</i></p>

15. What is a product? **(Lesson 2.5)**  
*Tangible, physical goods as well as services and ideas*
16. Provide three examples of sports and entertainment products. **(Lesson 2.5)**  
*STUDENT ANSWERS WILL VARY – Look for things like licensed merchandise, equipment and apparel, film & cinema etc.*
17. Why is a quality product important in the business of sports? **(Lesson 2.5)**  
*To generate and sustain interest in the product being offered which will lead to improved sales (increase sales of tickets, licensed merchandise, viewership and ratings, sponsorship opportunities, advertising etc.)*
18. What is one example of how the quality of a product has impacted a sports league, team, broadcast/media company (TNT, ESPN etc.) or streaming business (Disney+, Netflix etc.) **(Lesson 2.5)**  
*STUDENT ANSWERS WILL VARY – Look for something that suggest better picture quality or enhancements to a broadcast, better programming on a streaming platform like Netflix being nominated for Oscars, teams putting a “better product on the playing field”, leagues changing rules to make a game or event more fun to watch etc.*

### COMPREHENSION CHECK

4

*Estimated time: 10 mins*

- \_\_\_\_\_ refers to a means of communicating a message to large numbers of people.
  - Media**
  - Selling
  - Promotion
  - Advertising
- Radio, cable, broadcast television companies and streaming providers measure their audience and reach through \_\_\_\_\_, which are expressed as a percentage of the potential TV audience viewing at any given time.
  - Fan engagement
  - Brand loyalty
  - Social media
  - Ratings**
- Which of the following does NOT provide a revenue stream to a team sports franchise?
  - Ticket sales
  - Individual athlete endorsements**
  - Television contracts
  - Sponsorship
- \_\_\_\_\_ can be defined as a grouping of similar types of products or services offered to consumers by businesses within the same industry.
  - Product Management
  - Industry Branding
  - Industry Segments**
  - None of the above
- Who is the U.S. SBA?
  - Sports Business Administration
  - Sports Business Association
  - Small Business Administration**
  - Sports Business of America
- TRUE/FALSE:** Media rights are important to sport and entertainment properties because of revenue.