

#### **International Journal of Business and Development Studies**



Homepage: https://ijbds.usb.ac.ir

# Identifying drivers affecting the dynamics of sports businesses in the post COVID-19 era

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#### ARTICLE INFO

Article type: Research

Article history

Received: 04.09.2023 Accepted: 27.01.2024

#### **Keywords**:

COVID-19 dynamic capabilities sport business.

#### JEL Classification:

E5, H2, C21.

#### Abstract:

**Objective**: "The purpose of this paper was to identify the factors affecting the dynamics of sports business after the COVID-19 pandemic and to find ways to meet the needs of having clear foresight and radical progress in this constantly changing environment.

Methods This research was of a qualitative type, using the thematic analysis method. The statistical population includes managers of sports businesses, faculty members of entrepreneurial management faculties, faculty members of physical education and sports science faculties with expertise in entrepreneurship and business management, and members of the employment and entrepreneurship working group of the Ministry of Sports and Youth. We used the snowball sampling method to select the research sample. A total of 19 interviews were conducted and recorded in this study.

**Findings** In this research, six themes were identified: management capabilities with three factors, organizational capabilities with three factors, marketing capabilities with four factors, technological capabilities with two factors, macro level challenges with four factors, and networking capabilities with three factors.

Conclusions Considering the extent and importance of sports businesses, as well as the unique features of this type of business, identifying the factors that affect the dynamics can help sports businesses in organizational planning to get out of the crisis.

#### 1. Introduction

Sport is one of the indicators of a country's development and is a politically popular and prominent industry to which politicians pay special attention (Budovich, 2021). The use of the sport industry by developed countries has

**Cite this article**: N. gholipour and E. Alidoust Ghahfarokhi (2024) Identifying drivers affecting the dynamics of sports businesses in the post COVID-19 era, 16 (1), 187-208. DOI: 10.22111/ijbds.2024.46856.2069.



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Publisher: University of Sistan and Baluchestan

caused these industries to play an important and undeniable role in national development. Due to the capacities of the sport industry, there has been a wide expansion in the services and products of this industry. This issue has caused the sport industry, like other industries, to align itself while analyzing the environmental changes in order to respond to the formed needs. Creating sport services and products suitable for groups with any economic, social, and cultural status is an example of the wide expansion of the sport industry (McNiff, 2019). The history of the sport industry shows that this industry has not always been on the path of growth and development, and changes in the world have been able to undergo serious changes in the development process of this industry (Aghazadeh et al., 2020). Core products and services of the sport industry are highly dependent on transportation and global trade, social gatherings such as sporting events, and the operations of sport organizations (Babiak and Wolff, 2009). This fact shows that the sport industry can take a negative path under the influence of a critical situation.

One of these crises was the outbreak of the COVID-19 virus, which significantly affected the sports industry (Burton et al., 2020). Therefore, a dynamic model should be designed for sports businesses that can provide at least some protection against inroads by competitors and crises. The crafting, refinement, implementation, and transformation of business are outputs of adapting to changes and business dynamics. Research shows that industries must renew their resources and abilities to overcome environmental changes (Teece, 2018; Eisenhardt and Martin, 2000). Sports organizations should look at the crisis as a wake-up call to reconsider their processes in order to remain in the competitive scene. In this regard, they should seek to identify obstacles and strategies to improve their conditions in post-crisis conditions.

Changes punish organizations that do not have the ability to adapt quickly. On the other hand, they can bring great benefits to organizations that have resilience and flexibility. Being dynamic helps sports businesses not only turn short-term challenges into long-term success, but also increase the value of their business in the eyes of customers due to the quick and timely supply of products, services, and needs sought by customers (Felin, T., & Powell, 2016). In this regard, Asare et al. (2020) listed adaptability, flexibility, and creativity as the most important factors affecting organizational dynamics.

It should be noted that organizational dynamics is not only related to the factors that affect communication and interactions between members, but also to other forces in the physical, social, and cultural environments that affect communication patterns and interactions (Pentland et al., 2012). Therefore, it is vital to recognize the different effects of these variables on organizational outputs in different cultural, social, economic, and political environments governing organizations in different societies. Identifying the factors affecting the dynamics of the sports industry will enable the managers and officials of sports businesses

to be aware of these factors and consider them in the planning and policy-making processes in order to pave the way for change and development in this industry. The answer to what factors managers should pay attention to in this regard is within the scope of this research. Therefore, providing scientific and accurate findings about the discussion of dynamics and the relationship between their variables in the country's sports industry in order to improve the knowledge of managers in this field and provide information on the effect of the variables' dynamics on the industry's effectiveness is one of the necessities of this research. The current research can provide a basis for future research in this field while identifying the drivers affecting the dynamics of sports businesses in Iran. Also, the present research will acquire and utilize a new conceptual framework for measuring dynamics by using interviews with elites and the latest contemporary literature related to organizational dynamics, which will add valuable information to management literature, especially sports management.

#### 2. Literature review

#### Sport Businesses and COVID-19 crisis

Sports businesses, like many other industries, were involved in this crisis and to preserve the health of athletes and other people involved, major sports events at the international, regional and national levels were canceled or postponed (Nicola et al., 2020, Jedel & Burchard, 2021). In the face of Covid-19, millions of jobs have been lost not only for professionals in sports, but also for those in the retail and sports services industries associated with leagues and events, including travel, tourism, infrastructure, transportation, catering and media broadcasting. (Bas, Martin, Pollack & Venne, 2020). In this regard, Alavi, Zabihi, Alavi and Zar (2020) identified the economic, tourism, human power, infrastructure, media, health, communication, event and post-corona consequences as the consequences of Covid-19 on Iranian sports. Sports organizations faced a complex set of choices in response to the pandemic. On the one hand, a set of ethical considerations, including the health of athletes, employees, and spectators, and on the other hand, financial losses due to the closure of sports businesses, have added to these complications (Skinner and Smith, 2021).

Although it cannot be said that all the effects of Covid-19 have been negative, it has also had positive effects. Among the positive effects of Corona, we can mention the development of sports at home, considering the free time available for people. Also, the forced changes caused by Covid-19 gave sports organizations the opportunity to reflect on past experiences and future needs of sports and physical activity and adapt their plans to the reshaped priorities (Teare & Taks, 2021).

If we also consider every crisis as a hidden opportunity, the Covid-19 pandemic has lessons for governments. There is no doubt that this crisis has helped to

reveal poor governance, policy failures and a number of pre-existing faults (Skinner and Smith, 2021). Glebova, Zare, Geczi & Desbordes. (2021) also included the development of new technologies in the field of coaching, home sports and online communication among the opportunities obtained from this era. Therefore, according to what was said, sports organizations should look at the current crisis as a wake-up call to reconsider their processes in order to remain in the competition scene, and in this regard, they should seek to identify factors that improve the conditions and flexibility of businesses. Sports are effective in postcorona conditions. In this regard, Grix, Brannagan, Grimes & Neville (2020) emphasized three issues in the post-corona era in their research. First, they argued that the pandemic should force governments to reassess their investment decisions in sport. Second, this crisis will significantly increase the use of remote and online business and work, including activities in the eSports sector. And third, the dramatic growth of eSports during the pandemic, as well as its use by major sports such as Formula One and FIFA to augment traditional product, should continue.

Ertel (2021), In his research, emphasized the motivational needs of his customers and employees in the post-covid era. They stated that it is necessary to pay attention to all levels of different needs, including material needs and the desire to establish communication in sports customers at the same time. Rizvandi et al.(2019, 2019) investigated the challenges of sports businesses in the Covid-19 crisis in their research. In this research, strategies for economic recovery in the post-covid era including political, structural and economic strategies were identified. Sattar and Alarifi (2022) also investigated the effect of social entrepreneurship (S-ENT) as a social innovation tool to solve problems in crises such as Covid-19. This article listed the main aspects of social entrepreneurship, collaborative social value creation, social enterprise business models, networking, and value creation through digital collaboration as effective factors in overcoming the crisis.

## **Dynamic and Sport Businesses**

Dynamic Capability is rarely used in sport organizations. However, dynamic capabilities can be beneficial in maintaining competitive advantages in dynamic environments (Di Minin et al., 2014; Lee et al., 2011; Szymanski et al., 2019). It should be noted that organizational dynamics is not only related to the factors that affect communication and interactions between members, but also to other forces in the physical, social and cultural environments that affect communication patterns and interactions (Pentland et al., 2012). In a study conducted by Lefebvre et al. (2020) in the field of electronic sports, the factors affecting the dynamics of electronic sports were investigated. These factors were placed in three dimensions of sensing, seizing and transforming. Sensing, Trendresponsiveness, Proximity with fans, Institutional isomorphism, Success of the FIFA Game, developing brand awareness, Reaching the millennials, developing

new income streams, and Reinforcing sporting legacy had been blanketed. In the seize section, Experience in partnerships, Attractiveness as an employer, Scarcity effect, Videogame skills, cooperate with Esport actors, Communication skills, internalize eSport activities, Nationality, and geographic criteria have been covered. In the transform section, brand extension ability, Content creation ability, Development of eSport monetization, Deployment of eSport strategies, Interest from non-endemic actors, new communication, new partnerships, and new commercial activities were included.

Harris (2021) conducted another study titled "Innovation in national governing bodies of sport: investigating Dynamic capabilities that drive growth". These research findings confirmed that NGBs with different performance in outcomes relating to membership, medals and money had notable differences regarding their approach to innovative leadership, organizational learning, market alignment and resource acquisition and mobilization.

Gerke, Dickson & Wohlgemuth (2020) in their article, investigated the usefulness of the dynamic capability perspective in the strategic processes of non-profit sport organizations. In the sensing section, the identified factors include: being proactive/planning; brainstorming- downtime with staff; encouraging external learning opportunities for staff; implementing strategic planning; observing and listening to the environment-market; providing internal training for staff; self-analysis, in the seizing section including investing in new assets; leverage available resources; Monitoring and implementation of strategic planning (decision making); liberating assets and in the transform dimension including changing change traditions; coordinate skills and resources; integrate two initially separate offers; modify or develop new offers; modify or re-arrange or differently use existing resources.

The literature review suggests that dynamic capability is a suitable framework for studying the dynamics of the sport industry. However, there is only a limited amount of research literature available in the area of sport business.

## **Dynamic and COVID-19 crisis**

The term crisis refers to a phenomenon that results in high levels of uncertainty. Even though it does not occur frequently, it can have substantial impacts on society when it does (Doern, 2016). In the sport entrepreneurship literature, much of the existing research focuses on financial crises without thinking about health crises (Ratten, 2018). This means that more research by sport entrepreneurship scholars is needed on COVID-19 to discover its innovative dimension. Even as financial crises are an ongoing characteristic of a free market economy, health crises occur much less regularly (Doern, Williams & Vorley, 2019). Consequently, more research by sport researchers is required to explore the innovative dimensions of COVID-19.

During a crisis, it is essential to respond quickly and transparently. Crisis management is a complicated process as a business needs to undergo numerous changes to discover the solution to the existing problems (Doern, 2016). There needs to be a dedicated team to respond to crisis management which can monitor the ongoing changes and therefore guide the corporation for the next steps (Ratten, 2020). Creating expert networks, promoting systems to identify capable partners, training for situational and informational assessments, learning how to support and facilitate emerging nodes of coordination, and organizing outside forces, are among the actions that can lead to greater business flexibility (Boin, 2007).

In this regard, Puliga & Ponta (2022) identified 12 types of dynamic factors for innovation in the COVID-19 crisis. Recognizing external opportunities and direct internal R&D and selection of new technologies were identified. Mobilization of resources, building loyalty and commitment, fast and flexible decision making, and initiating combinatorial activities were also identified. In the dimension of transforming, culture of renewal, knowledge management, and co-specialization were identified. Also, Rashid and Ratten (2021) identified eight dynamic capabilities for the survival of small businesses in the COVID-19 crisis. In the dimension of sensing capabilities, these included understanding the emergent crisis, operational modifications, tough decision making, and preparation for worst-case scenarios. In the dimension of seizing capabilities, they included agile business modeling, meeting new needs, and optimum workforce mix. Finally, in the transforming capabilities dimension, they included effective business functions, growing wide networks, increasing visibility through digitalization, and sustainable team.

#### 3. Research Methodology

#### 1.3. Participants and Data Collection

This research was of a qualitative type using the thematic analysis method. In this research, the statistical population includes managers of sports businesses, faculty members of entrepreneurial management faculties, faculty members of physical education and sports science faculties with entrepreneurship and business management expertise, and members of the employment and entrepreneurship working group of the Ministry of Sports and Youth. The snowball sampling method was used to select the research sample. The sample size was determined during the research process because in qualitative research, information saturation is more important than the number of people studied. This means that the researcher should continue collecting information until the information collected from the participants is duplicated and new information is not added to the previously collected information. In other words, the collected data reaches theoretical saturation. Considering the above points, a total of 19 interviews were conducted and recorded in this study. The information about the statistical

sample was shown in Table 1. In this study, semi-structured interviews were conducted to allow the researchers to engage in a more natural conversation and explore unexpected research avenues. By utilizing semi-structured interviews, researchers may gain a deeper understanding of the research topic while addressing the phenomenon within a particular context. The interviewees were asked open-ended questions to facilitate detailed responses. The researcher conducted all interviews in person, recorded them, and transcribed them verbatim.

Table 1: The information about the statistical sample

<b>Executive history</b>	Researcher	Field of study	Grade	Gender
-	*	Physical Education	PhD	Man
*	-	Business management	MSc	Man
-	*	Physical Education	PhD	Woman
*	*	Cultural politics	PhD	Man
*	-	Human resources management	MSc	Woman
*	-	Physical Education	MSc	Man
*	*	Entrepreneurship	PhD	Man
*	*	Entrepreneurship	PhD	Man
*	1-	Physical Education	MSc	Man
*	1-1	Entrepreneurship	PhD	Man
*	*	Physical Education	PhD	Man
*		Physical Education	MSc	Man
-	*	Physical Education	PhD	Woman
*	*	Physical Education	PhD	Man
*	7	law	MSc	Man
*	*	Physical Education	PhD	Man
-	*	Physical Education	PhD	Man
*	-	Physical Education	MSc	Woman
*	*	Entrepreneurship	PhD	Man

## 2.3. Data Analysis

Analyzing qualitative data with thematic analysis method includes different steps. The data was entered into Microsoft Word and then translated from Persian to English. Following this translation process, the data was analyzed using the Gioia methodology, which focuses on identifying main themes. This analysis process was deemed most appropriate given the emphasis on finding themes related to the dynamic of sport business and COVID-19. The data analysis for this study aims to combine the theoretical explanation of the identified themes emerging from the data. The data analysis process followed the Gioia

methodology proposed by Gioia et al. (2013). This methodology explains the analytical process of identifying concepts in the data, grouping them as themes, and then finding the aggregate dimension at a wider level. The data generated from the interviews helped us establish the first-order concepts. Furthermore, the relationship established among the first-order concepts created higher-order themes. Second-order themes then resulted from constructs having a similar meaning. At this step, the research question and the theoretical background presented earlier in this paper helped us identify the aggregate dimensions. To ensure the trustworthiness of the analysis, the coding process was repeated with selected interview data within a period of 30 days. The reliability of re-testing between the coding process by the researcher at two-time intervals was calculated using this formula: Reliability percentage = (2 x Number of agreements/Total number of codes) x 100. The reliability data are summarized in Table 1 below. As depicted in Table 1, the inter-rater reliability for the coding is 83%, comfortably in excess of the necessary thresholds (Gwet, 2014). Efforts to maximize the trustworthiness of the also included 'member checking' and 'peer debriefing' (Guba & Lincoln, 1989).

Row	Interview Title	Total Number of Codes	Number of Agreements	Retest reliability percentage
1	P1	34	13	76%
2	P4	39	16	88%
3	P9	35	15	85%
4	P11	27	12	89%
5	P14	23	9	78%
	7	Total	158	83%

The retest reliability of the interviews conducted in this study using the mentioned formula is 83%, as shown in Table 1. The coding is considered reliable as the reliability rate exceeds 60% (Homan, 2010: 18). Approximately 73% of the research participants were male. 60% held a Ph.D., 40% held a master's degree, and 80% had a degree in physical education. The demographic characteristics of the population are presented in Table 2.

#### 4. Results

This section presents findings that provide insight into the development of sport businesses during and after COVID-19.

## Management capabilities

## Management and Planning

Not having a clear action plan to mitigate the adverse effects of the crisis and dynamic capability development (P4).

Most sport managers are unfamiliar with dynamic capability and manage according to the same mindset and traditional approaches (P10). Managers do not

act decisively and clearly in making decisions (P3).

#### Cost Management

We had no choice but to adjust our workforce to deal with the crisis (P4). We estimated our debts, eliminated unprofitable parts, focused on a single group of customers, and eliminated obsolete products. Similarly, Adidas closed most of its retail stores and launched e-commerce (P6).

Our clubs earn money primarily by organizing competitions. Nevertheless, they must now set up their online stores and earn revenue by selling merchandise bearing the club's logo (P19).

"Recruiting new employees is a costly process. As a result of this crisis, inflation, and sanctions, our sport businesses have been under pressure, making it difficult for them to recruit new employees. Organizations should outsource some tasks and concentrate on their core competencies (P1)."

## Revenue Development

"We should explore new business opportunities. The sport industry should produce high-demand goods. For example, research has shown that cycling and outdoor sport have become increasingly popular. Therefore, producers should offer a wide range of products in this sector. In addition, event organizers organize virtual events, and fans buy tickets to support their favorite teams (P16)."

## Organizational capabilities

## Developing Human Resource Capabilities

Currently, we operate in a highly competitive environment. As our competitors are constantly seeking to gain a share of the market, it is essential that we keep our organization and our employees agile through training and specialized courses, as well as purchasing cutting-edge technology and modeling from overseas sources (P9).

Our federations should have an economic team. This team should analyze the consequences of the crisis, anticipate changes, and provide solutions to cope with rapid changes (P7).

The government is responsible for providing the necessary training for the development of the sport industry (P15). They must also organize sport events and provide technical assistance, training, and support packages to local communities in the event destination in the form of suitable loan facilities (P1).

## Ability to adapt to change

"Many of our clients are still afraid of public places, so some of our sport classes are held privately and semi-privately, and our online training program remains in place (P6)."

"COVID-19, with all its bitterness and events, has provided an opportunity for education discourse to shift towards the virtual space, where it had previously

been neglected. For example, virtual training is now available to many clubs' members (P2)."

"People's sport tastes and lifestyles have evolved over the past two years. People are increasingly interested in exercising at home, participating in outdoor activities, or learning online. As a result, sport businesses should consider moving some of their sport programs outside of club spaces, focusing on sport played outdoors, and conducting some classes online (P7)."

"Successful businesses constantly rethink their strategies. Occasionally, they contemplate launching a new product or taking creative action. In addition, these successful sport organizations have demonstrated sound foresight and have prepared insurance policies and other necessary measures for emergencies. Nevertheless, most clubs lack the financial resources to implement these measures (P3)."

#### Service Innovation

Management must remain creative and innovative to survive the crisis and ensure a favorable innovation environment. The development of innovation can be in different areas such as techniques, processes, rules, sports equipment and the development of social aspects of sports activities (P9).

# Marketing capabilities

## **Enhancing Service Value**

In the post-COVID-19 era, the costs associated with providing sports products and services should be reduced because of the financial challenges faced by different sections of society (P10).

We reduced people's tuition fees by changing their time spent in sports facilities (P6).

There should be programs to encourage sports participation in the post-COVID-19 era, including the opportunity to purchase sports equipment in installments, group discounts, sports discount cards, subsidies, credit cards, etc. For example, Japan promotes domestic travel by launching the "Go to Travel" campaign. Under this program, the government pays up to 50% of the costs associated with domestic travel (P5).

We must provide our customers with innovative services. As an example, they will be eligible for incentive programs such as autographs from famous athletes if they cooperate with the club by purchasing tickets or club merchandise (P19).

## Enhancing Service Value Customer Orientation

"Customers will certainly be inclined towards our competitors if we do not provide services when faced with acute and critical circumstances (natural disasters such as floods and earthquakes or pandemics, etc.) (P19)."

"We should reduce the variety of products we offer and prepare customized products for specific groups if we have limited resources. For example, SME Company produces customized sports socks for local and individual customers

and has been operating for many years (P13)."

"Sports clubs should reveal their applications. Various incentive programs, including abstract and real awards, should be available for these applications to achieve predetermined objectives, such as awarding virtual medals to users at each level of usage or loyalty (P8)."

## **Content Creation**

Due to the prominence of the Internet, virtual networks, and smartphones in today's world, every individual with a mobile phone has the potential to become a customer. In my opinion, we should focus on content creation and quality in the future to enhance awareness of our business. As a result, the customer is entertained and engaged by the content, thereby involving them in our economic endeavors (P7)."

We should place a high value on content creation even if we can produce content in different languages internationally. Thus, the more geographically diverse our customer base and sport fans become, the greater the profit margin will be. However, the opposite is true in Iran, and we cannot work effectively in this area (P8)."

## Social Responsibility

One of the most beneficial effects of the COVID-19 epidemic in sport is the increased awareness of social responsibility (P3)

"We provide products or services for free or with installments or discounts to individuals introduced by welfare organizations as part of our social responsibility (P12)."

## **Technological capabilities**

## Technology Development

"We should move towards digital technologies. Reports from Sport Tech X indicate that investment in the sport technology sector is on the rise globally, despite the severe downturn in the sport industry during COVID-19. The use of smartphones to digitize stadium experiences can contribute to the creation of shared value for fans (P1)."

"E-sport and online stores were highly valued during the crisis. However, our sport remains alien to this environment (P17)."

Also, another example of the use of technologies was that Sky Sport has headed in the direction of motion-capture augmented reality, digital avatars, and gamification for their coverage of the new The Hundred abridged cricket competition in England. Meanwhile, the Tokyo Olympic Games featured augmented and virtual reality, 360-degree replays, AI-driven analytics, and a proliferation of social media platform activity too numerous to list (Horbel et al, 2021).

#### E-Commerce

"Many clubs attempt to sell all types of goods to their customers by selling merchandise and setting up domestic and overseas outlets. Our leading clubs do not even have an advanced club website, which is the most basic form of communication. While clubs can earn money from selling club goods and services online. (P4)."

## **Macro-Level Issues**

## Inflation and economic problems

Sport industry is currently under pressure due to the embargo on importing goods, the lack of communication with world federations, and many other factors (P13).

Many of our sport businesses, such as clubs, are in poor financial condition because they are supported by the government, their debt has increased, and they don't struggle to attract resources" (P18).

When a country is sanctioned, foreign investors are not permitted to invest. There is a shortage of all resources (material, human, etc. (P2).

## Infrastructure, Credit Allocation, and Investment

"Infrastructure is essential for development and adaptation to change. Since most of our country's sport industry is state-owned, and we have not sought to generate income and develop dynamic capability, our clubs lack the necessary structures and expertise to deal with this crisis (P11)."

We have an inadequate IT infrastructure. Many sport organizations have turned to digital content creation for dynamic capability development. Nevertheless, the slow Internet speed and the restrictions on foreign networks in the country place these online sport businesses at risk (P15)."

Sport is not a top priority for the country, and we have many problems and deficiencies in several sectors (P3)."

## **Government Support**

The interviewees mentioned several factors: cooperation between the government, the Social Security Organization, relevant agencies, and municipalities in granting permission for insurance premiums to be delayed, providing various incentives for sport businesses to forgive, postpone, or discount rent, failure to receive bills, providing unemployment insurance, as well as providing appropriate financial facilities to the staff and owners of sport clubs and other departments licensed by the Ministry of Sport and Youth during the current crisis period or the possibility of paying it off within one year after the crisis ends.

In this regard, Hammerschmidt et al. (2021) report that the Swedish government supports sports through a 50-million-euro aid package. Swiss professional sports were allocated €50 million, with the possibility of receiving a government loan.

#### Legal Issues

We must not only remove existing legal hurdles but also provide the necessary facilities, i.e., somehow enhance the business environment, particularly from a legal standpoint (P1).

"The government's motivational incentives and how sponsors are treated are very influential in attracting sponsors. Generally, it is prohibited to support professional sport. Nevertheless, these issues should be handled separately for each province since some provinces have amateur sport that only pretends to be professional (P8)."

#### **Networking capabilities**

## Sponsor Relationship Management

Many aspects of our country's sport have received only limited financial support from sponsors, except in cases where these sponsors assisted sport under pressure from their officials (P3)."

Only a few clubs communicated consistently and effectively with their stakeholders (P9)."

## Fan Relationship Management

"Our fans should be valued, and we should consider incentives for them if they continue to support our club in times of crisis. For example, an initiative from one participant from the Bundesliga was to offer their fans a place on a match jersey if they waive the repayment of their season ticket (P8)."

#### Value Co-Creation

"we should use our customers and fans to communicate with others and identify those who can contribute to developing our product or fan network (P3)."

"Success is impossible without receiving feedback from stakeholders. Our stakeholders should provide us with suggestions and advice. We may even allow fans to handle some non-technical issues (P5).

## Synergies

"It is necessary to work with others to gain access to facilities. Our operations are not conducted in a vacuum (P3)."

There should be coordination between different ministries such as the Ministry of Sports and Youth, Education, Science and Tourism for the development of sports in the society, and a joint inter-organizational committee should be formed (P6).

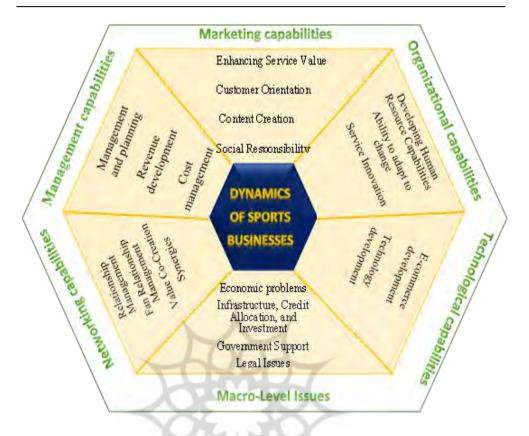


Figure 1: The final research model

## 5. Conclusion

This study was conducted with the aim of identifying the drivers affecting the dynamics of sports businesses in Iran in the post COVID-19 era. Six main themes were identified. The first identified theme was management capabilities, which included three categories of management and planning, revenue development and cost management. The role of management and planning in dynamic environments has been highlighted, especially during times of crisis (Abramova et al., 2021, Seeger, 2006). Therefore, innovative, skilled and experienced managers should be employed for the development of dynamic capability (Rodenbach & Brettel, 2012, Escamilla et al, 2021). Cost management and revenue development are another factor that is important during the crisis and after the crisis. Hammerschmidt et al. (2021, 5) acknowledged that many football clubs reduced their costs during the COVID-19 crisis by hiring part-time workers, reducing players' salaries and bonuses, and minimizing stadium infrastructure expenses. Interruption of services with low popularity and

adjustment of legal incentives have been other measures taken during the crisis. Consequently, businesses should regularly monitor their activities, eliminate inefficient practices, and focus only on profitable ones (Ma, Gu, Wang, & Hampson, 2017).

Another identified theme was organizational capabilities, which included three factors of Developing Human Resource Capabilities, Ability to adapt to change, and Service Innovation. In this regard, studies have shown that an organization's dynamic capabilities and restructuring depend highly on skilled, experienced, and educated employees (Teece, 2007; Hsu & Wang, 2012). A company with more experienced and skilled employees can identify changes faster, create knowledge and apply it to develop a variety of Dynamic capabilities and respond to potential threats and opportunities more effectively (Ambrosini, 2009). Also innovative techniques developed based on real-time can provide businesses with a competitive advantage and lead to customer attraction (Tuškej & Podnar, 2018). Marketing capabilities were another theme identified in this research, with four factors: Enhancing Service Value, Customer Orientation, Content Creation, and Social Responsibility. In the field of customer orientation, interviewees emphasized the importance of product and service diversification and customization. In this regard, Skinner et al. (2021) report that during the COVID-19 crisis, investors prefer club stocks with wide product diversity, while those with wide geographical variety are less popular. Furthermore, clubs are better protected against fluctuations in the market and breakdowns due to a robust local presence coupled with product expansion (Skinner et al., 2021). A business can also add value by providing superior value to its customers to differentiate itself from its competitors (Ma, Gu, Wang, & Hampson, 2017). Providing highly relevant service offerings, based on real-world contexts and circumstances, through dynamic pricing strategies and real-time performance management will lead to value capture, according to Buhalis and Foerste (2015). Also, the interviewees stated that social responsibility is another marketing activity that helps the growth of sports businesses. Among the measures taken in this area were sponsoring successful clubs affected by COVID-19 (Scarfe, Singleton, & Telemo, 2021), providing free drinks to hospital staff, and collaborating with the regional Red Cross (Hammerschmidt et al., 2021). Technological capabilities were another theme identified as drivers of business dynamics, and they included two factors: e-commerce development and technology development. This result was in accordance with Hsu & Wang (2012).

In this regard, Bond et al. (2022) emphasize the diversification of services to generate strategic revenue from technological and digital developments. Skinner et al. (2021) also showed some sports businesses, such as Adidas, ramped up their digital efforts and e-commerce by more than 90% (Skinner et al., 2021). Additionally, major sports, including Formula 1 and FIFA, embrace new layers

of technology to enhance their traditional products, given the significant growth of e-sports during the epidemic period (Grix et al., 2020).

Inflation and economic problems, infrastructure, credit allocation, and investment, government support and legal issues were the four factors identified in the theme of macro-level challenges. Accordingly, in addition to the consequences of Covid-19, Iran's sports businesses are under the shadow of other problems such as inflation, sanctions, and legal and management concerns. Therefore, the ability of businesses to provide desirable services and attract new markets is limited, and the government should support the sports industry. According to Grix et al. (2021), governments should reconsider their investment decisions in sport due to this pandemic.

Networking ability was the last theme identified with four factors: Sponsor Relationship Management, Fan Relationship Management, Value Co-Creation, and Synergies. According to the findings, stakeholder relationship management should also play a more significant role during crises. Many studies have examined the importance of interacting with fans (Wallac, Buil, & De Chernatony, 2014). Dynamic capabilities will develop as an organization establishes more interaction with its stakeholders. Relationships between an organization and its stakeholders may be strained during a crisis (Teece & Leih, 2016). So, an effective organizational communication strategy should move stakeholders beyond the emergency to stability during a crisis (Coombs, 2007). In this regard, Ratten et al. (2021) pointed out that effective networking can be achieved by facilitating meetings and discussions among ecosystem stakeholders. Regular events and gatherings, online forums, and active participation in social media were cited as ways to communicate with others. Also, dynamic capability must be developed using social media and content creation as an effective

mechanism to achieve more fan interaction and pursue a more extensive market

share with relatively fewer resources (Skinner & Smith, 2021).

According to the results, value co-creation is another component in networking. It is a strategy that can achieve higher levels of resources at lower costs, including joint R&D, joint procurement and purchasing, specialized knowledge, more advanced technology, co-marketing, co-branding, and new product development (Vega et al., 2013). Sharma (2021) emphasized the importance of value co-creation in the context of the COVID-19 crisis. Therefore, organizations that use this strategy can adapt to change more easily. Identifying and exploiting innovation opportunities require close collaboration with key stakeholders when resources are limited (Alford & Duan, 2018; Ratten, 2018). So synergy was recognized as essential for the evolution of dynamic capability. Sheth (2020) suggests that sport can provide a collaborative environment in which business ideas can be exchanged and developed (Sheth, 2020). Close collaboration between sport businesses and other involved bodies facilitates communication and increases access to resources. As a result, the development of the sport

industry is dependent upon the cooperation of various organizations (Ratten, 2018). Therefore, collaboration with stakeholders in the sport business, such as fans, sponsors, and staff, will contribute to the development of dynamic capabilities (Ratten, 2021).

In this study, the drivers that contribute to the development of dynamic capabilities of different sports businesses in Iran were identified. Considering the role of macro-challenges in business dynamics, the government should focus on resolving political disputes with other countries. Also, it is inevitable to change the attitude of leaders at the highest levels of the country towards sports for the development of sports businesses. Considering the importance of infrastructure and technology development along with the development of organizational capabilities and marketing capabilities, the government should help the dynamism of businesses by amending laws that create obstacles in the way of business development, holding training courses, compilation of facilitative rules and regulations, provision of subsidies. Sports businesses should also make their business flexible against the current changing conditions by improving the technical knowledge of employees, increasing the quality of sports products and services, using virtual space, and modern technologies. Considering the generality of the findings of this study, future research can be focused on a specific type of business. In addition, there is a need for more research in the field of crisis management and the deployment of dynamic capabilities in sports organizations. Therefore, we recommend that researchers examine how COVID-19 has affected other countries and regions and how professional and nonprofessional sport organizations have adopted dynamic capabilities.



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# شناسایی پیشران های موثر بر پویایی کسب و کارهای ورزشی در دوران پسا کرونا

## چکیده

هدف: هدف از این مقاله شناسایی پیشرانهای موثر بر پویایی کسب و کار ورزشی پس از همهگیری کوویـد– ۱۹ و یافتن راههایی برای اَیندهنگری و پیشرفت در محیط دائماً در حال تغییر بود.

روش پژوهش: این پژوهش از نوع کیفی با روش تحلیل مضمون بود. جامعه آماری شامل مدیران مشاغل ورزشی، اعضای هیأت علمی دانشکده های مدیریت کارآفرین، اعضای هیأت علمی دانشکده های تربیت بدنی و علوم ورزشی با تخصص کارآفرینی و مدیریت بازرگانی، اعضای کارگروه اشتغال و کارآفرینی وزارت ورزش و جوانان بود. نمونه تحقیق را با استفاده از روش نمونه گیری گلوله برفی انتخاب شد و ۱۹ مصاحبه انجام گرفت. یافته ها: در این تحقیق شش مضمون با عنوان قابلیت های مدیریتی با سه عامل، قابلیت های سازمانی با سه عامل، قابلیت های بازاریابی با چهار عامل ، قابلیت های تکنولوژیک با دو عامل، چالش های سطح کلان با چهار عامل و قابلیت های شد.

**نتیجه گیری:** با توجه به گستردگی و اهمیت کسب و کارهای ورزشی و همچنین ویژگی های منحصر به فرد این نوع کسب و کارها، شناسایی عواملی که بر پویایی اثرگذار است، می تواند در برنامه ریزی سازمانی برای برون رفت از بحران به کسب و کارهای ورزشی کمک نماید.

**کلمات کلیدی**: کووید، کسب و کار ورزشی، قابلیتهای پویا.

