

Crisis Management and Recovery for Events

Supplementary questions

9: Sport Clubs and Event Recovery in Sweden

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1. Describe how event organisers such as sport clubs suffered economically from the pandemic and what actions were taken to minimize the long term effects for the organisers.

Lost revenues and sunk costs are distributed unequally among sports clubs (i.e. event organisers). Many clubs (21%) indicate no decrease in revenues, while the remaining clubs experienced decreased revenues. The decrease in event related revenues has several reasons. The largest share (33%) occurs due to a reduced number of participants and thus registration fees. This loss highlights the importance of participatory events as a funding source for sports clubs. Ticket revenues from spectators and revenues from sponsors normally also constitute substantial sources of funding each accounting for approximately 20 % of the lost revenues (see Table 9.2).

The pattern among those who lost revenues is clear; a few lost a lot while many lost some revenues. In a study in Sweden, the 15 largest sports account for 92.7% of all lost revenues. Football has by far the highest lost revenues (53.4% of all reported losses), but also the largest number of clubs. In relative terms, ice hockey clubs have the highest losses per club. The lost revenues per club should be seen in the context of when the survey was carried out. The data concerns the period of April to June of 2020, which means that some sports have less events planned for this period than other sports.

21% of the clubs planned no measure, which means that 79% of the clubs took at least one measure. On average, clubs planned 3.3 measures/actions to overcome the negative economic effects of the pandemic. More clubs seem to respond with reductions in costs (“decrease supply of sport activities”, “decrease daily operational costs”, “short-time work allowance”) rather than increased revenues (“fundraisers”, “start/increase sales via members”, “increase training fees”, “increase membership fees”, “no refund of fees”). This seems reasonable as the survey was conducted in an early stage of the pandemic when simple and fast measures to reduce costs were needed.

Clubs that took measures had considerably larger revenue than clubs that took no measures. They also had significantly more full-time and part-time employees in their organizations. Thus size is an important predictor of measures taken. Geographical context of the club was not a factor. The analysis of what measures different clubs took can be further discussed by reading and interpreting the results of the cluster analysis described in the text above.

2. Discuss how the concepts of resilience and crisis management can be applied to understand the Swedish case. In particular the response by Swedish sport clubs.

- Based on the definition of resilience, it can tell us about the “capability of a system to recover after undergoing significant disturbance” (like the pandemic). More specifically, in the case of sport clubs and events, resilience is related to their capability to recover and organize spor events at a similar level as pre-Covid-19.
- Event organizations that manage risks related to disruptive changes can reduce both negative economic and non-economic impacts.
- It is important to understand that the capability to recover varies between sports clubs and federations, depending on factors such as adaptive capacity, vulnerability, preparedness, responsiveness, learning processes and characteristics such as size or context

- The results in the case study show that the strategies chosen by sport clubs (related) to events are clearly related to the size of clubs, whether they own or operate their own facilities, and to some extent to lost revenues, sunk costs, and type of sports. The larger clubs have more urgent needs to react, to be responsive, with more employees, members and level of engagement in events, but it might also be a sign of higher levels of resilience.
- Football, ice hockey and handball clubs are more prominent in the clusters with larger clubs, which had a high level of responsiveness in the early stages of the pandemic.
- Results show that factors such as size, lost revenues, sunk costs and type of sport can be used to predict how clubs react in times of crisis and how different type of clubs manage crisis. This is foremost related to the understanding of the responsiveness of sport event organizers, which is identified as a core feature to build resilient organizations.

3. What kind of social impacts did cancelled events cause to Swedish sports clubs?

The study shows that negative social aspects are one significant effect for most sports clubs. Social consequences appear both in the short and in the long run. Initially, everyday activities in the clubs are reduced followed by more significant effects such as cancelled events.

Social impacts caused by cancelled events are manifold. One of the most frequently raised impacts is the loss of members among the clubs. Events are often a main motivator for people to exercise regularly and be part of a club. But when events are cancelled people tend to drop out. Secondly, cancelled events lead to a decrease of activity levels which may cause negative physical and psychological effects.

Sports clubs and their related events act as major contributors to a heterogeneous society. This includes the incorporation by means of age, social and geographical background, gender and culture. Several respondents refer to integration as an important aspect, which normally takes place via various events stops. Finally, the possibly largest social effect of canceled events is the reduction of joy and togetherness.

4. Economic support was welcomed by many sport clubs, but what kind of non-economic support did they ask for?

The pandemic has rapidly initiated governments to offer financial support to their suffering economies. But also other kinds of support is wanted. Temporary changes in regulations may be difficult to interpret and understand. Therefore, several sport clubs wish for help with interpretation of rules and regulations. Furthermore, there is a need for support in addressing challenges on a higher level and assist in lobbying for needs in the organizations.

As time goes by, more and more sports clubs understand that there is no way back to how it used to be; and that a return to normality may take more time than initially expected. This is why a great number of the respondents are asking for assistance in the process of event innovation and renewal.

Finally several clubs ask for help in future marketing processes. The sports clubs are in need of assistance when it comes to market alternative events that are offered instead of ordinary events that stem from pre-covid times. They are also an overall need of support in starting up again when the crisis is over.