SPORT TOURISM CANADA

# Bouncing Back

## Preparing for a Sport Hosting and Economic Reboot

## Part 1: Domestic

May 2021

# Note from Sport Tourism Canada

After a turbulent 2020 that continues into 2021, Sport Tourism Canada has been focused on how sport hosting can return safely and how our segment can play a role in the recovery from the deep impacts of COVID-19. As part of our work, we have been energized by the spirit of collaboration from many industry partners.

In partnership with Destination Canada, we are pleased to present the first in a series of reports that will help to explore and define the challenges facing the recovery of sport tourism. This report, "Bouncing Back: Preparing for a Sport Hosting and Economic Reboot" incorporates the broadest input from the sport tourism ecosystem in the 20+ years of the industry segment in Canada.

We sincerely appreciate the support of Destination Canada and the input of sport hosting groups and supporting industry players from the local to national levels from every province and territory across Canada.

Sport tourism, which made a $6.8 billion (CAD) annual contribution to the Canadian economy in the pre-pandemic era, has started to re-emerge in various forms. We hope that this report will help sport tourism in Canada to get on the pathway to a full recovery and even brighter future.

Best Regards,

Rick Traer
CEO

SPORT TOURISM CANADA
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# Executive Summary

## Key Messages

## Highlights

# Bouncing Back: Preparing for a Sport Hosting and Economic Reboot (Part 1: Domestic)

In partnership with Destination Canada, Sport Tourism Canada is pleased to present the first in a series of three (3) reports that will help to explore and define the challenges facing the recovery of sport tourism. This report seeks to answer some pivotal questions for the industry:

***How can sport hosting in Canada return safely?***

***How can sport tourism act as a catalyst for economic recovery and an industry-wide reboot?***


The first case of COVID-19 was identified in Canada in January 2020. By March 11, 2020, a global pandemic was declared, countries started shutting their borders and travellers were grounded. Canada responded simultaneously by cancelling major events, including international and domestic sporting events. One-by-one, the provinces postponed events and communities responded quickly to adhere to public health orders, cancelling recreational league play and tournaments. With the industry at a "standstill", private venues and businesses supporting the sport event industry struggled to maintain operations.

By October 2020, while some sport activity attempted to return with modified formats, there was no definitive timeline or process for "return to sport". Destinations, event rights holders, and sport governing bodies worked diligently to bring sport back, but the results were inconsistent at best.

A collaborative, purposeful and demonstrably effective approach would be required to encourage host cities, venues, event organizers and participants to once again engage in sport events.

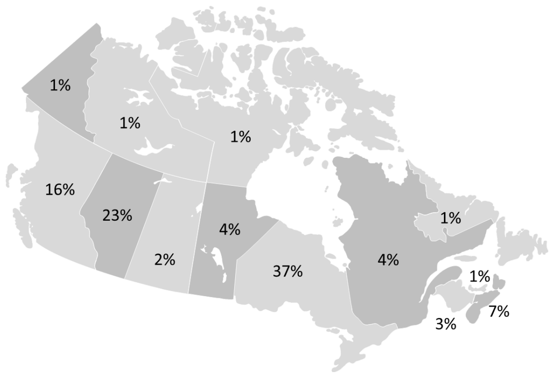
***"The visitor economy saw unprecedented losses in 2020…with an impact on tourism greater than 9/11, SARS and the 2008 economic crisis combined."*** *Tourism Industry Association of Canada, April 2021*

# Bouncing Back: Preparing for a Sport Hosting and Economic Reboot (Part 1: Domestic)

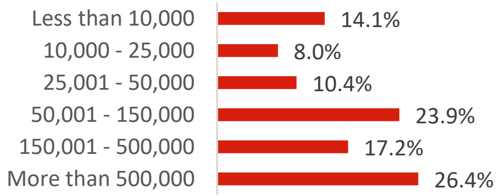
## Hosts

Feedback was received from host destinations located in **every** province & territory, and from **86** different communities of all sizes across Canada.

Distribution of Host respondents by geography (%)




Distribution of Host respondents by population size (%)




"Host Destinations" were represented in this survey by:

*• host organizing committees / host societies • municipalities • regional municipalities • economic development agencies • destination marketing / management organizations • other •*

Hosts play an important role in the sport tourism industry, but so often, sport tourism is not their sole area of interest or mandate. Even with a variety of different funding sources supporting host destinations, some key statistics are telling a precarious story overall, with some optimism due to the resilience of hosts:

- **34%** of hosts indicate a major reduction in 2021/2022 budgets.
- **40%** of hosts have made staffing or structural changes during COVID, with **70%** of those laying off some or all staff.
- **89%** of all respondents are taking on additional duties among remaining staff to get the job done.

***52.2% of hosts believe sport tourism is more important now than pre-COVID, recognizing the ability for sport event hosting to be central to economic recovery.***

# Bouncing Back: Preparing for a Sport Hosting and Economic Reboot (Part 1: Domestic)

## Hosts

**Sport tourism is central to the economic, cultural, and social fabric of our communities large and small across the country.** Despite lock downs and event cancellations, youth recreation sport and high performance sport (competition and training / evaluation camps) continue to operate under strict new guidelines. Unlike festivals and cultural events, sport events provide communities with a glimmer of hope for economic recovery, because they can operate spectator-free in a COVID-friendly fashion.

The breadth and depth of sport tourism in Canada is demonstrated by the range of event types hosted by respondents. According to the survey, mega- and multi-sport games are on hold, but the average host is involved in multiple types of events that bring visitors, profile, and vibrancy to their communities. The top three (3) domestic event types include:

- Single-sport leagues
- Grassroots events, and
- Cause-related / fundraising events.

Events that typically involve more travel, nationally or internationally, may take longer to return, but **local sport events can act as a catalyst for a restart**.

Given the major budget cuts reported by 34% of respondents, it is not surprising that more than **60%** of host respondents are pursuing fewer or no event / bid opportunities in 2021. Optimism seems to return for 2022, however, as more than **50%** of respondents see pursuing the same or more event bids.

The greatest hesitation to pursuing future sport event bids include:

| Rationale for Hesitation | |
|---|---|
| Lack of clarity surrounding funding future | 53.6% |
| Lack of clarity around safety of hosting events with COVID-19 still present | 70.1% |
| Uncertainty of when to schedule event without risk of postponement / cancellation due to COVID-19 | 79.4% |

As public health guidelines become clearer and funding sources more stable, hosts may feel more confident in moving plans forward for sport event hosting, but timelines remain uncertain.

***"Despite all the down sides to the pandemic, it has pushed us to better organize staff, technology, and our ways of working. Our cooperation with other community partners has definitely improved which can only benefit sport hosting in the future."***
*Host survey respondent*

# Bouncing Back: Preparing for a Sport Hosting and Economic Reboot (Part 1: Domestic)

## Hosts

**How do hosts feel about COVID-19 recovery and a bounce back?** Perspectives vary significantly about the timing of return-to-play, return-to-competition, and a "COVID-19 recovery". **Two-thirds** of host respondents think that the pandemic will continue to disrupt sport hosting for at least **another six (6) months**, and half of those believe it will be at least **another 12+ months**.

At present, **89%** of hosts do feel they possess (or have access to) the required level of expertise to navigate the pandemic. A strong team to guide recovery is important, as **75%** of hosts believe that there will be a long period of recovery post-pandemic of at least **one (1) to two (2) years**.

**What hosts are missing**, according to respondents, are clear and concise COVID-19 guidelines, along with clear and regular public health updates. The varying situations between regions / provinces / territories has led to inconsistencies around guidelines, protocol for "return to play" and even which sports or events can be considered. Respondents believe that **a sport tourism reboot will be regionally-driven** depending on the scope, flexibility and support locally.

Host organizations indicate that a year-long shut down has been **devastating for the industry**. While government agencies are working to support the industry, the current levels of support are not enough, especially if travel restrictions continue to be extended.

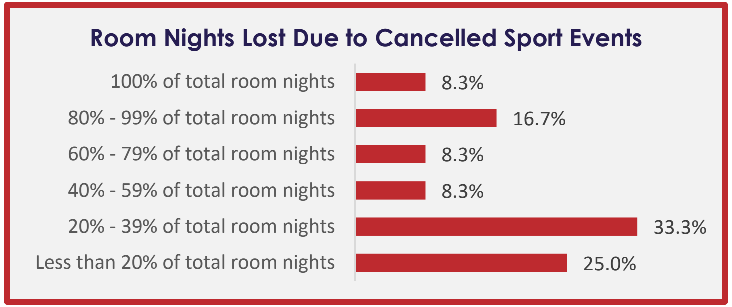
***The average amount of "emergency funding" required to ride out the pandemic per host organization is $199,000.***

With most hosts believing post-pandemic recovery will take at least 1-2 years, **58%** of hosts have been using this "pandemic down time" to **work on long-term strategic planning**. Only **45%** of hosts indicate that they have a hosting strategy in place, meaning half of the respondent host organizations are managing this pandemic "on the fly". Those host destinations with a hosting strategy in place can at least lean on an approach that can identify the shifts in the market, monitor the turbulence, cancellations, starts and re-starts, and respond accordingly. **Long-term strategic planning will be critical to the survival of the industry** and economic recovery post-pandemic, particularly since a date for post-pandemic recovery is not apparent.

# Bouncing Back: Preparing for a Sport Hosting and Economic Reboot (Part 1: Domestic)

## Hotels / Accommodations

**What has the impact of disruption to sport event hosting been on hotels / accommodations providers?** Hotels and accommodations providers are central to sport event hosting and participant / spectator experience at the events. When asked, **100%** of hotels indicated that they have been affected by sport event cancellations.




As seen above, more than **33%** of hotels / accommodations providers lost more than half of their room bookings for 2021 due to cancelled sport events. According to the survey, 2021 hotel bookings are trending **60%** lower than bookings in 2019.

And despite efforts, **75%** of hotels have not successfully re-booked cancelled hotel room nights for future years or have booked less than **20%** of what was originally scheduled before COVID cancellations.

Hotel / accommodations providers are working diligently to support their sport host communities and adapt to new pandemic guidelines. Modifications for sport events include altering traffic flow within the hotels, rotating meal times between user groups to avoid crowding, etc. Despite these efforts, the sector continues to get hit hard.

Interestingly, when asked, **75%** of hotels indicated that they would be able to host a "self-contained sport event". **~55%** of those asked could host events no larger than 100 attendees, but the appetite for a self-directed reboot appears to be present.

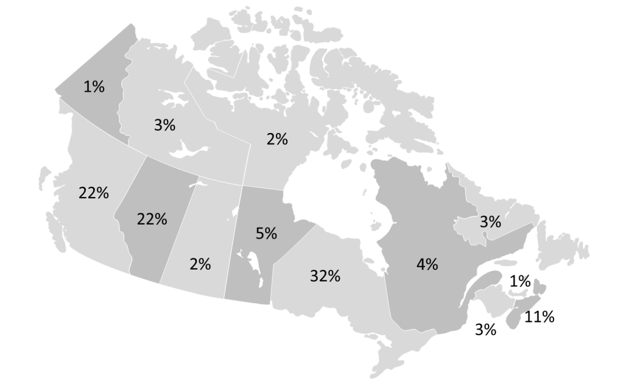
**A case study from BC: "The average provincial occupancy (for British Columbia) is currently sitting well-below 25%, and if we do not see tourism pick up by the summer, we risk losing over 30% of hotels in the province."** *Vancouver Sun, May 7, 2021, Ingrid Jarrett, President and CEO of the British Columbia Hotel Association*

# Bouncing Back: Preparing for a Sport Hosting and Economic Reboot (Part 1: Domestic)

## Sport Event Rights Holders

Feedback was received from event rights holders located in **every** province and territory, and from **75** different communities from across Canada.

Distribution of Event Rights Holder respondents by geography (%)




The majority of sport event rights holders are **membership-based organizations** with 11 full-time staff and eight (8) part-time staff (on average), and membership ranging from 10 to 400,000 people.

"Sport Event Rights Holders" were represented in this survey by:

*• provincial / territorial sport organizations • local sport organizations • national sport organizations • other not-for-profit organizations / charities • multi-sport organizations • commercial rights holders • school sports / intercollegiate sports • sports leagues • Indigenous sport organizations •*

The research demonstrates a split level of resiliency among event rights holders. **51%** believe they can sustain themselves for at least one more year, yet in stark contrast, **24%** indicate that they could not sustain themselves beyond a year. This difference is significant and is something to be aware of as an industry – *how do we support all industry partners through the pandemic together?*

Unfortunately, almost **22%** of sport event rights holders have had to **close their doors**. Most of those organizations are hoping to return, but the level of effort to "restart" these organizations could create further delay in getting events back up and running.

***A quintessential cross-section of over 80 different sports were represented in this survey.***

# Bouncing Back: Preparing for a Sport Hosting and Economic Reboot (Part 1: Domestic)

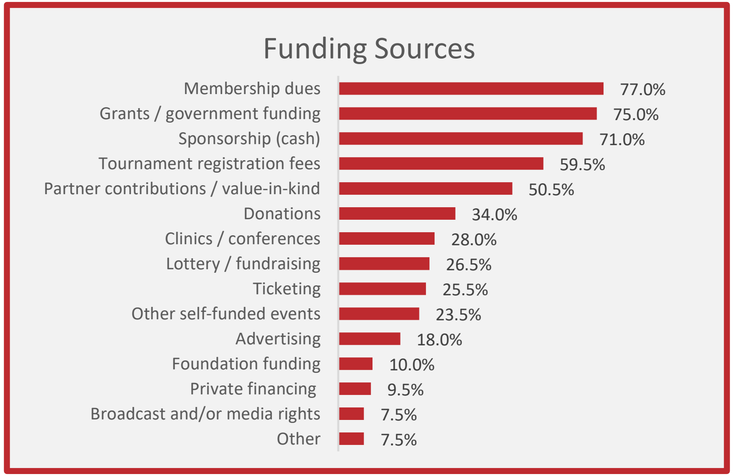
## Sport Event Rights Holders

**How are event rights holders balancing the needs of their members against public health orders?** Event rights holders are in a unique position, where their response to the pandemic can vary greatly, depending on their membership base. Masters sport and adult recreation have all but ceased completely. Youth sport is restricted to regional events only. The only exception appears to be high-performance sport linked directly to Olympic qualification. Each of the above is fraught with unique challenges and requires tremendous effort and attention to overcome.

In 2020, for example, **94%** of event rights holders experienced decreased revenues, with an average revenue drop of **53%**. If not for **government subsidies** and resiliency / recovery funding, many organizations would be facing a grim financial reality.

Without live sport events, event rights holders are not collecting membership dues, tournament registration fees, sponsorship revenue or ticketing proceeds. These revenue sources alone make up 55% of total income among sport event rights holders.

The results of the survey highlight that **revenue diversification** among event rights holders will be key to future sustainability and economic recovery. As a result of the pandemic, **more than half** of the normal funding sources have been lost. While the figures below highlight the "breadth of funding sources", 71% of survey respondents also indicated they rely primarily on government grants and membership dues (despite other potential funding sources).



# Bouncing Back: Preparing for a Sport Hosting and Economic Reboot (Part 1: Domestic)

## Sport Event Rights Holders

The level of understanding and cooperation in the industry between event rights holders, host destinations, event organizers, venues, hotel / accommodation providers, etc. has been unparalleled. The entire sport tourism industry has rallied in hopes of finding a way through the pandemic.

Despite best efforts, 2020 event status most clearly outlines the effects of the pandemic on the industry, with **84%** of organizations forced to modify or cancel events. **25%** of respondents had to fully cancel events, with an additional **18%** postponing events indefinitely.

Survey results highlight that event rights holders are optimistic about 2021, with **70%** planning to host events in some form in 2021, with **26.5%** planning to host events "as normal".

As news of COVID infection rates, new variants, and vaccines efficacy continue, sport event rights holders patiently wait for guidance from public health authorities, while doing everything possible to restart events in a way that is as safe as possible for everyone involved.

***"Despite everyone's best efforts and intentions, there are only so many times we can start and re-start before we are just wasting resources on an event that, at best, might happen."***

*Event rights holder survey respondent*

Sport event rights holders indicate that a year-long shut down has grossly impacted revenues and threatens the long-term sustainability of their organization.

***The average amount of "emergency funding" required to ride out the pandemic per event rights holder is $143,000.***

While government agencies are working to support the industry, the current level of assistance is not sustainable for government or sport event rights holders. Faced with a decrease in revenues, increasing operating costs, and unrecoverable fixed costs, the majority of sport event rights holders (**51%**) believe they can sustain themselves for at least a year. While demonstrating some resiliency, the total amount of emergency funding required to sustain operations and fund recovery for sport event rights holders (respondents only) is over **$21.8 million**. This survey represents only a fraction of the organizations in Canada.

When asked what the biggest barrier to a sport tourism industry restart was, **"government restrictions"** was cited most frequently.

# Bouncing Back: Preparing for a Sport Hosting and Economic Reboot (Part 1: Domestic)

## What changes to sport hosting should we anticipate as an industry post-pandemic?

**Most host destinations and event rights holders believe that sport event hosting will never be the same. How has sport event hosting changed as a result of COVID-19? What do the key players in the sport tourism industry predict?** According to the survey, host destinations and sport event rights holders anticipate:

- **Sweeping changes to event operations**, including reduced budgets, increased costs, and new "ways of working" (e.g., venue redesigns for traffic flow).
- **Bubbles are not viewed as a viable "return-to-competition" strategy.** Perhaps it has been the inability to guarantee participant and public safety, the challenge of evolving public health orders, or exorbitant costs; regardless, host destinations ranked it **13th** overall as a bounce-back strategy.
- **Revised revenue models.** To adhere to social distancing guidelines, sport events may need to find ways to operate without spectators. Without spectators, the event has reduced revenue. Sport events and host destinations will need to get creative to generate new revenue sources.
- **Added costs will be passed on to the participants.** With completely new operational guidelines and protocols in place, event hosting costs have increased. Both rights holders (**70%**) and hosts (**79%**) agree that they expect these added costs would largely be borne by increasing team or participant registration fees.
- **Changes to measuring success.** Economic impact will likely remain the most important metric for evaluating bid or event success, but sustainability will be a more important consideration moving forward.
- **Industry reboot is reliant upon "clear public health guidelines".** The survey asked hosts to rank a list of 18 items that could get live events back up and running. "Clear public health guidelines" was the highest ranked with **97%** saying that they are extremely important for the success of live events.

# Bouncing Back: Preparing for a Sport Hosting and Economic Reboot (Part 1: Domestic)

## What could propel the sport tourism industry forward?

**Despite so many event cancellations and postponements, there seems to be some optimism among sport event hosts and sport event rights holders.** According to the survey, host destinations and sport event rights holders look toward recovery by:

- **Working more closely with partner organizations.** What began as managing event cancellations has the potential to develop into very beneficial partner relationships. Whether creatively reducing expenses or finding new uses for venues "in the interim", strengthening industry partnerships can be beneficial to a community in the short- and long-term.
- **Seeking out operational efficiencies.** Organizations that have been side-lined for months can redirect their efforts to planning. Some planning is not just forward-looking, but can also be a hard look at current operations for opportunities to reduce overhead and operating expenses. Cost savings can be achieved.
- **Adapting event operations and formats.** It is easy to sit back and say "we can wait this out". Why wait when you can spend your time modifying what you already have? Event operations can be re-defined, as well as event format. While a lot of effort is involved, new opportunity to restart your event program may arise.
- **Focusing on outdoor events.** A number of public health orders restrict indoor events. There is a bit more flexibility when events can be hosted outdoors, in a manner that respects COVID protocol and guidelines set out by the provincial government and national / provincial / territorial sport organizations.
- **Exploring new revenue streams.** When a reboot does commence, event rights holders are aware that spectators may be limited or non-existent at events. As such, exploring new revenue sources linked to broadcasting / streaming or the virtual fan experience could be worthwhile.
- **Design new or modified event formats.** Some sports have identified modified formats of their competition – redesigning event spaces or adding virtual / digital components to their competitions. Modified event formats could help kick start your sport event program.

# Introduction & Background

# Introduction / Background

COVID-19, a viral respiratory illness, was identified in December 2019 and the first case in Canada was diagnosed on January 27, 2020. The World Health Organization (WHO) declared the coronavirus outbreak a global pandemic on March 11, 2020.

Based on the advice of public health experts, public gatherings such as sport events were quickly cancelled across Canada, with numerous countries globally also making similar decisions. International travel all but shut down and the movement of citizens domestically was significantly reduced. The result was a "freeze" or postponement of all sport events at the local, provincial, national level. Communities scrambled to halt both recreational and competitive activities and events. Venues closed and businesses supporting the event industry struggled to maintain operations. The sport tourism economy came to a complete standstill.

By October 2020, while some sport activity attempted to return with modified formats, there was no definitive timeline or process for "return to sport" or "return to competition" with spectators. Even attempting to host sport events without spectators would require significant support and buy-in from everyone involved with sport hosting and event operations. Significant cost and effort would also be required to ensure that sport tourism activities could be staged safely during the pandemic and according to public health orders. Events including sport competitions, tournaments, training and evaluation camps, clinics, sport-related business meetings, and festivals were all affected. A collaborative, purposeful and demonstrably effective approach would be required to encourage host cities, venues, event organizers and participants to engage in sport events.

Sport events at the local, provincial, national and international levels have been disrupted since March 2020, and given the current case numbers, vaccination rates and emergence of more contagious variants to the virus, there is no clear timing for the full return of sport events and the associated domestic and / or international visitors that drive this important export segment of the visitor economy. Sport tourism, as of 2018, was a $6.8 billion annual industry in Canada and contributed to the local economies through direct spending, employment, wages and salaries, and tax revenue in all regions of Canada. The goal of the Canadian sport tourism community is to once again contribute to a sustainable economic, social / cultural recovery for communities of all sizes across all Canadian provinces and territories.

# Introduction / Background (cont'd)

Sport Tourism Canada established the COVID-19 Sport Tourism Recovery Task Force in May 2020 under the tagline "Bouncing Back". The Task Force was representative of national and multi-sport organizations, host cities and destination marketing organizations, host venues, accommodation partners, industry leaders, and those who are engaged in the development of bidding and hosting strategy, planning and delivery of major sport events in Canada.

The Task Force was mandated to explore two primary challenges facing the industry:

1. To return to sport event hosting in Canada, host destinations, rights holders, venues and the sport hosting supply chain will require unprecedented levels of support and access to shared resources to support recovery efforts. An adaptable approach to event planning and risk mitigation in response to everchanging local and provincial circumstances can serve to create a positive event experience for participants, officials and spectators, while rebuilding the confidence of all Canadians to attend sport events permitted within local and provincial guidelines; and

2. The impact of the disruption to the Canadian sport tourism industry due to COVID-19 is not well understood. A more focused research and advocacy effort on the part of Sport Tourism Canada aims to highlight the importance sport event hosting plays in sustainable economic and social recovery of our communities across Canada.

The playbook for hosting sport events of any size is no longer appliable due to the global pandemic. Rights holders, host organizations, venues and suppliers to events require additional knowledge and capacity to be nimbler and make better, more informed decisions. The hope is that as the knowledge evolves about COVID-19 and the federal / provincial / regional authorities respond, that this research and any subsequent tools and resources will support the sport tourism industry to pivot to adapt and eventually bounce back.

# Introduction / Background (cont'd)

Sport event hosting in a COVID-19 environment has altered how events need to be planned for and executed. Some key changes required from the sport hosting community include:

- Diversifying revenue and exploring new sources of revenue including:
  - Public funding and grants for bidding and hosting success;
  - Ticket revenue based on limited capacity and seating;
  - The creation and monetization of video content and other digital assets;
  - For larger sports properties, innovation in media rights packaging and distribution; and,
  - Sponsor revenue with fewer business-to-business (e.g. corporate hosting) and business-to-consumer opportunities (e.g. experiential, activation, sampling, etc.).
- Managing increasing event expenses based on new realities of COVID-19 protocol and facility / event operating standards.
- Developing new event operational protocol that meet public health guidelines and requirements.
- Proactively managing health and safety, financial, operating, legal and reputational risks in collaboration with all parties.
- Creating positive sport event experiences for participants, officials and spectators that meet local, provincial, and federal standards and guidelines.
- Co-designing solutions, tools and resources with industry partners for all aspects of event hosting.
- Communicating to rebuild visitor confidence and trust in participating in, spectating and / or hosting sport events.

Every aspect of the sport hosting experience needs to be carefully thought through and meticulously planned in collaboration and in unison with all industry partners in the sport event ecosystem. A successful reboot of the industry demands it.

# Introduction / Background (cont'd)

Over the mid- to long-term, sport tourism can be reimagined to not only withstand the impacts of COVID-19, but ultimately adapt, rebound and thrive in a post-pandemic environment. Sport hosting has always been a key revenue generator for sport organizations and host communities across Canada, engendering economic activity in several key sectors such as accommodations, restaurants, retail, attractions and transportation.

Over the past year, the impacts of the pandemic on the Canadian sport tourism industry have not been thoroughly explored. Sport tourism is a relatively new segment of the tourism industry, having been formalized in Canada with the establishment of Sport Tourism Canada (formerly Canadian Sport Tourism Alliance) in 2000. Since that time, sport tourism has been recognized as a key contributor to economic recovery, particularly in travel and tourism following major global events and crises. From 9/11 to SARS, sport events have helped to sustain travel and tourism and to instill confidence in an adapted "new normal".

In the case of COVID-19, sport tourism is poised to help reboot local economies across Canada – during- and post-pandemic. Participating in or attending sporting events is part of the fabric of this nation, and provided we can create safe event experiences, sport events will be central to restoring confidence in travel and tourism. We all have a role to play in safely re-engaging in sport events, as sport and recreation are central to the health and well-being of our families and our communities.

Sport tourism has traditionally been under-funded, under-leveraged, and in some cases, taken for granted for the contributions to local economies, community well-being, civic pride, investment in local infrastructure, and local sport development. A clear opportunity exists to tell the sport tourism story more proactively and consistently to ensure the segment continues to contribute to the recovery of sport, communities, and economies of all sizes across Canada and grow sustainably for years to come.

# Project Overview & Objectives

# This project is designed to provide meaningful insights that are actionable at all levels of the sport event ecosystem in Canada, so that as an industry and as a nation we may rebound faster.

**The three major objectives for this project are:**

1. Provide meaningful, actionable insights into the current state of Sport Hosting and Sport Tourism in Canada.

2. Enable the return of sport event hosting and to restart local economies through sport tourism.

3. Provide information and insights that will restore the confidence of participants, officials, spectators and communities in sport event hosting (including attending and travelling to sport events).

# "Part 1: Domestic" focused on stakeholder groups involved with sport events for participants and spectators from across Canada.

**This research study is divided into three distinct activities and sets of reports:**

1. Sport Hosting for Domestic Events / Audiences > Research and insights focused on local, regional, and national sport events.
2. Sport Hosting for International Events / Audiences > Research and insights focused on international sport events.
3. Consumer sentiment regarding sport event hosting during- and post-pandemic.

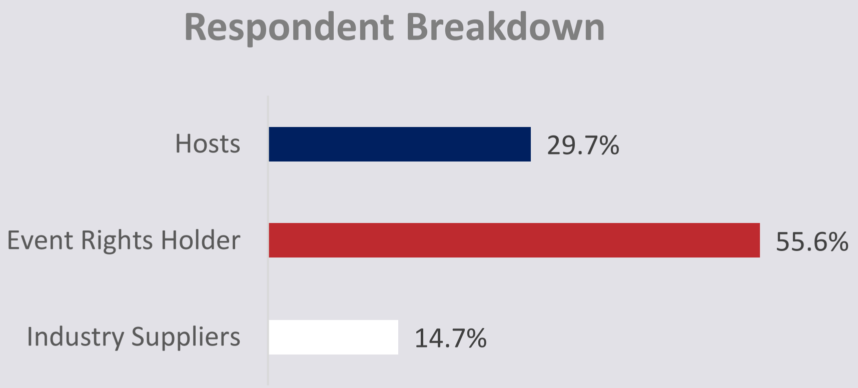
**During this first phase "Sport Hosting for Domestic Events / Audiences", research was conducted as follows:**

- Primary research through interviews with key industry stakeholders, including domestic event rights holders.
- Primary research through an online survey deployed in both English and French to the entire STC database and partner databases. The survey was available to anyone with the link (available publicly through online and social media campaigns).
- Secondary research through review of current media posts, journal articles and research publications.

# This portion of the study (Part 1: Domestic) is the most comprehensive industry-wide research study to-date, inclusive of local, provincial and national stakeholders.

## The three major segment groups for this project:

1. **HOSTS** (Destination Marketing Organizations, Municipalities, Regions, Economic Development Agencies, etc.)
2. **EVENT RIGHTS HOLDERS** (NSO, PSO, LSO, MSO Commercial Rightsholder / Private Events, Not-for-Profits, etc.)
3. **INDUSTRY SUPPLIERS** (Hotels, Transportation Providers, Venues, Agencies, etc.)



# What Is Sport Tourism?

## Why is it important to Canada?

# Sport Tourism in Canada

Sport tourism is defined by Sport Tourism Canada as "any activity in which people are attracted to a particular location as a sport event participant, coach, official, or event spectator, or are attending sport attractions or business meetings." This definition can be further enhanced with the addition of sport development clinics (e.g., player, coach, volunteer, or official), as well as training and evaluation camps. All of these sport-related events attract visitors.

Sport tourism in Canada is a $6.8 billion (CAD) annual industry and, at its core, is a grassroots economic development initiative. Beyond the economics, sport tourism and the staging of sport events can also support the social and sustainability impacts that can be delivered in a community.

The spending profile of the sport tourism visitor in Canada is significant, with an average spend per Canadian visitor of $145.09 for same day visitors and $546.56 for overnight visitors. The average spend per sport tourism visit in Canada is $301.56. The average spend for a U.S.-based visitor is $775.26, while overseas visitors spend an average of $2,033.01 per stay.

Sport tourism can build business, build community, and develop local sport. It can also positively impact several of the United Nations Sustainable Development Goals (SDGs). For sport tourism to be truly strategic during- and post-pandemic, it must be planned, delivered, and evaluated in line with planned legacies, utilizing a consistent and repeatable approach.

The statistics and spending data cited on this page were prepared by Paradigm Consulting Group for Sport Tourism Canada:
Statistics Canada 2018 *National Travel Survey* (public-use microdata file)
Statistics Canada 2018 *Visitor Travel Survey*
Statistics Canada 2018 *International Transactions in Services*

# Sport Tourism Customer Profile

## Primary

The primary customer group for sport events makes direct decisions on or influences the location of sport and sport business events that define a host city's success. That includes, but is not limited to:

- Provincial, national and multi-sport organizations that conduct competitions and championships;
- Private event rights holders who own existing event properties or have the capacity to create new events;
- Professional sport, including major and minor professional leagues and teams; and,
- Local organizers, either for-profit or not-for-profit, who plan and deliver one-time or annual events.

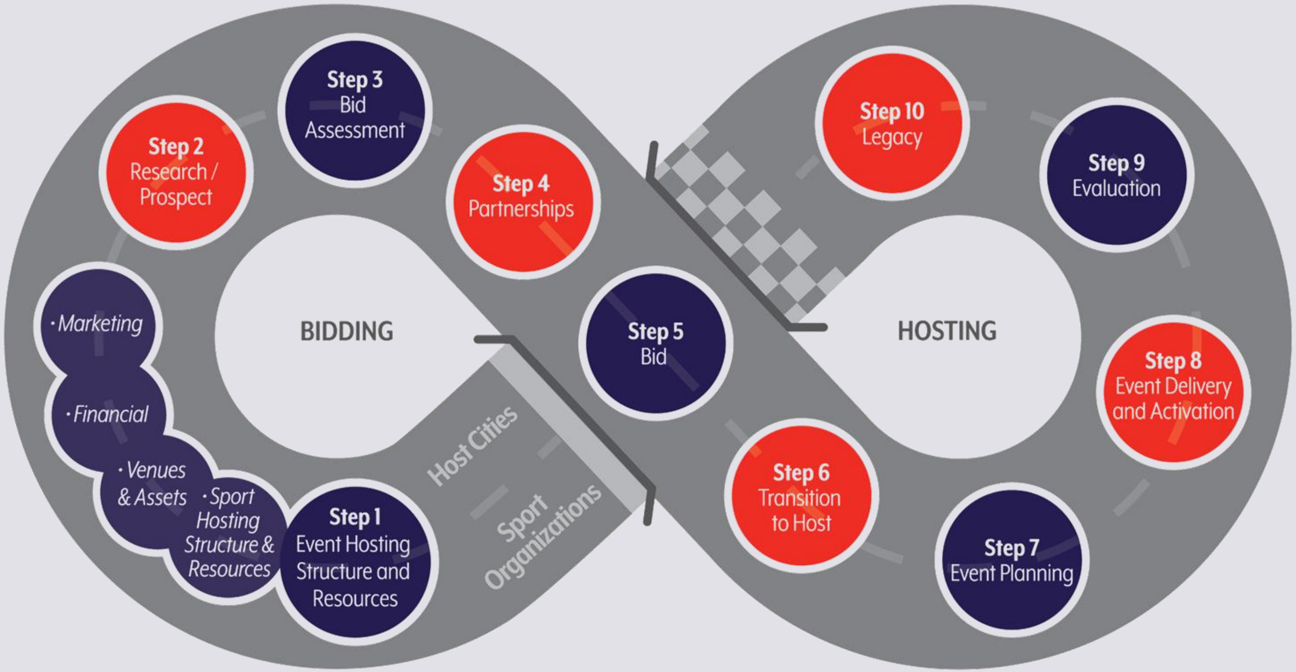
## Secondary

The second group of customers who impact the success of sport events, as a result of making decisions to travel to a destination and experience the historical, cultural, culinary and other attractions that are offered within the host city, includes:

- Event participants (athletes, coaches, officials, support staff, volunteers, etc.)
- Spectators
- Media, VIPs, and sponsors
- Friends and family of athletes or participants

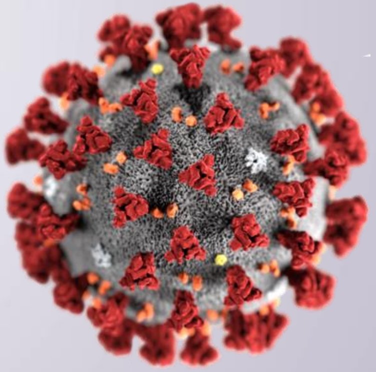
# Sport Tourism Roadmap

To define the landscape for sport tourism in Canada, Sport Tourism Canada (STC) has developed a tool that provides a consistent and repeatable model for host communities. The STC Sport Tourism Roadmap © is a 10-step cycle that clarifies the bidding and hosting process and helps outline the required elements for a successful sport tourism program.



# COVID-19

## Information & Timeline



# COVID-19 – Introduction

The coronavirus pandemic caught the entire world off-guard. Emerging from a city in central China in December 2020 as a "mysterious viral pneumonia of unknown origin" (BBC, January 9 2020), the coronavirus has spread globally and now affects nearly every country on Earth. While novel coronaviruses are not new (e.g., SARS), never have we seen cities mobilize so quickly to shut down, restrict travel and contain any further outbreak.

By the end of January 2020, more than 100 people had died, and the virus had been detected in at least 16 countries. A week following, more than 100 people had died in a single day. Alarm bells were sounding and global officials were on alert. Unaware of its varying and potentially fatal effects on people of all ages, governments around the world attempted to monitor and assess, with the occasional public health measure or intervention to help curb infection rates. On March 11, 2020, it became clear that efforts globally had failed – coronavirus had become a global pandemic.

Travel and tourism was hit hard. As hospitals filled up, governments began taking more extreme measures, closing borders and implementing lockdown measures for citizens, preventing or at least curbing inter-regional domestic travel. Traveller confidence plummeted and the world came to a veritable standstill.

In December 2020, the United Nations World Tourism Organization (UNWTO) estimated that tourism declined more than 70% over the course of 2020, taking the industry back to levels from 30 years ago (UNWTO, December 2020). The industry attempted a number of restarts – many of which were unsuccessful. Public health orders were inconsistent, traveller sentiment varied by region, and no one seemed to have a clear playbook for "what comes next".

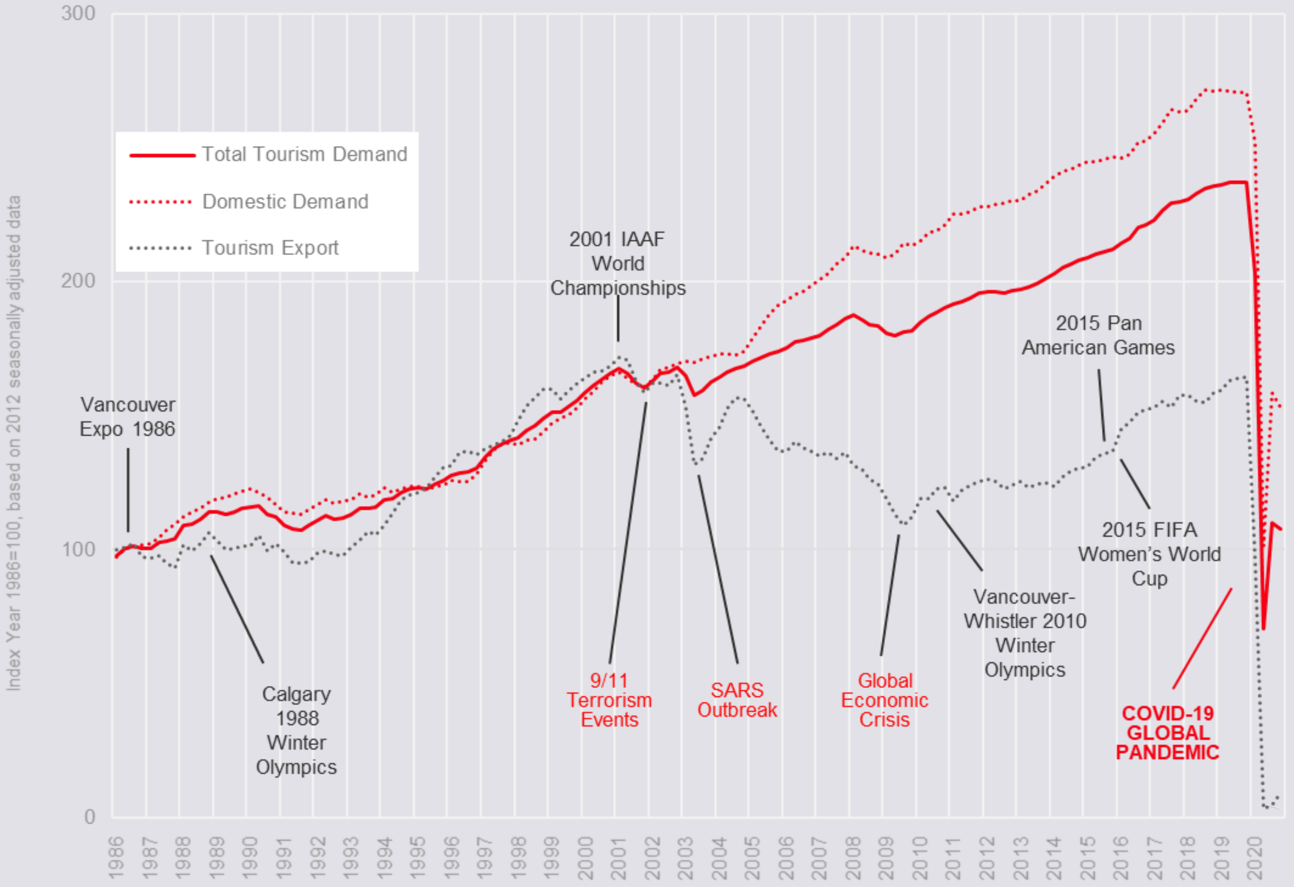
After a year of shutdown and no real end in sight, the industry can no longer afford to wait. Stakeholders are working together to come up with innovative solutions to help the industry pivot and adapt, regardless of the evolutions of immunization schedules, coronavirus variants or public policy. This study is an important piece of the puzzle, helping correlate domestic sport event hosting and consumer sentiment, while keeping case numbers and vaccination rates in full view.

# COVID-19 – Impact on Tourism

## 2020 losses to Canada's tourism sector are the worst on record

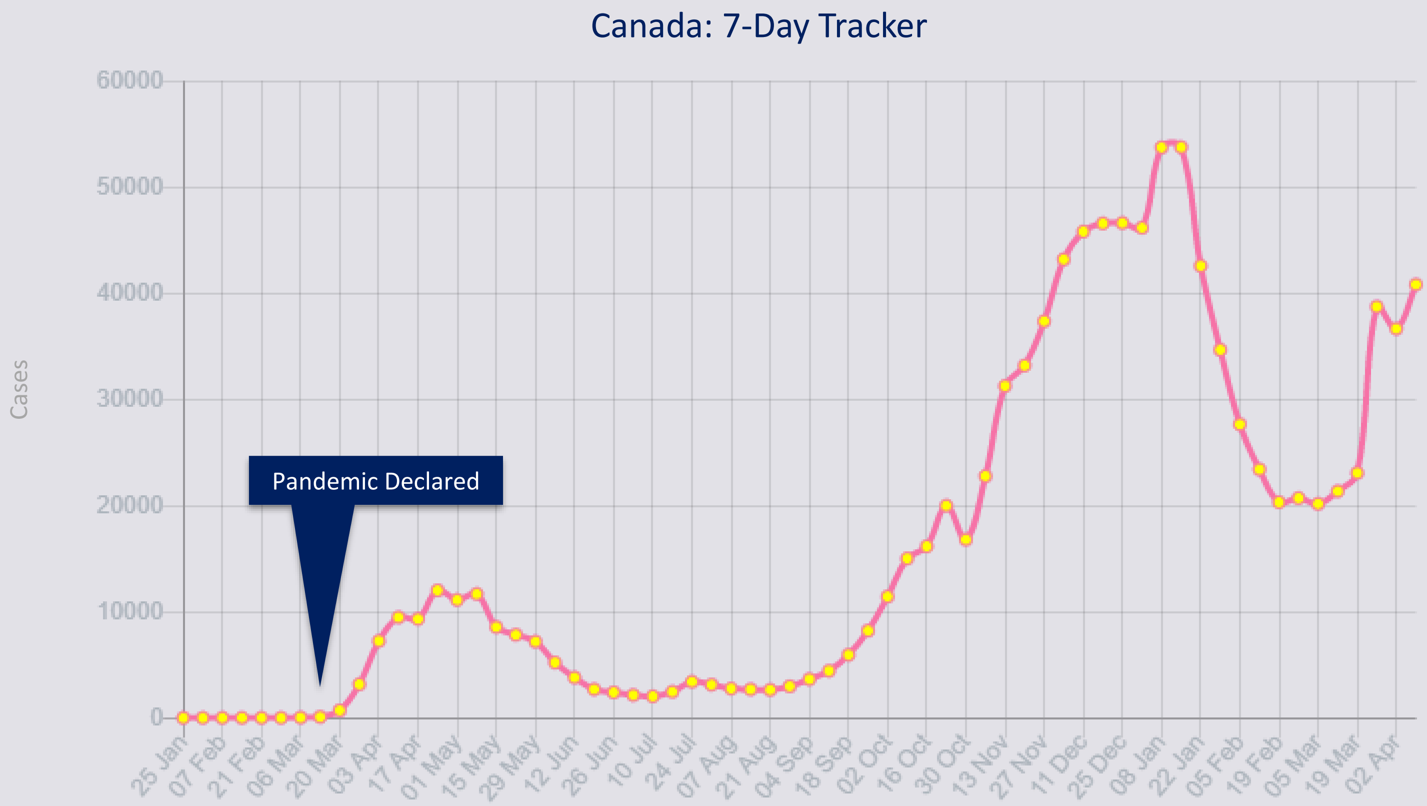
**Quarterly Economic Evolution of Tourism in Canada**

1986-2020 Q4




Sources: Destination Canada, Statistics Canada – National Tourism Indicators 2020 Q4

# COVID-19 – Timeline (Cases in Canada)




Data provided by: Total Analysis
Sources: ECDC, WHO, CSSEGIS, CANGOV

# Research Results

**Hosts**

**Event Rights Holders**

**Suppliers**

# Hosts

# Hosts – Respondent Profile

A sport event host, for the purpose of this study, is defined as a destination (municipality or region) that can host events. As part of this study, a unique survey was created for Sport Event Hosts, in order to gain insight about their unique challenges during COVID-19.

**BROAD REPRESENTATION »** The number of sport event hosts that responded to the domestic survey were numerous. Feedback was received from 86 different communities of all sizes across Canada, in every province and territory.

**DIFFERENT TYPES OF SPORT EVENT HOST ORGANIZATIONS »** The results show that a variety of types of sport event host organizations are not purely sport tourism organizations. This is demonstrated by the number of people dedicated to sport tourism within the sport event host organization, in comparison to the average size of organizations.

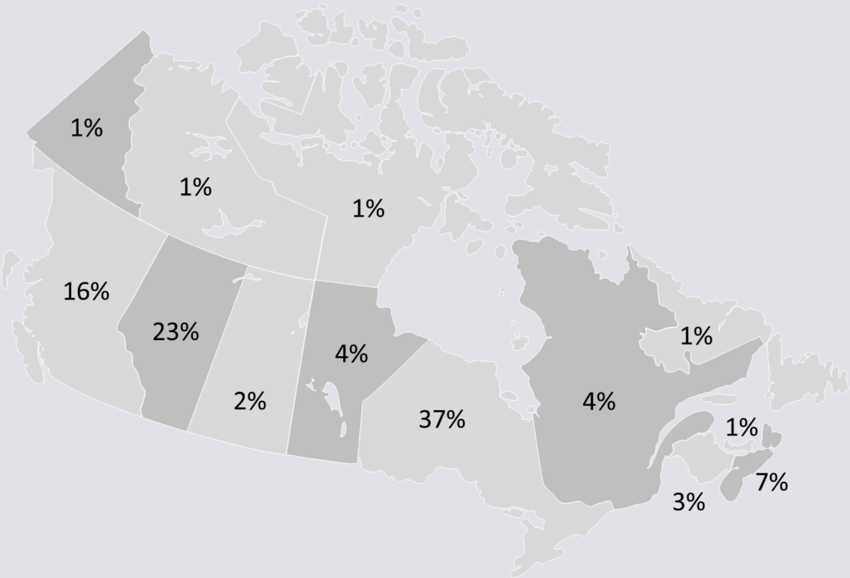
**DIVERSE FUNDING »** Funding for sport event hosts is equally diverse. While a majority of respondents indicate revenue from municipal sources, close to one-third note private funding in the forms of a hotel tax, self-generating activities, or other private sources.

**LOW # of SPORT BIDDING PROGRAMS or OBJECTIVES »** Only 43% of hosts specify having an existing domestic bidding program or objectives, 29% an international one, and only 45% currently have a sport tourism strategy. Even in non-pandemic times, the existence of a strategy and clear objectives can lead to more organized approaches to bidding that lean on a jurisdiction's expertise, strengths, or value differentiation. could highlight the potential capacity gaps or priorities of the sport host organizations.

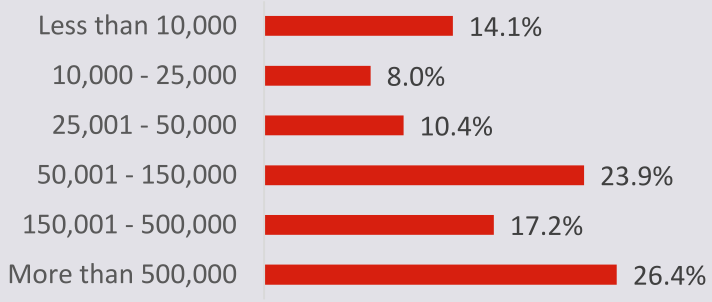
**IMPORTANCE OF SPORT TOURISM FOR RECOVERY INCREASING »** With the disruption to the event market – any type of event - in 2020, more than 50% of communities are now placing a higher level of importance on sport tourism to assist in recovery. From economic impact to social and community benefits, to sustainability and capacity building, events are seen as vital components of a tourism and economic strategy. However, the major or moderate budget reductions indicated by 56% of hosts may present a barrier to hosting with fewer dollars available for rights fees, sales efforts, and marketing of events.

# Profile – Location

Feedback from Hosts located in every province / territory and from 86 different communities of all sizes across Canada.




## Population of Hosts (Survey Only)

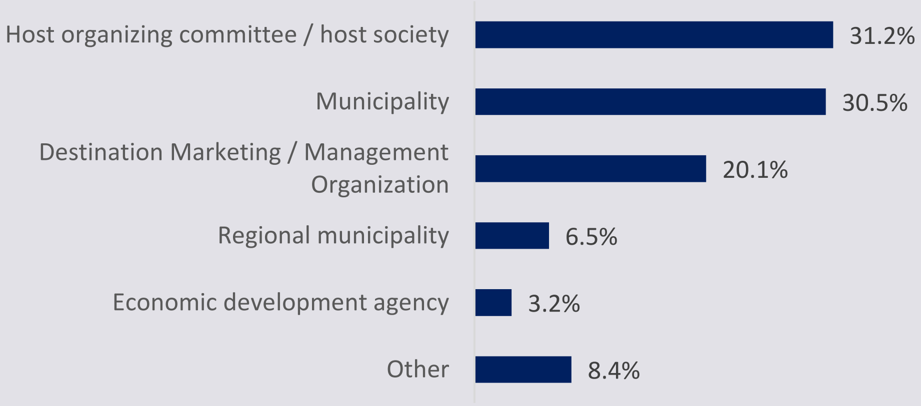




The cities identified in this word cloud represent the 86 different communities participating in this study.

# Profile – Type & Size

## Organization Type of Survey Respondent



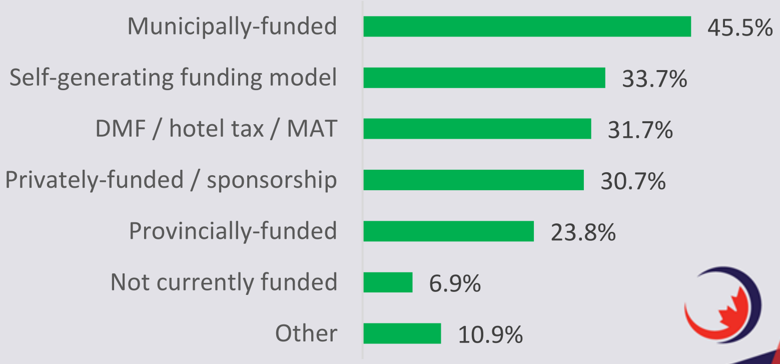

## Size of Organization – Number of People

| Position | Overall | Sport Tourism |
|---|---|---|
| Full-time staff | 53 | 3 |
| Part-time staff | 62 | 3 |
| Contractors | 15 | 6 |

Event hosts across Canada reflect a variety of organizations. These may have additional areas of focus beyond sport tourism, as demonstrated by the numbers of people dedicated to sport tourism relative to the average size of organizations.

Funding for hosts is equally diverse. While a majority of respondents indicate revenue from municipal sources, close to a third indicate private funding in the forms of a hotel tax, self-generating activities, or other private sources.

## How Organizations Are Funded

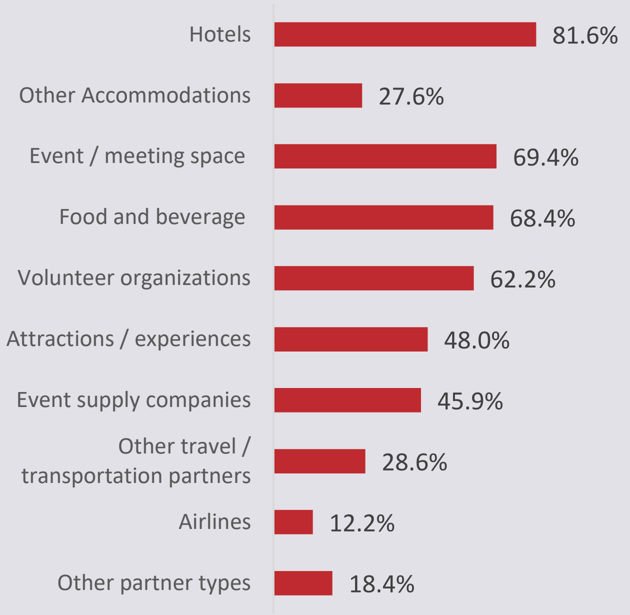


# Profile – Sport Tourism & Partners

## Aspects in Place for Sport Tourism Organizations

| Aspect | Yes | No | Working On It | Unsure |
|---|---|---|---|---|
| Dedicated sport tourism lead organization for your community | 65.9% | 20.0% | 12.9% | 1.2% |
| Sport tourism governance structure | 33.3% | 38.3% | 23.5% | 4.9% |
| Full-time dedicated staff to sport tourism portfolio | 50.6% | 38.6% | 10.8% | 0.0% |
| Dedicated sport tourism operation budget | 51.8% | 32.5% | 13.3% | 2.4% |
| Domestic bidding program and objectives | 43.0% | 29.1% | 24.4% | 3.5% |
| International bidding program and objectives | 28.6% | 47.6% | 16.7% | 7.1% |
| Hotel / accommodation inventory | 69.6% | 19.6% | 8.7% | 2.2% |
| Sport venue inventory | 75.8% | 13.7% | 7.4% | 3.2% |
| Access to public or commercial funding sources to support bidding or hosting | 62.5% | 13.5% | 19.8% | 4.2% |
| Event or hosting marketing budget | 66.3% | 15.3% | 17.3% | 1.0% |
| Sport tourism / hosting strategy | 44.9% | 21.3% | 30.3% | 3.4% |
| Partnership / sponsorship program | 40.8% | 25.5% | 29.6% | 4.1% |
| Assessment criteria for bidding or hosting (pre-event) | 53.6% | 22.7% | 19.6% | 4.1% |
| Performance measurement (post-event) | 53.6% | 23.7% | 20.6% | 2.1% |

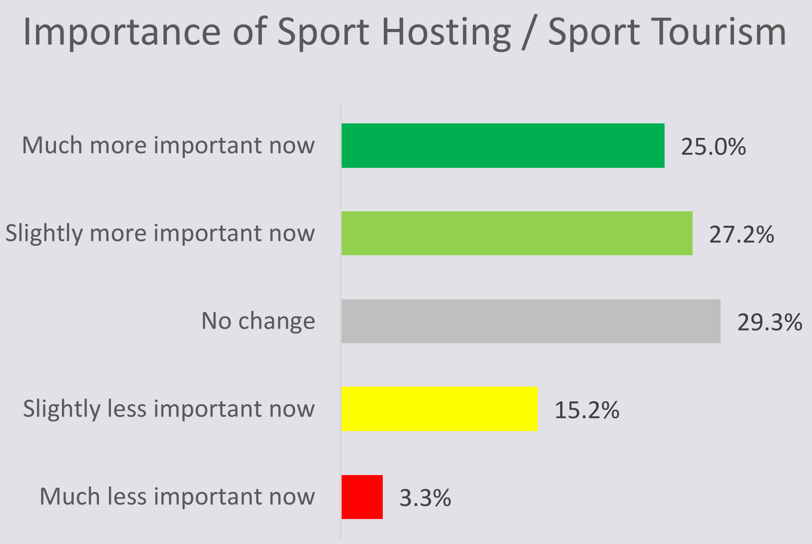
## Type of Event Partners In Place

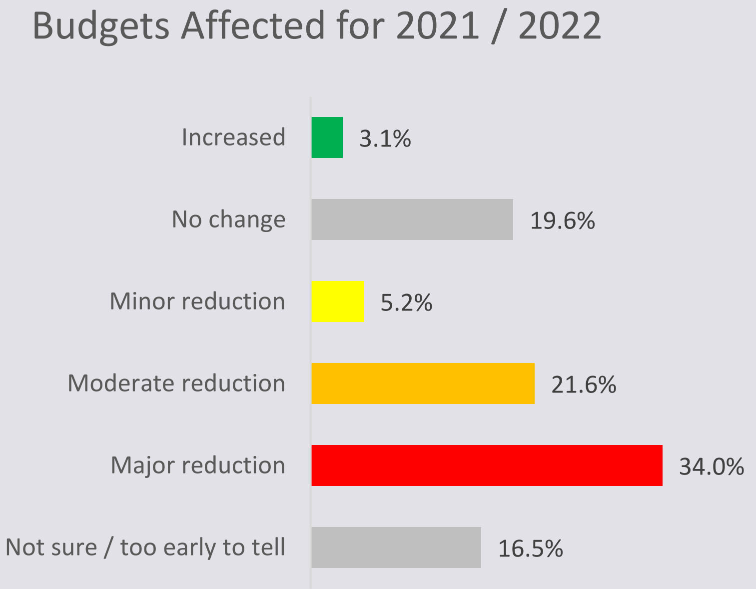


# Profile – Sport Tourism Aspects


Only 43% of hosts indicate having an existing domestic bidding program or objectives, 29% an international one, and only 45% currently have a sport tourism strategy. With other priorities and responsibilities, this may indicate planning is an activity only possible when capacity allows and is not part of a regular cycle for organizations. Even in non-pandemic times, the existence of a strategy and clear objectives can lead to more organized approaches to bidding that lean on a jurisdiction's expertise, strengths, or value differentiation.

# Sport Tourism – Importance & Budget




Communities across Canada have increasingly realized the benefits of sport tourism and the importance of hosting events, which contributes to everything from economic impact to social & community impact to sustainability and capacity building. With the loss of (most) events in 2020, more than 50% of communities are now placing an even higher importance on sport tourism to assist in recovery, especially with most budgets seeing significant reductions.

# Hosts – Status of Organizations

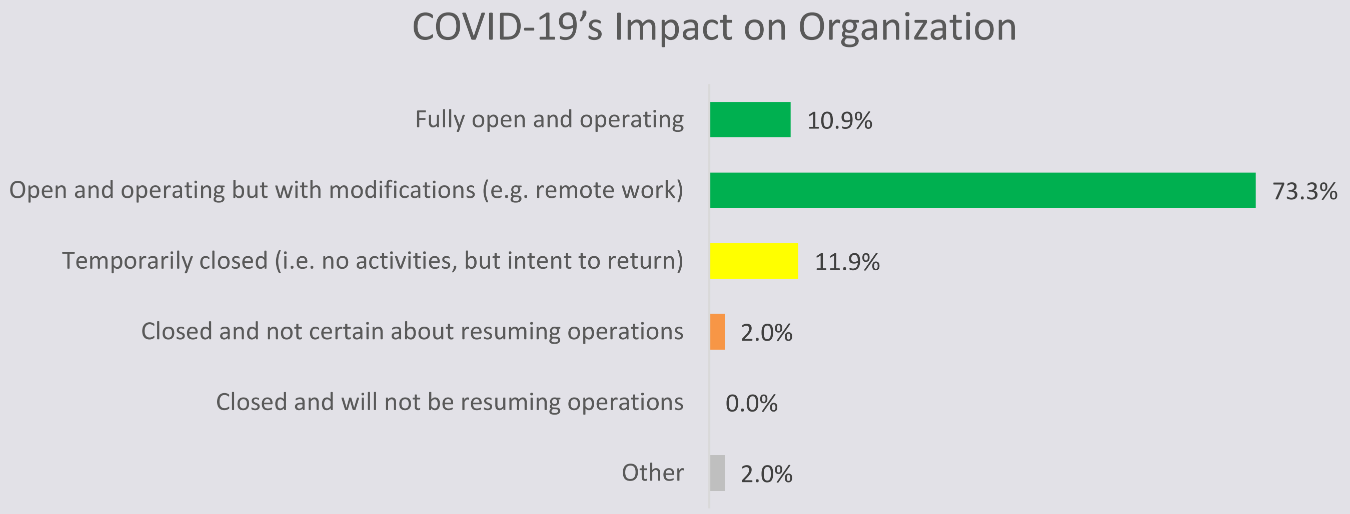
**OPEN WITH MODIFICATIONS »** Although 84% of organizations are open and operating, most are doing so with modifications (e.g., remote workers) or with a reduced number of employees. Positively, very few organizations are permanently or temporarily closed, indicating resiliency in the industry and the possibility of a strong comeback when the pandemic wanes.

**FUTURE OF STAFFING UNCLEAR »** The staffing adjustments made to-date appear to have been more moderate than might have been expected, and evidence suggests that may not change. 39% of hosts that have yet to adjust staff say they do not have any current or future plans to do so, and an additional 41% are uncertain of future staffing plans.

**HOSTS MAKING MORE CUTS THAN EVENT RIGHTS HOLDERS »** While respondent hosts made fewer staffing changes than their rights holder colleagues, those cuts were deeper. Of the 40% of hosts that did make staffing changes, 73% have laid off all or some staff and expect more to come. Only 44% of rights holders that adjusted staff or structure laid off all, some, or plan to lay off more staff (note related rights holder slide). A positive is there appears to be a temporary nature to these staffing changes, as 59% of host employees laid off have already returned to their organizations. It is another indication of the ability for the industry to rebound post-pandemic.

**STAFFING DECREASING, WORKLOAD NOT »** 68% of these organizations with staffing adjustments indicate at least a moderate impact to operations, with 89% of remaining staff taking on additional responsibilities. While this has an immediate affect on what organizations can manage and accomplish, it will be important to monitor longer term impacts and if there is a lag on what they are able to bid on and host.

# Status of Organization – Impact

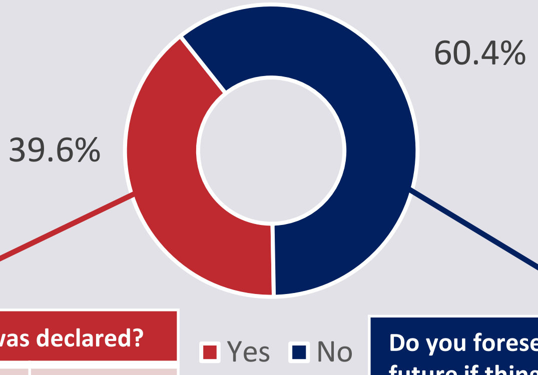



Although 84% of organizations are open and operating, most are doing so with modifications (e.g., remote workers) or with a reduced number of employees.

On a positive note, very few organizations are permanently or temporarily closed, indicating the resilience of the industry and the possibility of a strong comeback post-pandemic.

# Status of Organization – Staffing Changes

Made Staffing or Structural Changes



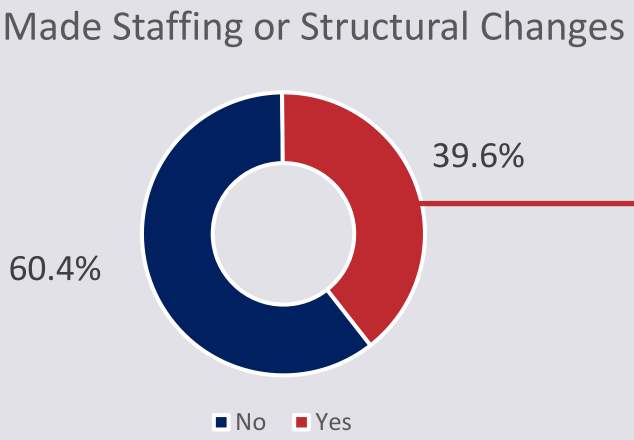

40%of the organizations have made staffing or structural changes during the pandemic with 70% laying off at least some staff.

39% of hosts that have yet to adjust staff say they do not have any current or future plans to do so, and an additional 41% are uncertain of future staffing plans.

| Have you laid off any employees since the pandemic was declared? | |
|---|---|
| Yes, we have laid off all staff | 7.5% |
| Yes, we have laid off some staff | 62.5% |
| Yes, and we will be laying off additional staff | 2.5% |
| No, but we have reduced the hours of existing employees | 10.0% |
| No, but not certain about near future | 2.5% |
| No | 7.5% |
| Not applicable | 7.5% |

| Do you foresee making staffing or structural changes in the near future if things don't change? | |
|---|---|
| No | 39.3% |
| Yes, we will have to reduce hours for some or all staff | 8.2% |
| Yes, we will have to lay off some of our staff | 8.2% |
| Yes, we will have to lay off the majority of our staff | 1.6% |
| Yes, we will have to cease operations altogether | 1.6% |
| Uncertain at this time | 41.0% |

# Status of Organization – Staffing Changes

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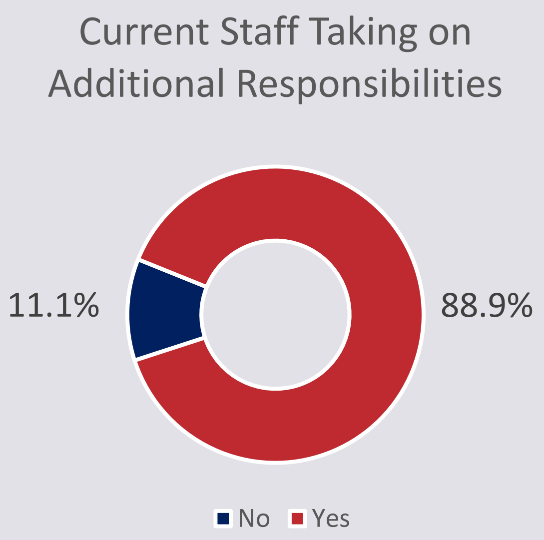
| Yes, and we will be laying off additional staff | 2.5% |
| No, but we have reduced the hours of existing employees | 10.0% |
| No, but not certain about near future | 2.5% |
| No | 7.5% |
| Not applicable | 7.5% |

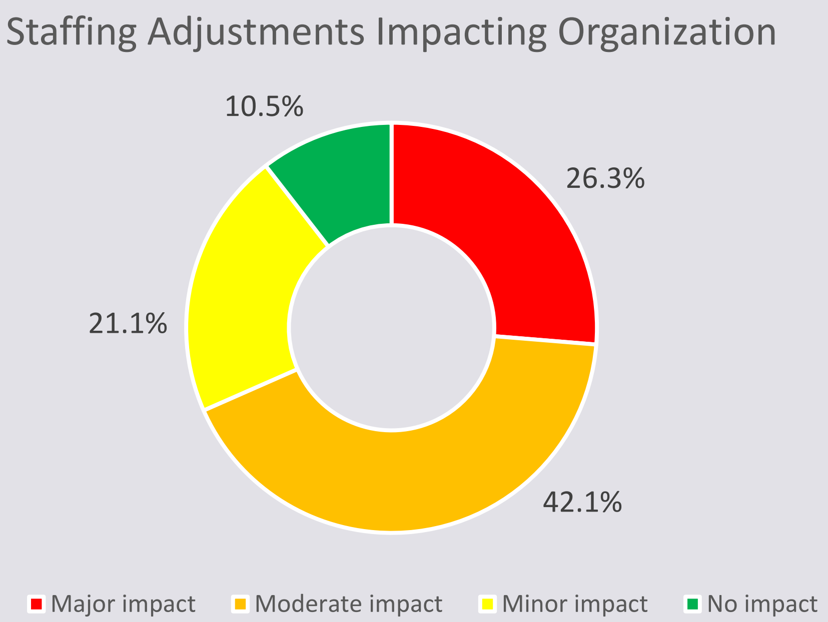
Number & Percentage of Staff Laid Off

| Organization Type | Avg. # | % of Staff |
|---|---|---|
| Organizing Committee / Host Society | 10 | 71% |
| Municipality | 26 | 64% |
| Destination Marketing Organization | 10 | 44% |
| Regional Municipality | 1 | 25% |
| Economic Development Agency | - | - |

| Have you re-hired, or plan to re-hire any staff based on the federal, provincial, or territorial government emergency funding initiatives or benefits? | |
|---|---|
| Yes, we have re-hired all staff that were laid off | 18.5% |
| Yes, we have re-hired some of the staff we laid off | 40.7% |
| No, but we plan to re-hire all the staff we laid off | 7.4% |
| No, but we plan to re-hire some of the staff we laid off | 7.4% |
| No | 11.1% |
| Unsure at this time | 11.1% |
| Not applicable | 3.7% |

# Status of Organization – Responsibilities & Impact




68% of organizations with staffing adjustments indicate at least a moderate impact to operations and 89% of remaining staff taking on additional responsibilities. While this has an immediate effect on what organizations can manage and accomplish, it will be important to monitor longer term impacts and if there is a lag on what they are able to bid on and host.

# Hosts – Events

**BROAD RANGE OF EVENT TYPES »** The breadth and depth of sport tourism in Canada is demonstrated by the range of event types hosted by respondents. Obviously mega- and multi-sport games are rare, but the average host is involved in multiple types of events that bring visitors, profile, and vibrancy to their communities. Events that typically involve more travel, nationally or internationally, may take longer to return, but this list of event types outlines areas hosts may be able to focus on to kickstart the industry once the pandemic is under greater control.

**EVENT HOSTING SEASON DISRUPTED for 2 in 5 HOSTS »** An evident drag exists within Canada's event hosting world for 2021. Though 60% of hosts plan to stage wholly live events in 2021, 39% indicate they will have fewer or downsized ones. With present uncertainty related to safely hosting with COVID-19 and questions as to when risk of postponement or cancellation will be reduced, it is logical that many will hesitate to host as they normally would. As budgets and public health guidelines for hosting become clearer, organizations may be more confident in moving plans forward, but timelines for those remain murky in early 2021.

**FEWER BIDS FOR 2021 »** The drag on events also exists on the event attraction side with 56% of hosts planning to bid on events for 2021, and the slight majority of those (28%) saying they will pursue fewer.

**GEARING UP FOR 2022 »** It is a more positive story moving into 2022 with 68% pursuing events and 52% saying they will bid on the same or more. Only 32% are unsure of plans or do not plan to bid on any events in 2022, down from 44% in 2021. Looking at 2023 and 2024, most hosts plan to bid on the same number or more events for their jurisdictions (53% and 50% respectively).

**1 in 4 UNSURE OF 2023 and BEYOND »** Uncertainty reigns with 27% in 2023 and 29% in 2024 unsure of their plans. This would be expected as it is common for hosts to not have firm plans in place two or more years in the future. Major international and national events obviously have longer bidding processes, but significant numbers of national, territorial, and provincial events are confirmed within shorter time frames.

# Hosts – Events (cont'd)

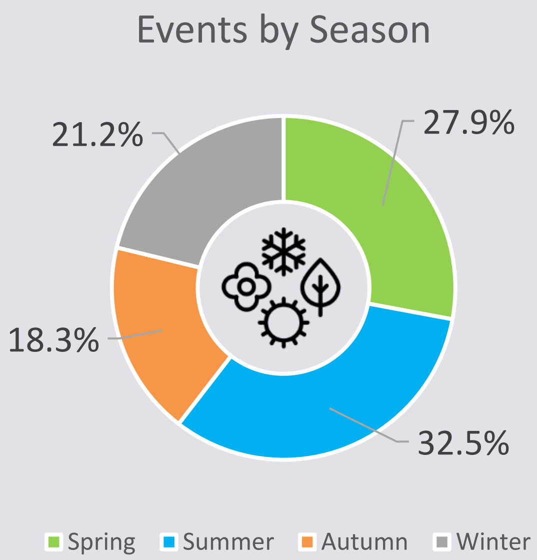
**ANTICIPATED CHANGES TO BID SCORING »** Just over half of host respondents believe there will be changes to how events are evaluated. Despite this, economic as well as social and community impacts remained similarly highly rated before the pandemic and in moving forward.

**FINANCIAL SUSTAINABILITY AT THE TOP OF THE AGENDA »** Sustainability taking a big jump could be an indicator of the type of change hosts expect as they bid on and evaluate future events. Economic impact and social / community impact remain the two most important measures for hosts' event evaluation. Though the importance of economic impact did not shift, it will be interesting to monitor if in the sunset of the pandemic hosts focus more heavily on events that bring their communities more dollars, over all other benefits.

**RE-EVALUATING WHAT IS IMPORTANT »** Sustainability saw the largest shift pre- to post-pandemic with a 13% jump to 41% of hosts having it in their top three. This aligns with sentiment in the tourism industry of considering differently how a destination hosts visitors and ultimately how those visitors experience their travels.

**LEGACY EMERGING AS A "NICE TO HAVE" DURING PANDEMIC »** On the flip side, legacy dropped 8% to 32% in top three responses. Physical infrastructure or such things as the growth of a strong volunteer culture define legacy for many. It is difficult to speculate why its importance dropped for some hosts, but the need to focus on economic and social/community impact post-COVID may take away from an emphasis on legacy, in any form, at least in the short term.

# Events – Season & Type / Reach




## Typical Events Per Year – Bid / Host

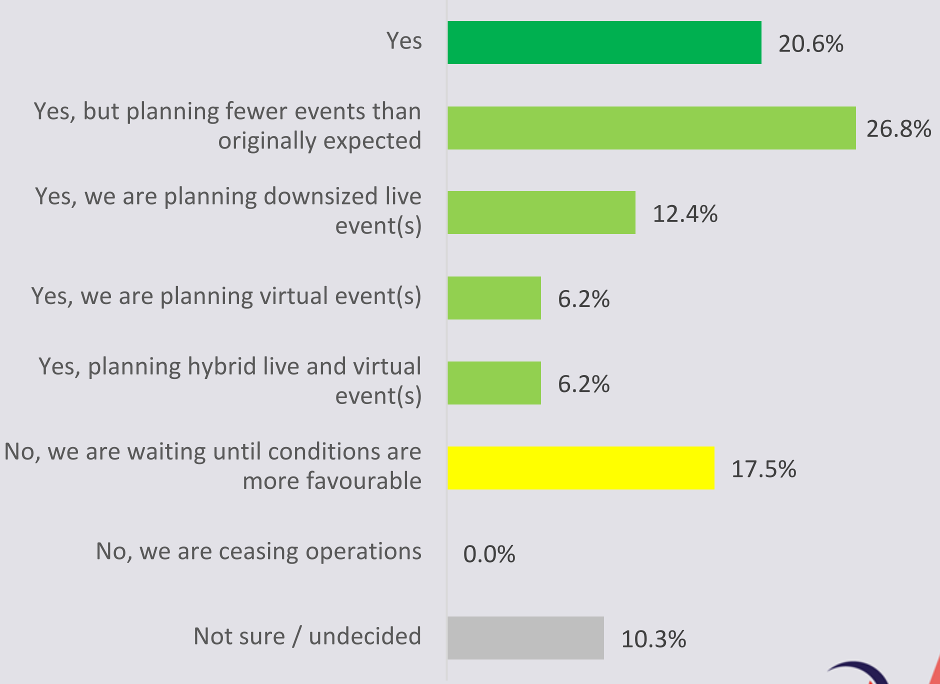
| Type / Reach | Bid On | Host |
|---|---|---|
| Provincial | 4 | 10 |
| National | 3 | 4 |
| International | 1 | 2 |

# Events – Type & Plans for 2021

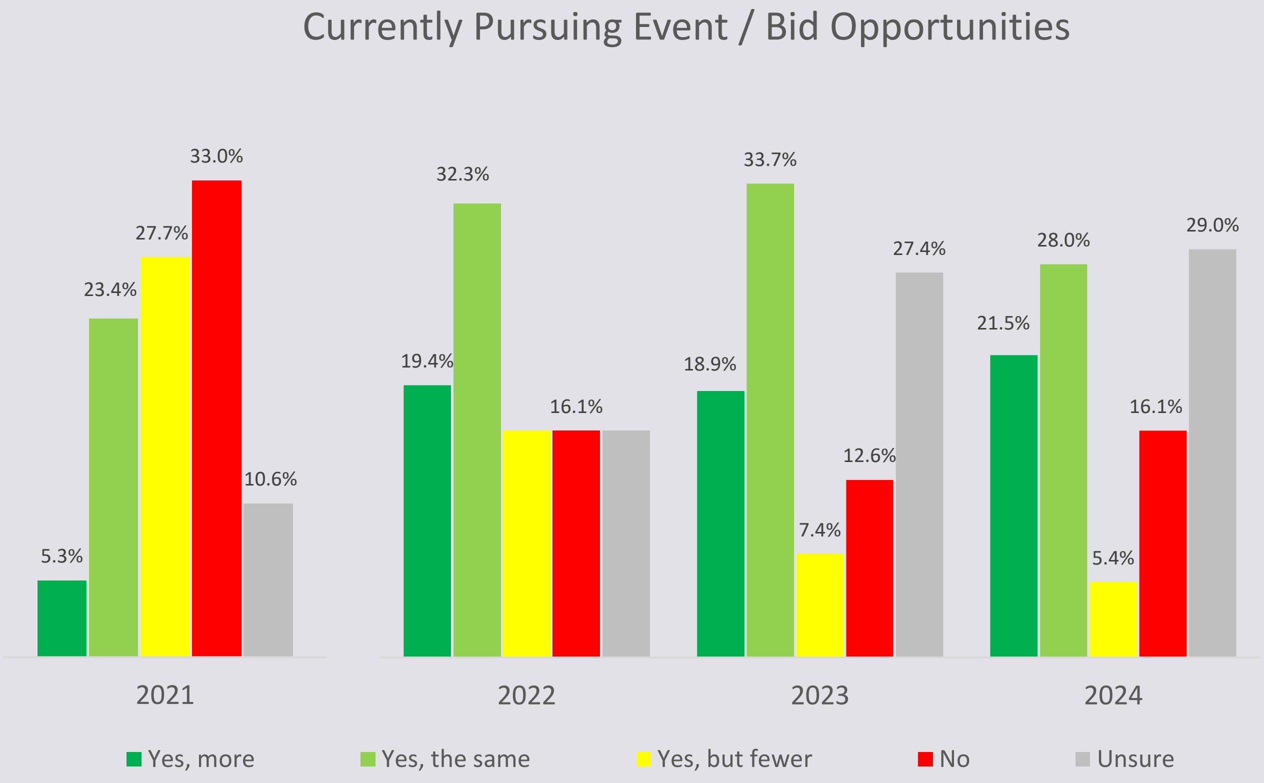
## Number of Events on Annual Basis
(By Event Type)

| Event Type | Avg. # |
|---|---|
| Mega-Events - Multi-Sport | 0 |
| Mega-Events - Single-Sport | 0.6 |
| Multi-Sport Games | 0.2 |
| Single-Sport Leagues | 9.7 |
| Single-Sport Championships | 3.5 |
| Training / Evaluation Camps | 2.8 |
| Development Courses | 4.8 |
| Conferences | 1.0 |
| Sport Festivals / Home-Grown Sporting Events | 3.6 |
| Professional Sporting Events | 2.4 |
| Cause-Related / Fundraising Events | 8.8 |
| Showcase Events | 0.9 |
| Grassroots Events | 7.7 |
| One-Off / Single Participation Events | 2.5 |

## Operating / Hosting Events in 2021



# Events – Bid Opportunities



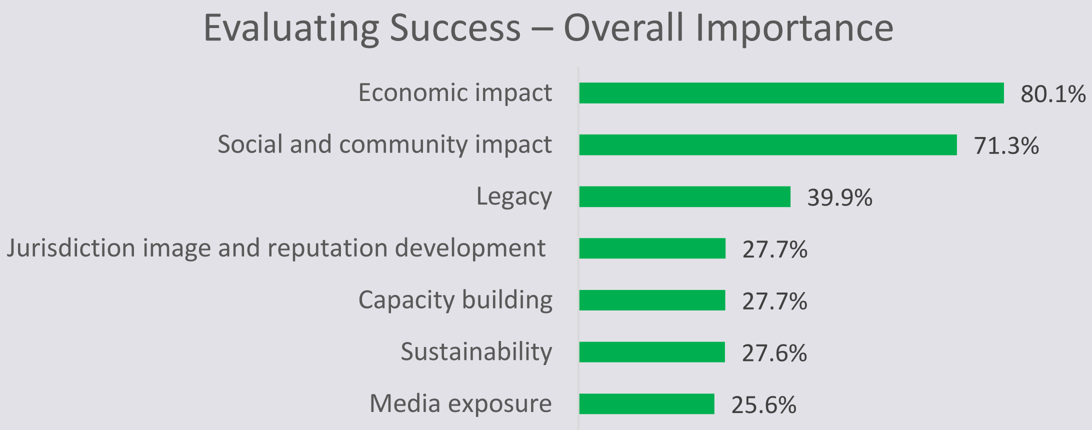

Not surprising that the majority of Hosts are pursuing less opportunities in 2021, but somewhat surprising that almost one-quarter are pursuing the same number as before.

As time moves on, and optimism of the pandemic waning, Hosts are likely to purse the same number, or more, event opportunities as before.

**Hesitation to Pursue Future Bid Opportunities Include:**

- Lack of clarity surrounding funding future (53.6%)
- Lack of clarity around safety of hosting events with COVID-19 still present (70.1%)
- Uncertainty of when to schedule event without risk of postponement / cancellation due to COVID-19 (79.4%)

# Events – Evaluating Success (Previously)




Not much surprise that 'economic impact' is deemed the MOST important factor when selecting criteria to measure and evaluate the success for hosting events.

The importance of 'social and community impact' has been steadily increasing over the years and will likely continue to rise as live events start to return in an effort to bring community together in the post-COVID era.

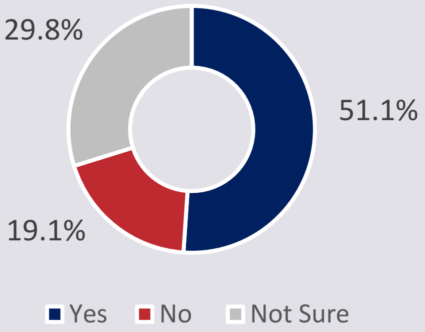
| Success Measure | 1st | 2nd | 3rd | Overall |
|---|---|---|---|---|
| Economic impact | **52.5%** | 20.4% | 7.2% | **80.1%** |
| Social and community impact | 25.3% | 33.7% | 12.4% | **71.3%** |
| Legacy | 8.1% | 9.2% | 22.7% | 39.9% |
| Jurisdiction image and reputation development | 2.0% | 8.2% | 17.5% | 27.7% |
| Capacity building | 4.0% | 8.2% | 15.5% | 27.7% |
| Sustainability | 7.1% | 7.1% | 13.4% | 27.6% |
| Media exposure | 1.0% | 13.3% | 11.3% | 25.6% |

STEAMPRO 2.0

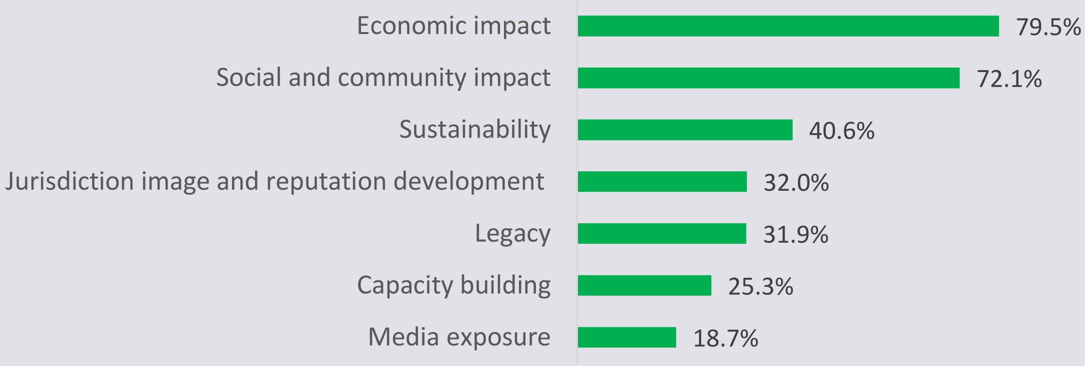
Data on this slide represents how respondents evaluated success prior to the pandemic.

# Events – Evaluating Success (Moving Forward)

Change How Success is Evaluated



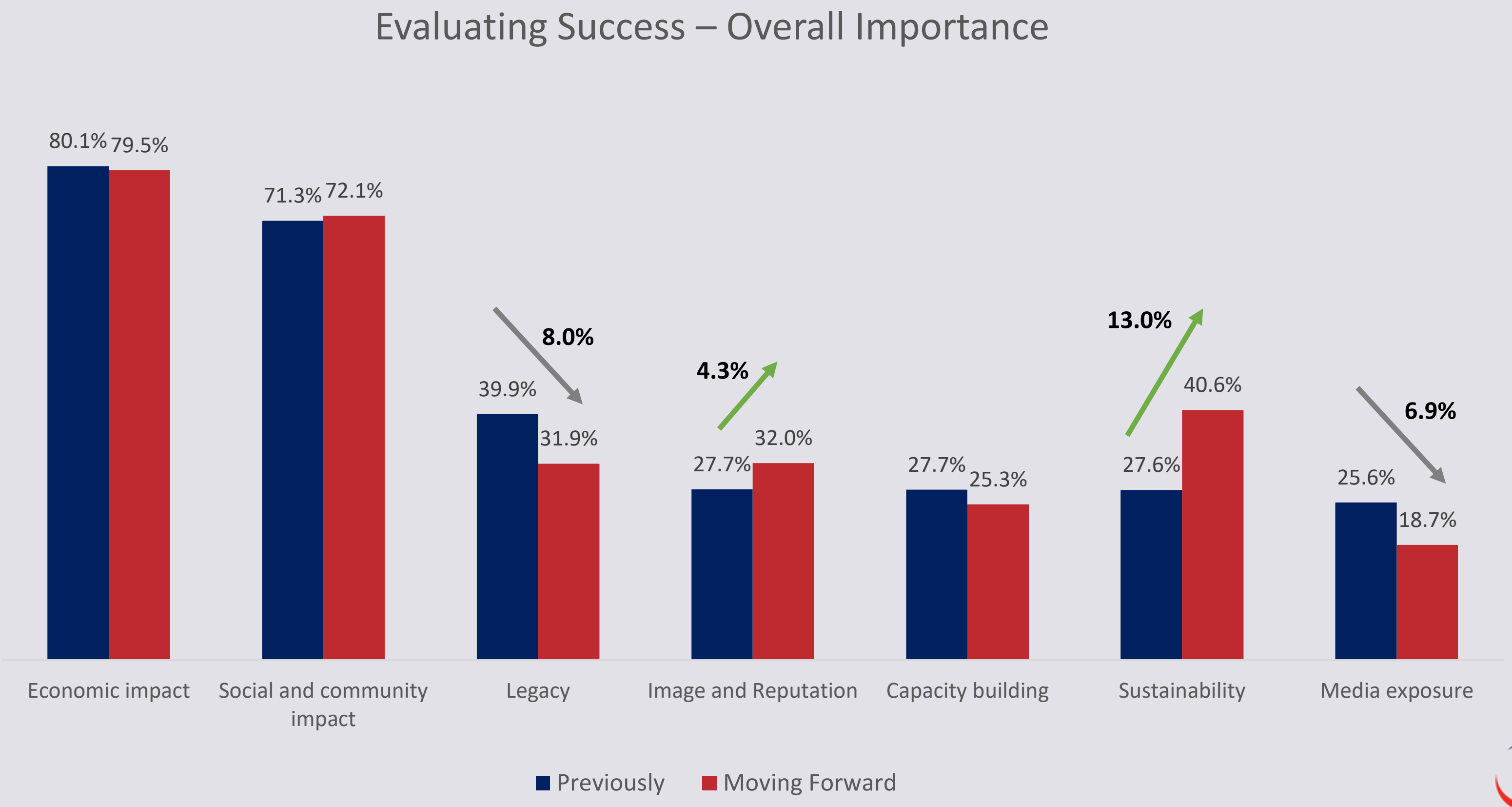

Evaluating Success – Overall Importance




| Success Measure | 1st | 2nd | 3rd | Overall |
|---|---|---|---|---|
| Economic impact | **47.8%** | 25.0% | 6.7% | **79.5%** |
| Social and community impact | 28.3% | 29.3% | 14.4% | **72.1%** |
| Sustainability | 12.0% | 13.0% | 15.6% | 40.6% |
| Jurisdiction image and reputation development | 5.4% | 5.4% | 21.1% | 32.0% |
| Legacy | 4.3% | 8.7% | 18.9% | 31.9% |
| Capacity building | 2.2% | 9.8% | 13.3% | 25.3% |
| Media exposure | 0.0% | 8.7% | 10.0% | 18.7% |

Data on this slide represents how respondents feel success will be measured moving forward.

# Events – Evaluating Success (Comparison)




Previously = How respondents evaluated success before the pandemic. Moving Forward = How respondents feel success will be measured moving forward.

# Events – Evaluating Success (Comparison)

| Success Measure | 1st Choice | | 2nd Choice | | 3rd Choice | | Overall | |
|---|---|---|---|---|---|---|---|---|
| | Prev | Fwd | Prev | Fwd | Prev | Fwd | Prev | Fwd |
| Economic impact | 52.5% | 47.8% | 20.4% | 25.0% | 7.2% | 6.7% | 80.1% | 79.5% |
| Social and community impact | 25.3% | 28.3% | 33.7% | 29.3% | 12.4% | 14.4% | 71.3% | 72.1% |
| Legacy | 8.1% | 4.3% | 9.2% | 8.7% | 22.7% | 18.9% | 39.9% | 31.9% |
| Image and reputation | 2.0% | 5.4% | 8.2% | 5.4% | 17.5% | 21.1% | 27.7% | 32.0% |
| Sustainability | 7.1% | 12.0% | 7.1% | 13.0% | 13.4% | 15.6% | 27.6% | 40.6% |
| Capacity building | 4.0% | 2.2% | 8.2% | 9.8% | 15.5% | 13.3% | 27.7% | 25.3% |
| Media exposure | 1.0% | 0.0% | 13.3% | 8.7% | 11.3% | 10.0% | 25.6% | 18.7% |

Economic impact and social / community impact remain the two most important measures for hosts' event evaluation. Though the importance of economic impact did not shift, it will be interesting to monitor if in the sunset of the pandemic hosts focus on events that bring their communities more dollars, over all other benefits.

Sustainability saw the largest shift pre to post-pandemic with a 13% jump to 41% of hosts having it in their top three. This aligns with many in the tourism industry considering differently how a destination hosts visitors and ultimately how those visitors experience their travels.

On the flip side, legacy dropped 8% to 32% in top three responses. Physical infrastructure or such things as the growth of a strong volunteer culture define legacy for many. It is difficult to speculate why its importance dropped for some hosts, but the need to focus on economic and social/community impact post-COVID may take away from an emphasis on legacy, in any form, at least in the short term.

Prev = How success was evaluated before the pandemic. Fwd = How respondents feel success will be measured moving forward.

# Hosts – Pandemic-Related

**EFFECTIVE RESOURCING DURING PANDEMIC »** One notable positive is that hosts either have internally or can access the required expertise to navigate the pandemic. 89% of hosts having access to that level of expertise positions them to successfully manage through current challenges but also to be better set up coming out of the pandemic to bid on and host events.

**TIME DEDICATED TO RE-ASSESSING FOR FUTURE »** As noted earlier, 45% of hosts indicated they have a hosting strategy in place, so it is to be expected that 58% of hosts have taken this pandemic time away from hosting events to work on long-term planning.

**FUNDRAISING DECREASING AS A PRIORITY »** Fundraising, a crucial component of the event hosting landscape, was only focused on by 17% of hosts. This is the possible result of no events and fewer bids occurring in 2020 meaning immediate funding needs are lower, along with awareness of the tightening fiscal landscape across the economy.

**PANDEMIC-RELATED RESOURCES IN DEMAND »** In addition to the activities and initiatives taken, supports and information are equally important to hosts. Clear and concise guidelines, along with clear and regular public health updates, rank as the top pieces of information or support that hosts require to allow for the strategic planning and assessment of when they will be allowed to host events again.

**REBOOT WILL BE REGIONALLY-DRIVEN »** Depending on the scope, flexibility, and differences of guidelines across Canada, hosting opportunities could open earlier in specific regions and become a greater target of rights holders to stage events, whereas other regions could see a slower return to hosting.

# Hosts – Pandemic-Related (cont'd)

**EMERGENCY FUNDING IS REQUIRED, CURRENT LEVELS FALLING SHORT »** Information and guidelines are important, but funding is the lifeblood of any organization.

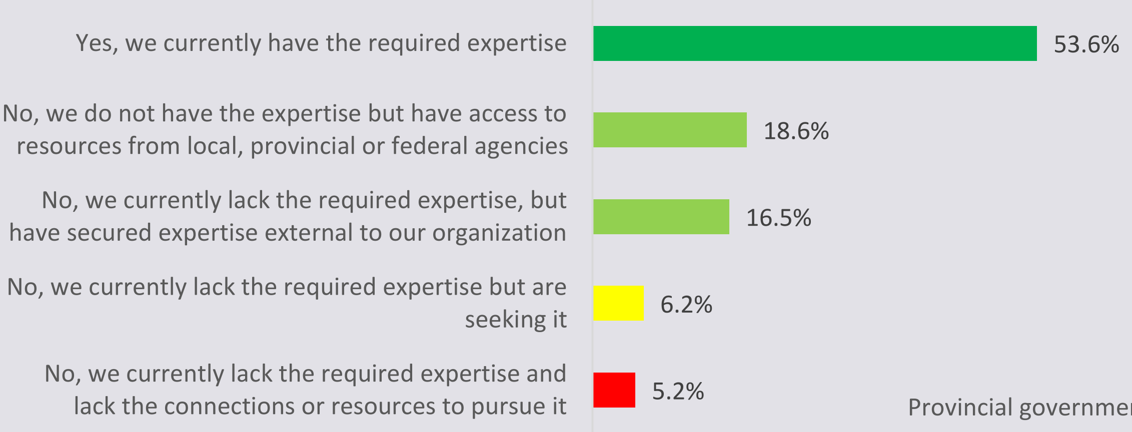
Sport tourism organizations were asked about financial supports required / desired and if any "emergency funding" was needed to keep operations going. Respondents highlighted that there was a large range in emergency funding required for them to continue to operate (and eventually recover).

The average amount needed for "emergency funding" is $199,000.

With 94 respondents to this question, the average of $199,000 in emergency funding translates to a significant infusion of nearly $19M needed to keep organizations afloat, operating, and planning future events. Of course this is just funding for these respondents so the actual amount needed industry-wide would be much higher.

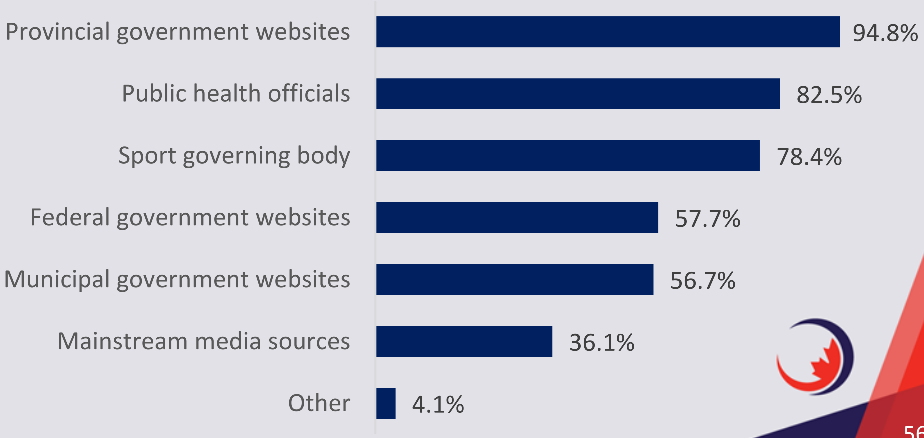
# Pandemic – Expertise & Information

## Have Necessary Expertise to Manage Pandemic




One notable positive is the feeling that hosts either have internally or can access the required expertise to navigate the pandemic. 89% of hosts having that level of expertise positions them to successfully manage through current challenges but also to be in a place to come out of the pandemic better prepared to bid and host events.

## Information Sources for Pandemic Restrictions



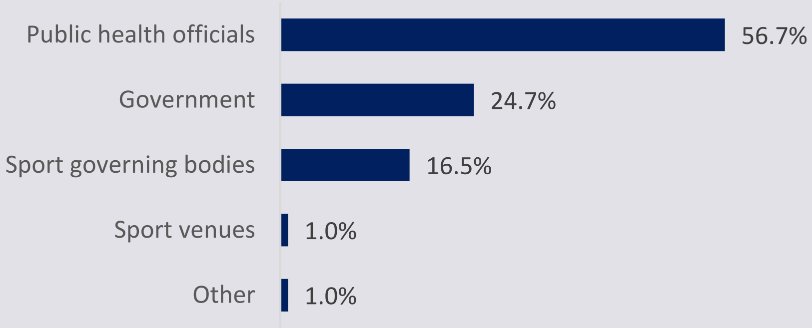
# Pandemic – Activities & Initiatives

## Activities Organizations are Focusing On

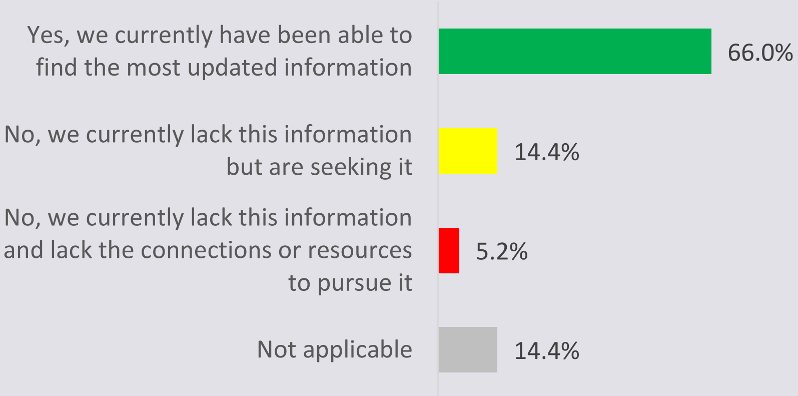

## Initiatives Implemented / Prepared / Working On

# Pandemic – Direction & Guidance

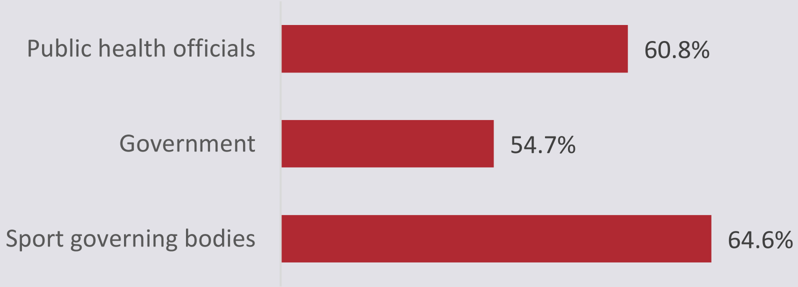
## Take Direction From – Restrictions & Restart




## Access to Relevant Information for Hotels and Venues

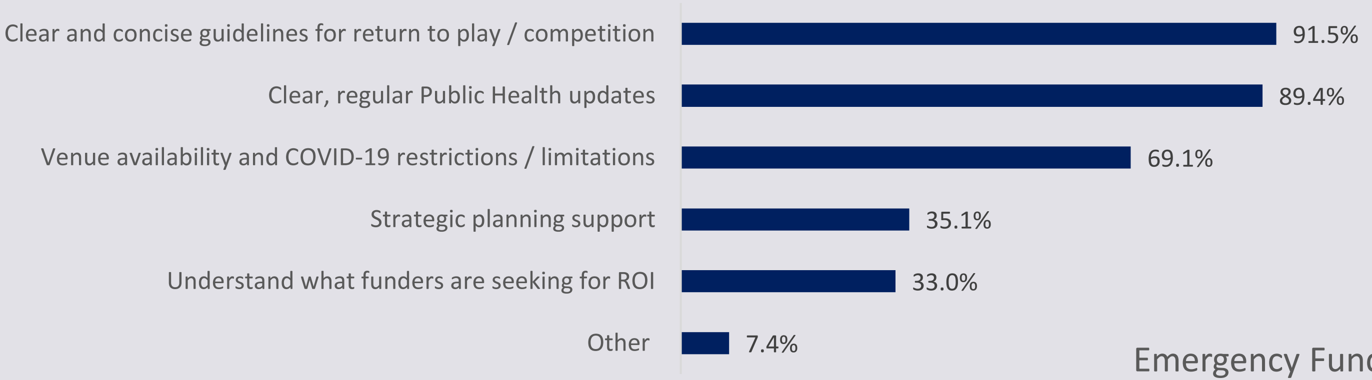



## Getting Necessary Guidance for Restart From…



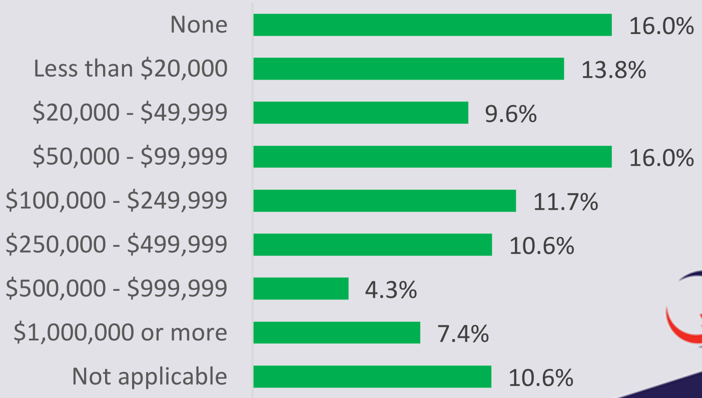

# Pandemic – Supports & Funding

## Supports That Organizations Require – Now & For Future




Clear and concise guidelines along with clear and regular public health updates rank as the top pieces of information and/or support that hosts require to allow for the strategic planning and assessment of when they will be allowed to host events again.

## Emergency Funding Required for Recovery




Depending on how organizations are funded, there is a large discrepancy on the amount of funding required for organizations with a focus on sport tourism to recover.

Average amount needed = $199,000

# Hosts – Return of Live Events

**TWO-THIRDS THINK 6+ MORE MONTHS OF DISRUPTION »** Everyone is anticipating when events can return to what we knew as normal. The expected timing for such return varies with 31% of hosts believing it will be in six months and a similar number feeling one more year without events is more realistic. As hosts are DMOs, municipalities, and economic development agencies, they are often responsible for broader tourism and municipal issues all made more complicated during the pandemic. With other issues they are encountering outside of sport, this could lead to a dampening effect driving their opinion of events taking longer to return. Rights holders did demonstrate a bit more optimism to the same question with 38% believing events will return in six months.

**A LONG RECOVERY AHEAD »** All respondent groups agree there will be a long tail recovery to the COVID-19 pandemic. Bulked at between 1 and 2 years of impact is how long 75% of hosts believe the effects will exist. On the flip side, few hosts sense impacts will dissipate or reduce in less than a year with only 15% feeling that way.

**SWEEPING CHANGES ANTICIPATED TO EVENT OPERATIONS »** These challenges vary widely and could include such things as reduced budgets, the need to supply personal protective equipment, physical distancing, adjustments to venue traffic flows, participants not willing to travel to events, or public health restrictions. Should predictions of one to two more years come to fruition, these impacts will affect both the revenue and expense sides of the ledger and will add significant strain to the operations of all within the sport tourism sector.

**BUBBLES NOT REALLY VIEWED AS A “RETURN TO COMPETITION” STRATEGY »** Regardless of the timelines, there are many operational ideas hosts identified to bring events to life when they can return. Social distancing and events with fewer spectators were the clear leaders for hosts with 79% and 72% of responses respectively. Despite success with events in bubbles (NBA, NHL, IIHF), they were not highly ranked by respondents as a possible strategy to bring events back. Hosts ranked it 13th (25%) and it can surmised that the costs, venue availability, logistics, and willingness of athletes to participate in a bubble are all likely contributors.

# Hosts – Return of Live Events (Cont'd)

**HOSTS READY TO GO »** Overwhelmingly, hosts indicate a readiness to run events within three (3) months of being able to safely do so. While many of these events may be regional or smaller in nature (e.g., group training, coaching clinics), the possibility of having them up and going quickly would represent a great kickstart to the sport tourism industry.

**ADDED COSTS TO BE PASSED ON TO PARTICIPANTS »** As additional costs may exist during or post-pandemic, funding challenges have been exacerbated due to COVID-19 and present a potential barrier to getting events big or small up and going in a quick manner. Both rights holders (70%) and hosts (79%) agree that they expect these added costs would largely be borne by increased team or participant registration fees. Rights fees, which may be more challenging for hosts to cover with budget cutbacks, were 4th on the rights holders list at 22% of respondents and 5th on the host list at 39%.

**CLEAR PUBLIC HEALTH GUIDELINES VIEWED AS CRITICAL FOR A REBOOT »** As has been noted, the hosting of live events takes significant resources, people, and planning at the best of times. In a pandemic, these requirements increase significantly. The survey presented hosts with a list of 18 items to consider to get live events back and going. 14 items were checked as somewhat or very important by at least 81% of respondents. To no surprise, clear public health guidelines were the highest ranked with 97% of hosts saying that is a very important consideration for live events.

**RAPID TESTING NOT VIEWED AS VIABLE SOLUTION FOR "RETURN TO COMPETITION" »** Though it still received a high percentage of somewhat and very important responses from each group (87% for rights holders, 84% for hosts), rapid testing was comparatively much lower on each list, ranked 13th of 18 for both groups. Approval, availability, and accuracy of rapid testing has been mixed across Canada, but it is surprising this was not seen as a relatively stronger option to support the return of events. With increased accuracy, and if cost-effective, rapid tests could be a more reliable way to ensure events can be operated safely.

# Hosts – Return of Live Events (Cont’d)

**MOST ATHLETES COMFORTABLE COMPETING »** With the range of factors now deemed important to hosting, and considering the amount of time away with the resulting effects of COVID-19, it can be understood there could be varying levels of comfort returning to travel and competition. 69% of hosts feel athletes are somewhat or very comfortable in competing indicating pent up demand to get back playing. With only brief respites in 2020 that enabled some competition, it is no surprise that athletes would want to face opposition.

**ONLY HALF COMFORTABLE TO TRAVEL FOR COMPETITION »** The challenge is the willingness to travel is perceived to be lower, with only 51% of hosts expecting athletes will be comfortable traveling. This may drive demand for and development of local and regional events, and may push out broader national events until later in 2021. When national events requiring travel do return, they will likely include fewer participants as people regain comfort with all facets of travel and interaction. International events, outside of those within a bubble, are likely to restart even later as global vaccination programs progress, and visitor quarantine restrictions are eased in Canada.

**MOST HOSTS UNCOMFORTABLE ABOUT SPECTATOR SAFETY »** Interestingly, 59% of hosts feel they would be somewhat uncomfortable or not at all comfortable about spectator safety. The contrast with the perception of athlete safety could come from challenges verifying health of spectators, lack of staff, or volunteer capacity to manage both spectators and athletes, or additional costs required to ensure spectator, and thus overall event, safety.

**ONE MORE YEAR = SIGNIFICANT OR DEVASTATING ISSUES »** If events return in three months, significant or devastating impact is only anticipated by 14% of hosts. But, as you move to six months, that perception changes dramatically with an 85% increase for hosts to 26% expecting significant or devastating impact. At one year, we see a 140% jump to 61% of host respondents anticipating significant or devastating issues. For hosts, the lack of economic activity from events or disruption to event hosting trajectories (e.g., hosting of national events to lead to bigger international ones) may be examples of the long-term impact).

**WORKING WITH PARTNERS FOR CREATIVE SOLUTIONS »** Respondents indicated that they were working with their partners to bring sport events back online. Themes that stood out include collaboration with many partners, the opportunity to look at new ways of hosting (e.g., bubbles), improvement of hygienic practices, and opportunities to look at longer term plans and visions.

# Return of Live Events – Anticipated Timeline



Although the majority of hosts are optimistic and hopeful that live sport events will return as soon as six months to a year from now, they are realistic in terms of dealing with the impacts of COVID-19 for at least a couple more years.

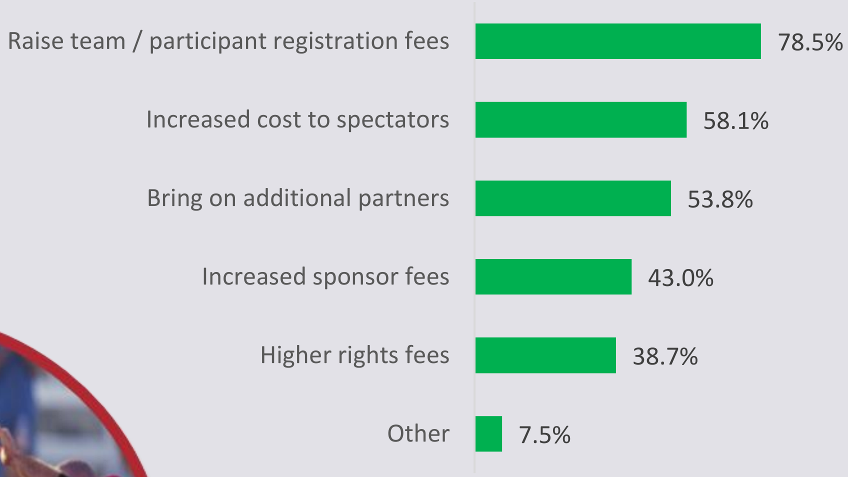
# Return of Live Events – Strategies

Strategies Considered / Implemented for Return of Live Sport Events


# Return of Live Events – Readiness & Increased Costs

## Time Required to Prepare to Run / Host Events


## Covering Increased Cost(s) of Sport Events




# Return of Live Events – Factors of Importance

Rating: Importance of Factors for Return of Live Sport Events

| Factor | Not at All | Not Really | Somewhat | Very | Top 2 Box |
|---|---|---|---|---|---|
| Clear guidelines from Public Health officials | 0.0% | 0.0% | 3.2% | 96.8% | 100.0% |
| Athlete's comfort level with competing | 0.0% | 1.1% | 23.7% | 75.3% | 98.9% |
| Availability of COVID-19 vaccine or treatment | 0.0% | 3.2% | 18.1% | 78.7% | 96.8% |
| Availability of volunteers | 1.1% | 3.3% | 25.0% | 70.7% | 95.7% |
| Immunity for participants and the community | 2.2% | 5.4% | 29.3% | 63.0% | 92.4% |
| Availability of PPE and medical or sanitation supplies / equipment | 1.1% | 8.6% | 34.4% | 55.9% | 90.3% |
| Availability of venues | 1.1% | 8.6% | 25.8% | 64.5% | 90.3% |
| Increased costs due to COVID-19 precautionary measures | 0.0% | 10.9% | 35.9% | 53.3% | 89.1% |
| Sponsorship commitments | 3.2% | 8.5% | 29.8% | 58.5% | 88.3% |
| Government support (e.g., funding) | 3.2% | 8.6% | 18.3% | 69.9% | 88.2% |
| Funding / rights fee commitments | 7.4% | 6.4% | 28.7% | 57.4% | 86.2% |
| Audience's comfort level with attending | 4.3% | 10.8% | 35.5% | 49.5% | 84.9% |
| Rapid COVID-19 testing options | 1.1% | 15.2% | 32.6% | 51.1% | 83.7% |
| Availability of staff | 4.3% | 14.0% | 33.3% | 48.4% | 81.7% |
| Return of tourists (open borders, comfort travelling, etc.) | 4.3% | 17.2% | 32.3% | 46.2% | 78.5% |
| Health of supply chain | 2.2% | 19.6% | 46.7% | 31.5% | 78.3% |
| Marketing / promotional timelines | 5.4% | 20.4% | 48.4% | 25.8% | 74.2% |
| Resumption of broader air travel schedules | 11.8% | 20.4% | 28.0% | 39.8% | 67.7% |

# Return of Live Events – Comfort / Safety Levels

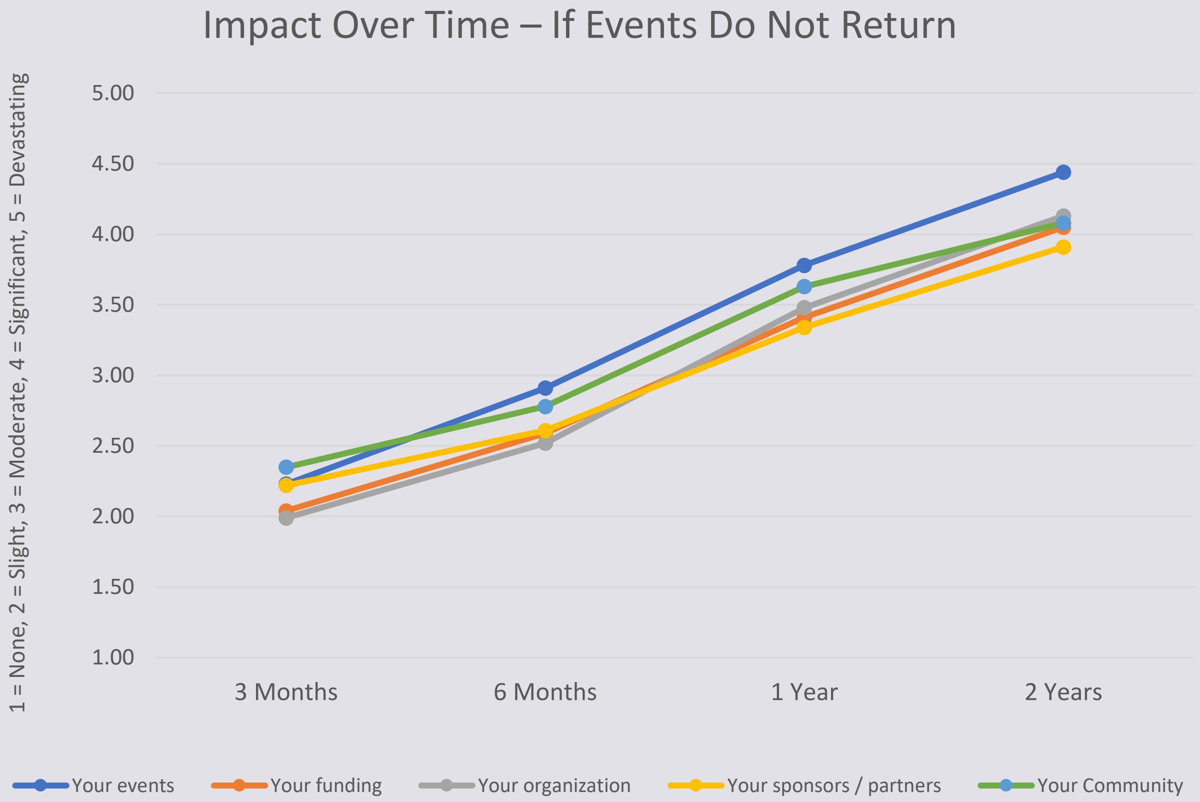
## Rating Comfort Level if Events Returned Tomorrow

| Group & Activity | Not at All Comfortable | Somewhat Uncomfortable | Somewhat Comfortable | Very Comfortable | Top 2 Box |
|---|---|---|---|---|---|
| Athletes competing | 6.4% | 24.5% | 45.7% | 23.4% | 69.1% |
| Staff and volunteer safety | 13.8% | 34.0% | 36.2% | 16.0% | 52.1% |
| Athletes travelling | 14.0% | 35.5% | 40.9% | 9.7% | 50.5% |
| Spectator safety | 19.1% | 39.4% | 31.9% | 9.6% | 41.5% |
| Parents letting their kids travel / compete | 16.7% | 42.2% | 33.3% | 7.8% | 41.1% |

69% of hosts feeling athletes are somewhat or very comfortable in competing indicates pent up demand to get back playing. With only brief respites in 2020 that enabled some competition, it is no surprise that athletes would want to face some opposition. The challenge is willingness to travel is perceived to be lower, with 51% of hosts expecting athletes will be comfortable traveling. This may drive demand for, and development of, local and regional events, and may push out broader national events until later in 2021 or 2022. When national events requiring travel do return, they will likely include fewer participants as people regain comfort with all facets of travel and interaction. International events, outside of within a bubble, are likely to start up again even later as global vaccination programs progress, and visitor quarantine restrictions are eased in Canada.

59% of hosts feel they would be somewhat uncomfortable or not at all comfortable about spectator safety. The contrast with perception of athlete safety could come from challenges verifying health of spectators, lack of staff or volunteer capacity to manage both spectators and athletes, or additional costs to ensure spectator, and thus overall event, safety.

# Impact Over Time

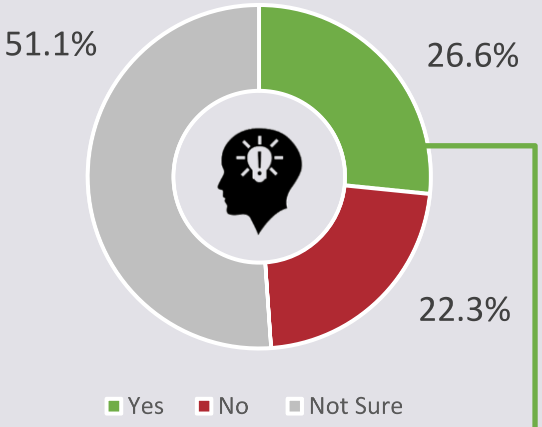



Optimism may be tempered should there be a slower return to events. If events return in three months, significant or devastating impact is only anticipated by 14% of hosts. But, as you move to six months, that perception changes dramatically with an 85% increase for hosts to 26% expecting significant or devastating impact. At one year, we see a 140% jump to 61% of host respondents anticipating significant or devastating issues.

For hosts, the lack of economic activity from events or disruption to event hosting trajectories (e.g., hosting of national events to lead to bigger international ones) may be examples of the long-term impact.

# New Opportunities

Have New Opportunities Emerged




Some hosts believe new opportunities have emerged due to the pandemic and many are taking advantage of this event 'down-time' to work on strategic initiatives.

"opportunities to reassess priorities and strategic planning"

"providing services and programming virtually would not have been considered otherwise"

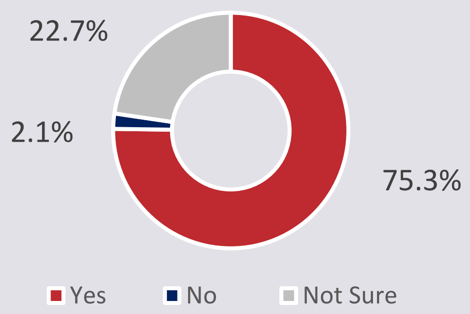
"stronger collaboration and conversations on how we can approach sport tourism collectively and be more competitive have taken place"

"venues are cleaner, schedules are organized, communication is strong, and people are staying more healthy"

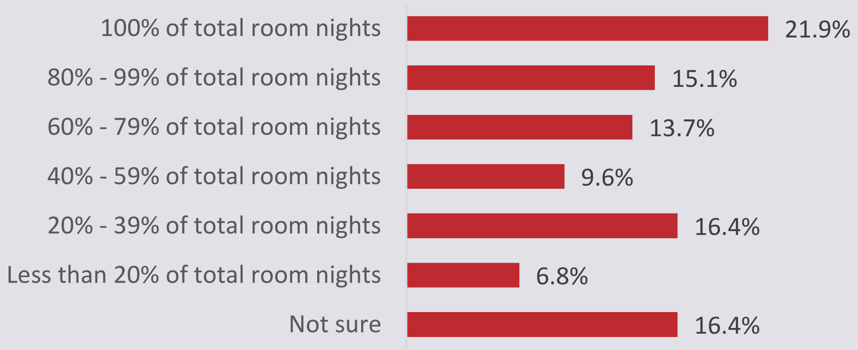
"participants might be more willing to come to a smaller community like ours vs major urban centres because we could be a safer option for them"

# Hosts – Hotel-Related

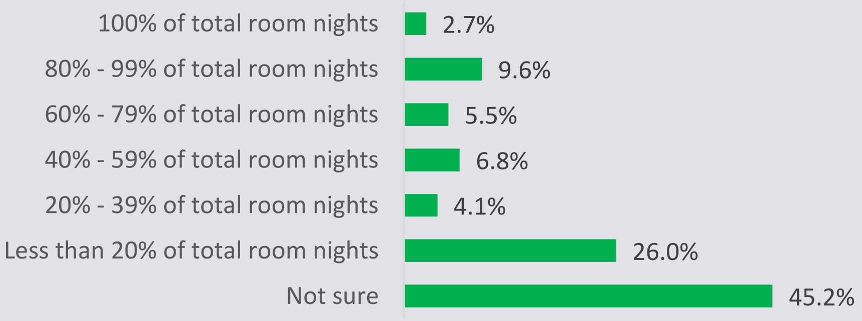
## Hotels Affected by Sport Event Cancellations



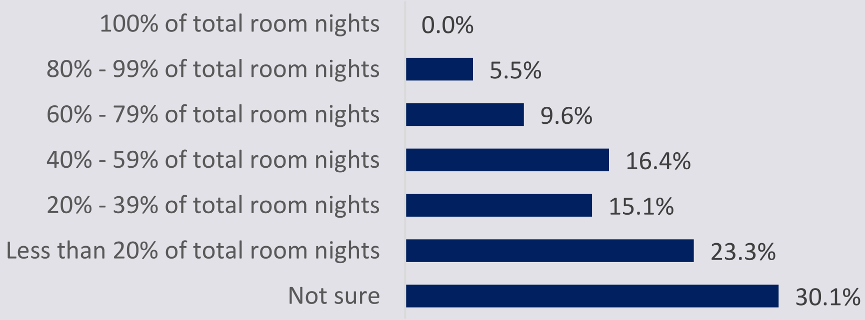

## Room Nights Lost - Cancelled Sport Events




## Room Nights Re-Booked - Future Year




## Room Nights Booked - 2021 vs. 2019



# Event Rights Holders

# Event Rights Holders – Respondent Profile

Feedback came from sport event rights holders located in every province / territory and from 75 different communities of all sizes across Canada, thus representing a broad spectrum of event rights holders in Canada.

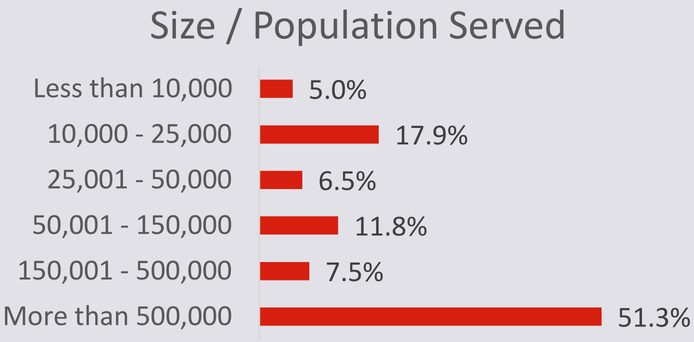
The wide range of groups that consider themselves event rights holders demonstrates the great opportunities for Canadians to participate in sport, but also the complexity of event management and delivery.

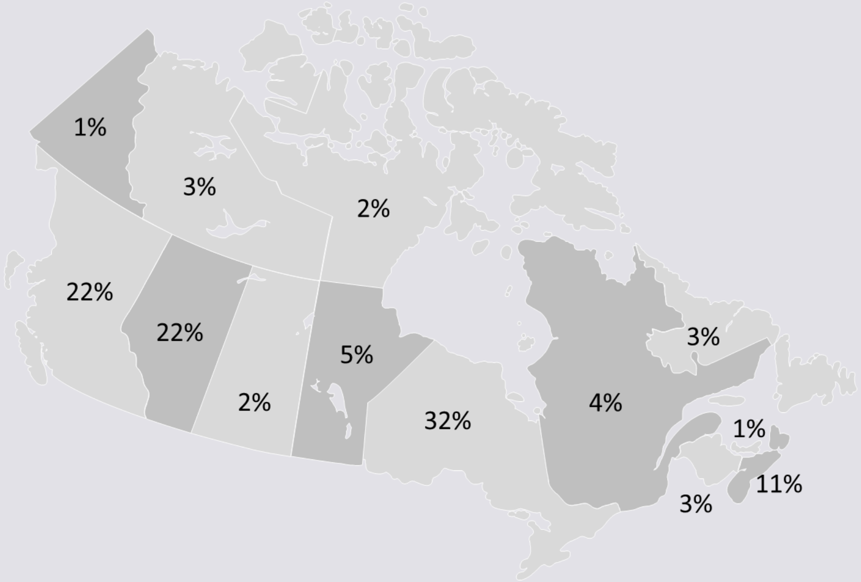
The majority of sport event rights holders are membership-based organizations that average 11 full-time staff, eight (8) part-time staff, and have membership ranging from 10 to 400,000 people. The staff contingent relative to the number of members demonstrates the amount of work often needed to serve membership bases of various sizes and with programming needs. Pre-pandemic, event rights holders manage multiple needs to serve members and those have become more complex through the pandemic.

A quintessential cross-section of sports were represented with sport event rights holders from over 80 different sports participating in this study.

# Event Rights Holders – Profile

Feedback from Rights Holders located in every province / territory and from 75 different communities of all sizes across Canada.



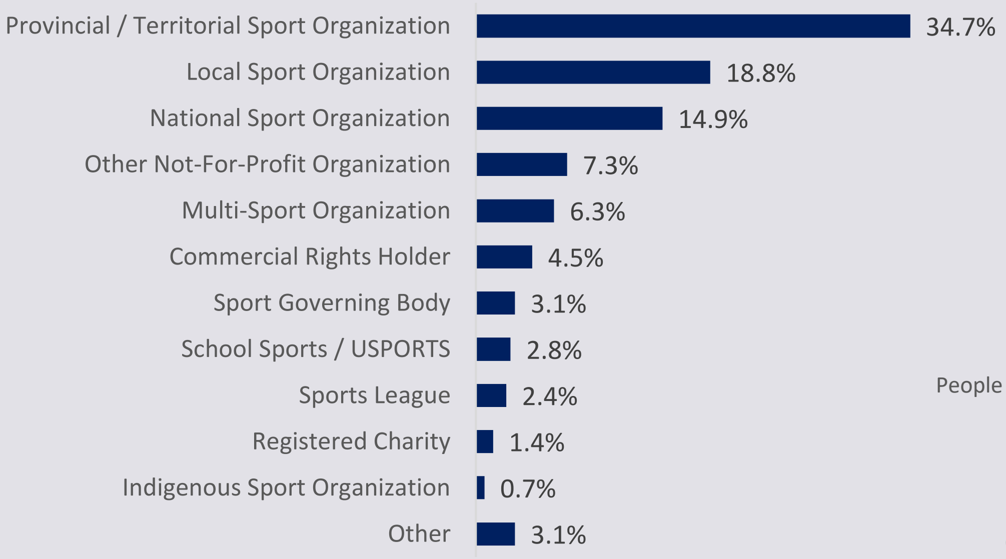





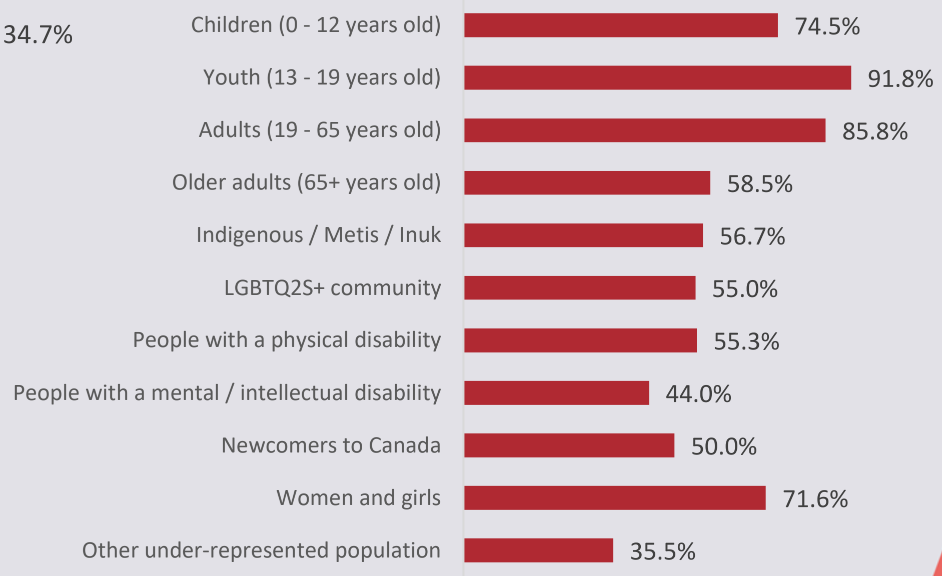
The cities identified in this word cloud represent the 75 communities where the event rights holders are located.

# Profile – Organization Type & Groups Served

## Organization Type

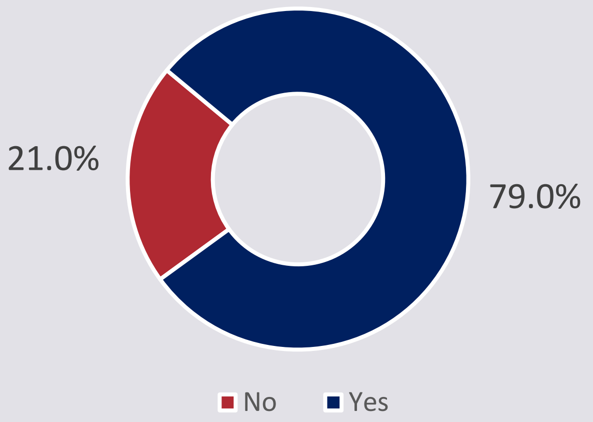



## Groups Served by Organization



# Profile – Type & Size of Organization

## Membership-Based Organization




The majority of rights holders are membership-based organizations that average 11 full-time staff, 8 part-time staff and have membership ranging from 10 to 400,000 people.

## Size of Organization – Number of People

| Position | Avg. # |
|---|---|
| Full-time Staff | 11 |
| Part-time Staff | 8 |
| Contractors | 6 |
| Volunteers | 287 |
| Others | 107 |

## Size of Organization – Members

| Type | Avg. # | Range |
|---|---|---|
| Individuals | 13,145 | 10 – 400,000 |
| Teams / Clubs | 207 | 1 – 1,260 |

# Profile – Sports Represented

A quintessential cross-section of sports represented with Rights Holders from over 80 different sports participating in this study.


The sports identified in this word cloud represent the 80 different sports associated with the participating event rights holders.

# Event Rights Holders – Status of Organization

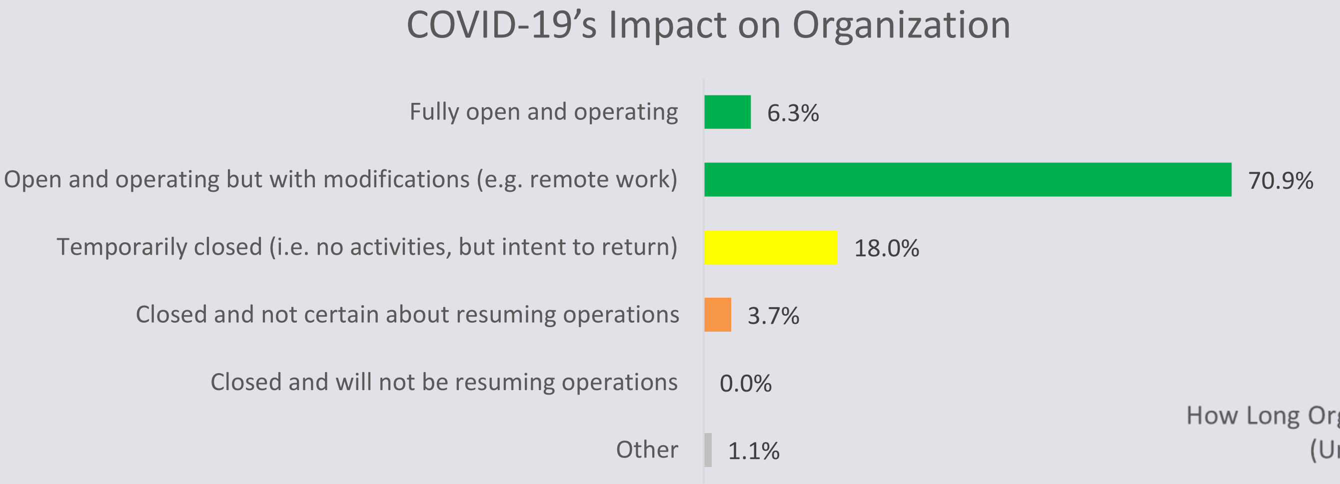
The research demonstrates a level of resiliency within certain aspects of the industry with 51% of rights holders believing they can sustain themselves for one year or more. While there have been structural and staffing changes, the numbers are more moderate than may have been expected, considering the freeze on event hosting.

Unfortunately, almost 22% of organizations have had to close their doors, most of those with an intent to return. However, depending on the length of the current restrictions, some organizations do not have the financial runway to sustain themselves for long periods of time with 24% indicating they would last one year or less.

While resiliency is demonstrated by the length of time rights holders can sustain themselves without events, it is also evident by the 46% of them have gone without staffing changes, when it would have been reasonable to expect higher rates. Additionally, more than half of those that have not yet made changes do not anticipate the need in the future. This layer of industry stability will better enable a restart when it is possible for events to return.

As with hosts and suppliers, the moderate and major impact of staffing adjustments identified by 66% of rights holders, may have longer term implications for the industry. These implications may be felt depending on what rights holders are able to do with current resources to strategize, plan, and prepare for when the pandemic eases in Canada. This could lead to a lag in how quickly rights holders are able to get their events back up and running or if it leads to a more of a scaled return.

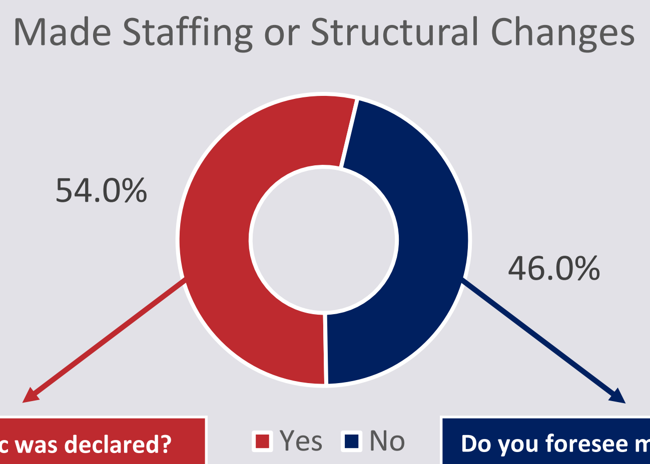
# Status of Organization – Impact on Organization




Although three-quarters of rights holders are open and operating, most are doing so with modifications (e.g., remote workers).


Unfortunately, almost 22% of organizations have had to close their doors, most of those with the 'intent to return', but depending on the length of the current restrictions, some organizations do not have the financial runway to sustain themselves for long periods of time.

# Status of Organization – Staffing or Structural Changes

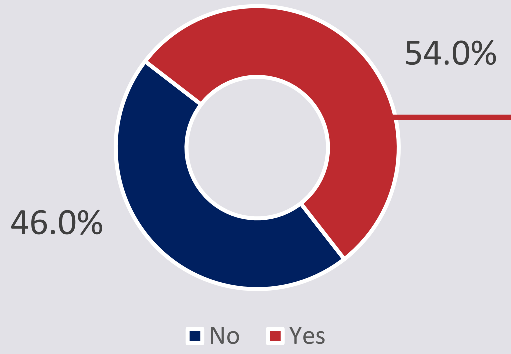



| Have you laid off any employees since the pandemic was declared? | |
|---|---|
| Yes, we have laid off all staff | 1.0% |
| Yes, we have laid off some staff | 42.2% |
| Yes, and we will be laying off additional staff | 1.0% |
| No, but we have reduced the hours of existing employees | 21.6% |
| No, but not certain about near future | 11.8% |
| No | 17.6% |
| Not applicable | 4.9% |

| Do you foresee making staffing or structural changes in the near future if things don't change? | |
|---|---|
| No | 53.5% |
| Yes, we will have to reduce hours for some or all staff | 7.0% |
| Yes, we will have to lay off some of our staff | 5.8% |
| Yes, we will have to lay off the majority of our staff | 1.2% |
| Yes, we will have to cease operations altogether | 0.0% |
| Uncertain at this time | 32.6% |

# Status of Organization – Made Staffing Changes

Made Staffing or Structural Changes

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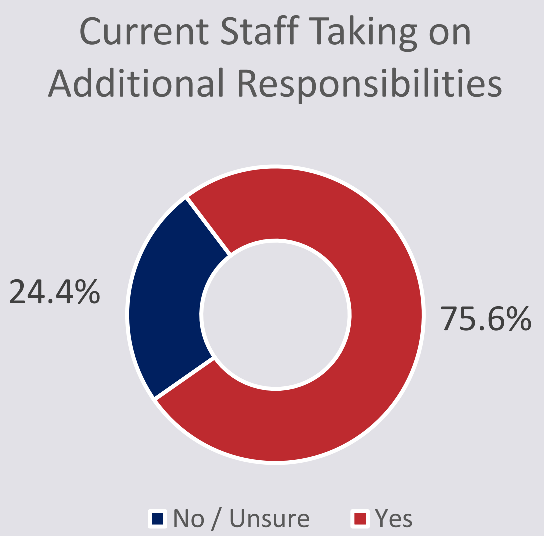
| No | 17.6% |
| Not applicable | 4.9% |

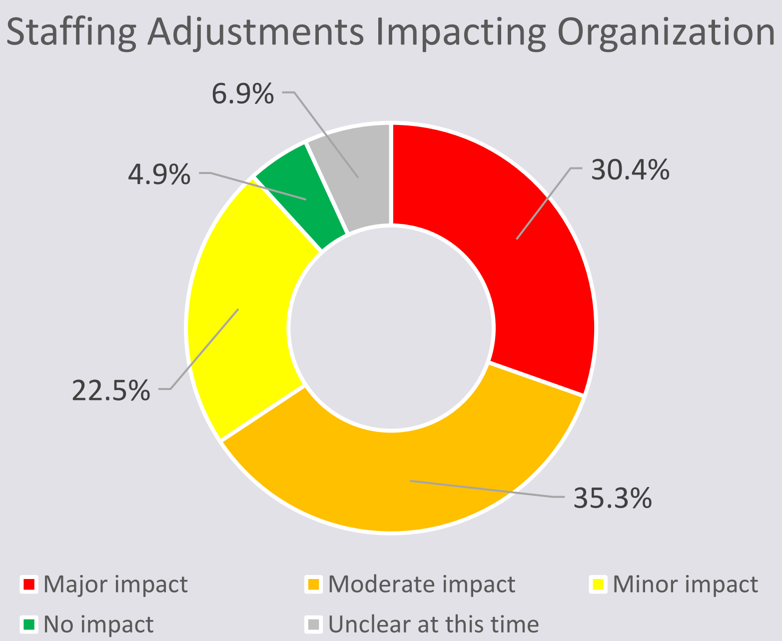
Number & Percentage of Staff Laid Off

| Organization Type | Avg. # | % of Staff |
|---|---|---|
| Overall | 10.5 | 47.7% |
| NSO | 4.6 | 19.8% |
| PSO | 11.2 | 44.7% |
| LSO | 24.0 | 74.5% |
| MSO | 8.3 | 43.8% |
| Other NFP | 5.3 | 43.8% |

| Have you re-hired, or plan to re-hire any staff based on the federal, provincial, or territorial government emergency funding initiatives or benefits? | |
|---|---|
| Yes, we have re-hired all staff that were laid off | 8.9% |
| Yes, we have re-hired some of the staff we laid off | 33.3% |
| No, but we plan to re-hire all the staff we laid off | 11.1% |
| No, but we plan to re-hire some of the staff we laid off | 15.6% |
| No | 8.9% |
| Unsure at this time | 20.0% |
| Not applicable | 2.2% |

# Status of Organization – Responsibilities & Adjustments




The moderate and major impact of staffing adjustments identified by 66% of rights holders, as with hosts and suppliers, may have long term implications on the industry. These implications may be felt depending on what rights holders are able to unable to do currently to strategize, plan, and prepare for when the pandemic eases in Canada.

# Event Rights Holders – Financial

**ORGANIZATIONS BRACES FOR A ROUGH 2020 »** Most organizations (94%) expected or had decreased revenues in 2020 with an average 53% drop. In contrast, just 6% of rights holders expected to see an increase in revenue averaging 22% in 2020. Many were expecting significant decreases across a variety of traditional sources and clearly, if not for the increase in government funding, many organizations would be in much worse financial shape than they are now.

**MORE THAN HALF OF NORMAL FUNDING SOURCES LOST DURING COVID-19 »** Sport event rights holders receive funding from a multitude of sources. Roughly three-quarters collect both grants and membership dues, and together, 71% say those represent the largest sources of funding / revenue. With normal sports operation not currently allowed, organizations are largely not collecting membership dues, tournament registration fees, sponsorship revenue, and ticketing proceeds – which comprise over 55% of funding / revenue required to operate these organizations.

**ORGANIZATIONS SEEKING NEW AND INNOVATIVE FUNDING SOURCES »** It is interesting to note that while organizations have taken steps to work with government on supports and to adjust expenses, many have also explored new revenue streams and partnership opportunities. This positive ingenuity demonstrates that opportunity and new ideas can come from challenging situations with time determining whether those new streams and partnerships are sustainable.

**SUSTAINABLE FOR ONE MORE YEAR »** Despite the aforementioned revenue decreases, and the challenges in lowering fixed costs, the majority of organizations (51%) believe they can sustain themselves for more than one year. This, along with the lower than expected staffing / structural changes, represents resiliency within the sector in the face of the many challenges COVID-19 has caused.

# Event Rights Holders – Financial (cont'd)

**$143K in EMERGENCY FUNDING SUPPORT NEEDED PER ORGANIZATION »** This resiliency is challenged by the fact that $143,000 in emergency funding is the average that would be needed (by the 153 organizations that responded to the question) - this represents an overall $21,879,000 needed for recovery (which we know is only a fraction of the organizations that exist in Canada).

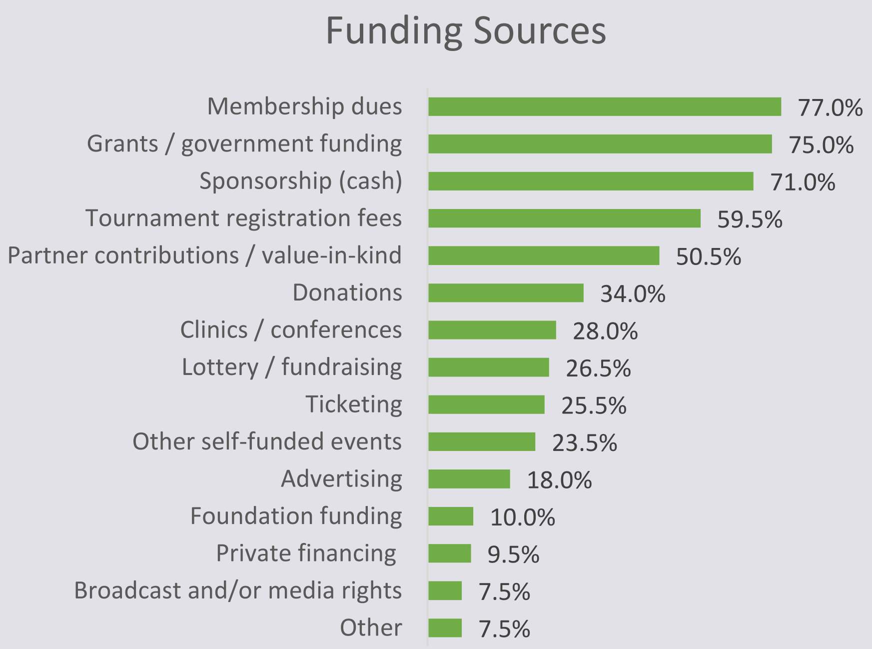
**ONE MORE YEAR WOULD BE DEVASTATING TO MORE THAN 3/4 OF EVENT RIGHTS HOLDERS »** For sport event rights holders, 20% anticipate significant or devastating consequences should events not return within three months and 38% of rights holders feeling the same should there be no events at six months. Should one year pass without events, expectation of significant or devastating impacts further grows – sport event rights holders show an increase to 71% of respondents feeling this way. With uncertainty in 2021 as to when and what types of events will be feasible, some of the optimism and resilience from previous responses is countered by these thoughts on when significant or devastating impacts could be felt.

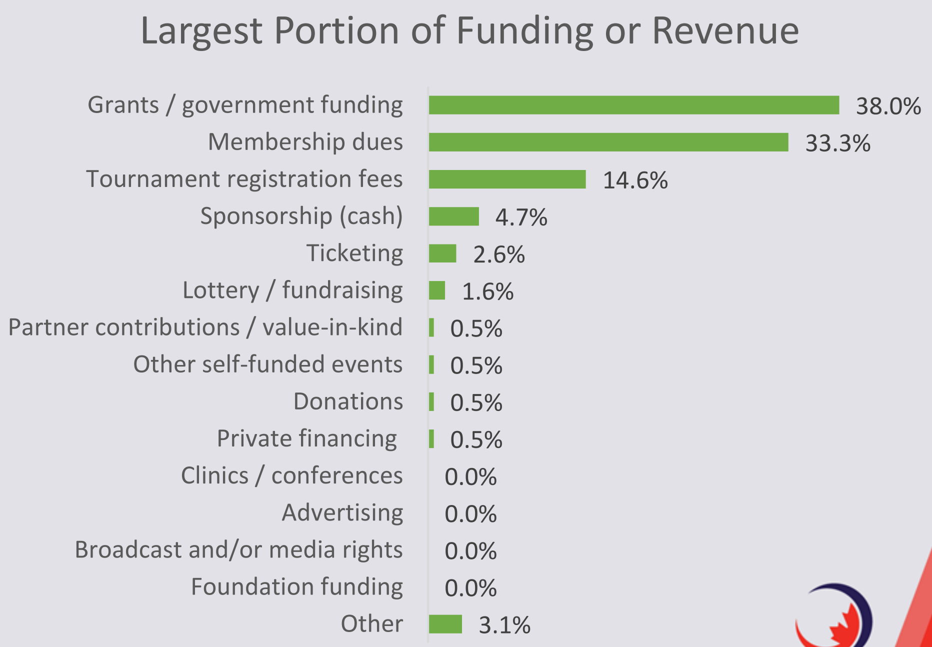
**DESPITE FINANCIAL HARDSHIP, FINANCIALS ARE NOT THE ONLY KPI »** Uncertainty is the majority response related to whether KPIs will shift for funders due to the pandemic. While hosts represent just one funding source, they largely feel that economic impact and social / community impact will remain their dominant success measures in evaluating events, which could impact how rights holders' events are perceived.

**CHALLENGE BREEDS OPPORTUNITY »** At the same time, near 40% of rights holders agree that "new opportunities have emerged" since the cessation of sports. Themes that stood out included: Greater collaboration with partners, focus on outdoor events, prevalence of focus on virtual events, and creation of internal and operational efficiencies.

# Financial – Funding Sources

Rights holders receive funding from a multitude of sources. Over three-quarter collect membership dues, and one-third list membership dues as their single largest source of funding/revenue. With sports not being currently allowed, organizations are not collecting monies from sources such as membership dues, tournament registration fees, and ticketing – which comprise over 50% of funding/revenue required to operate these organizations.



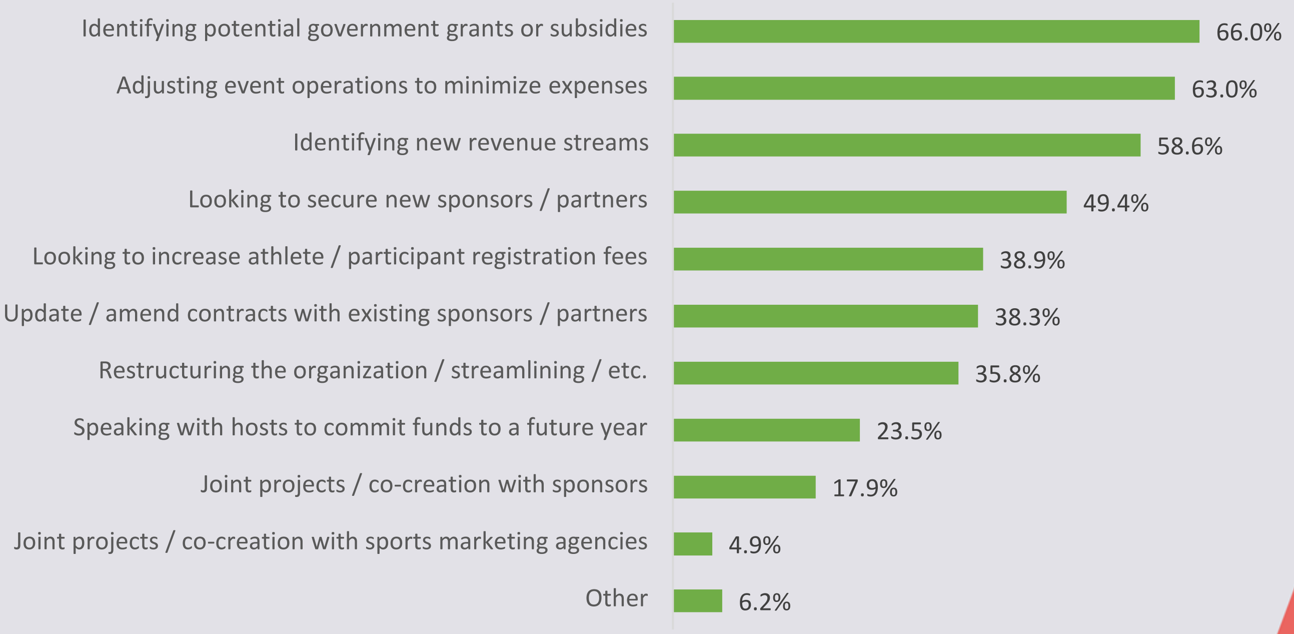



# Financial – Budgets and Ensuring Viability

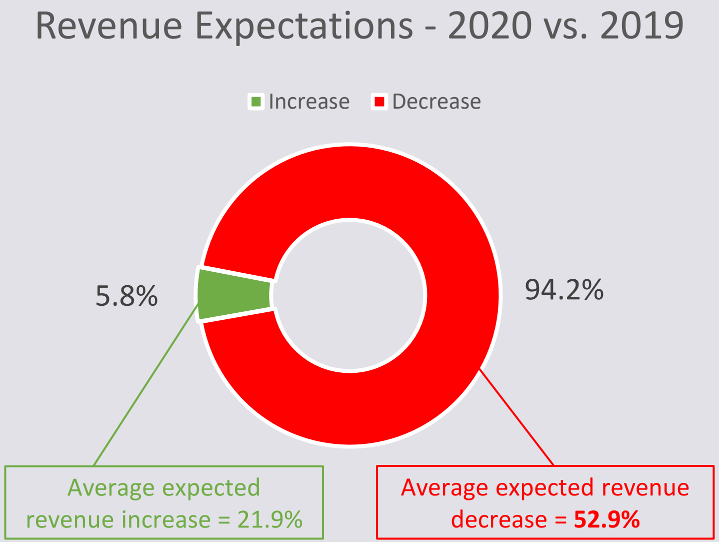
## Annual Operating Budget

| Organization Type | Average |
|---|---|
| Overall | $1,265,372 |
| NSO | $3,039,808 |
| PSO | $831,227 |
| LSO | $496,367 |
| MSO | $1,751,769 |
| Other NFP | $322,773 |

## Steps Taken to Ensure Financial Viability



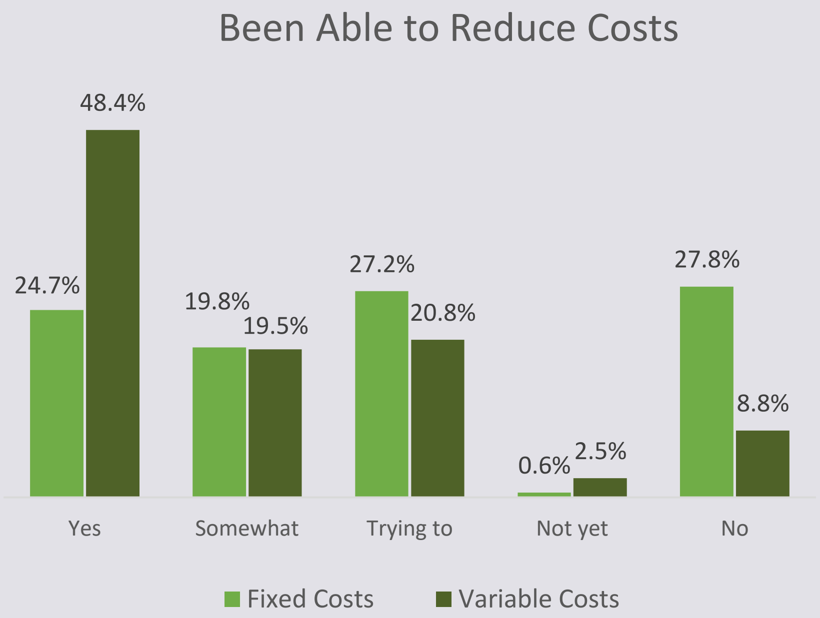
# Financial – Revenue Expectations




| Source | Able to Increase | Increased Amount | Saw a Decrease | Decreased Amount |
|---|---|---|---|---|
| Membership dues | 9.5% | 9.4% | 82.9% | 54.4% |
| Grants / Government Funding | 38.0% | 35.5% | 24.7% | 37.7% |
| Sponsorship (cash) | 3.8% | 30.0% | 58.2% | 62.9% |
| Partner contributions / Value-in-kind | 3.8% | 32.0% | 29.7% | 64.2% |
| Ticketing | 0.0% | 0.0% | 25.9% | 70.5% |
| Tournament registration fees | 4.4% | 34.2% | 59.5% | 81.6% |
| Clinics / Conferences | 3.8% | 40.0% | 40.5% | 75.6% |
| Other self-funded events | 2.5% | 16.7% | 24.1% | 71.4% |
| Advertising | 0.0% | 0.0% | 19.6% | 62.5% |
| Broadcast and / or media rights | 2.5% | 6.7% | 11.4% | 50.0% |
| Donations | 8.9% | 39.6% | 23.4% | 69.6% |
| Lottery / Fundraising | 5.1% | 18.6% | 17.1% | 44.8% |
| Foundation funding | 3.8% | 22.0% | 8.9% | 43.1% |
| Private financing | 4.4% | 20.0% | 9.5% | 43.6% |
| Other | 0.0% | 0.0% | 12.0% | 41.2% |

Most organizations (94%) expected or had decreased revenues in 2020 with an average of a 53% drop. 6% of rights holders expected an increase in revenue averaging 22% in 2020. Many were expecting significant decreases across a variety of traditional sources. If not for the increased government funding, many organizations would be in much worse shape than they are now.

# Financial – Cost Reduction & Runway

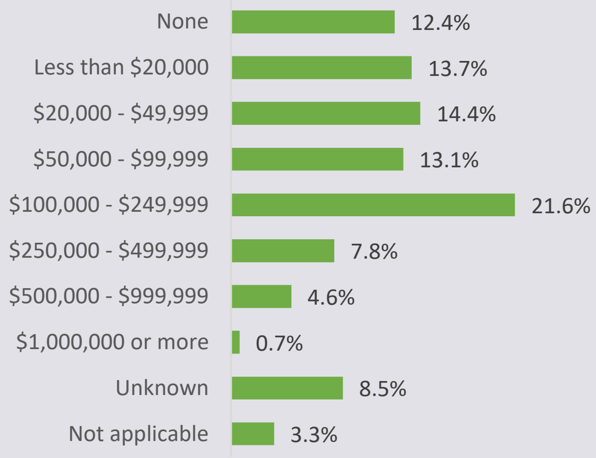



# Financial – Government & Emergency Funding

## Made Use of Government Funding Initiatives

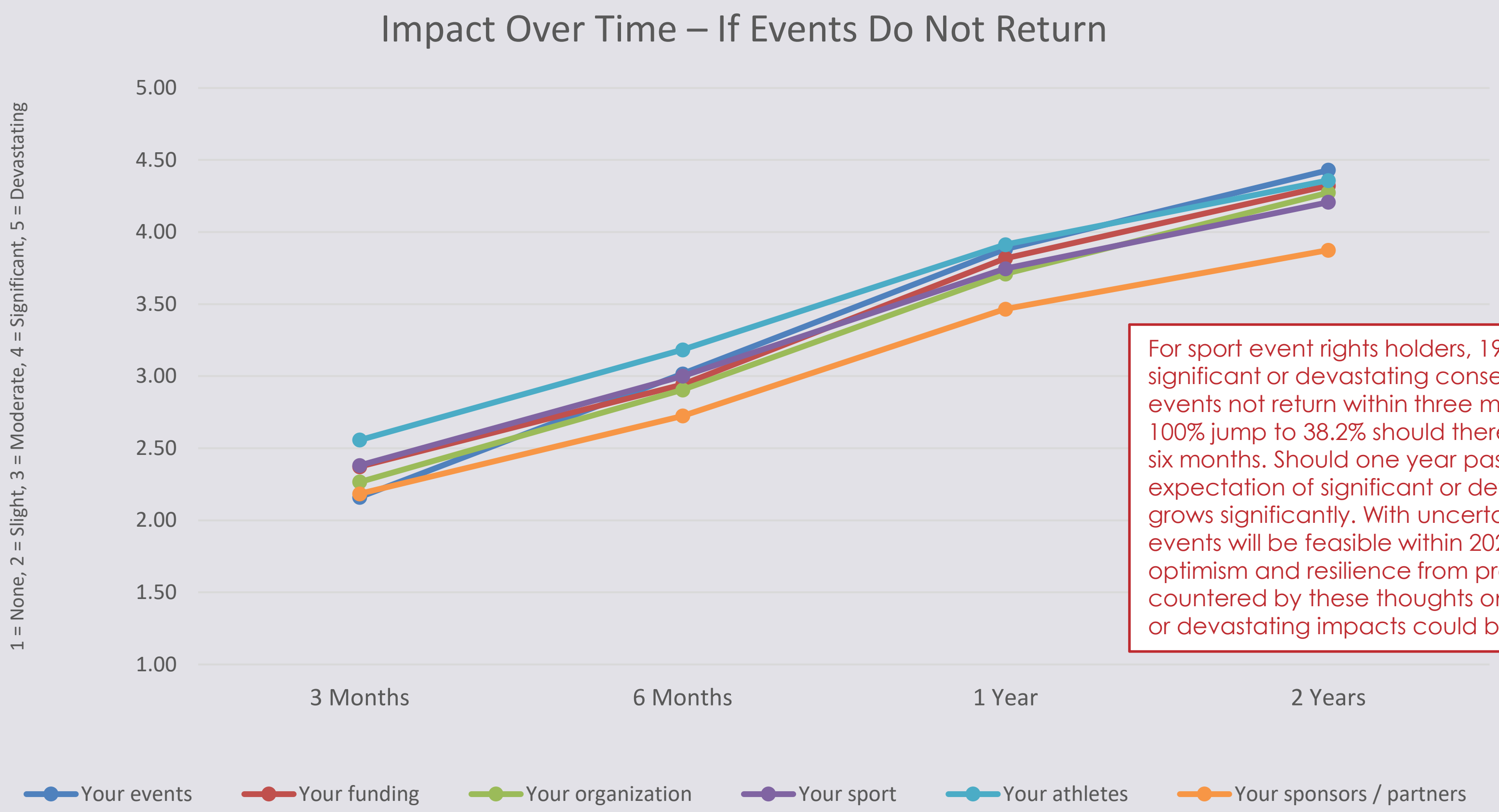
| Emergency Funding Type | Yes | Not yet, but will | No | Not eligible |
|---|---|---|---|---|
| Work sharing program extension | 3.2% | 1.6% | 60.5% | 34.7% |
| Canada Emergency Wage Subsidy (10%) | 35.6% | 0.8% | 31.1% | 32.6% |
| Canada Emergency Wage Subsidy (75%) | 53.9% | 1.3% | 20.4% | 24.3% |
| Business Credit Availability Program | 19.5% | 2.3% | 46.1% | 32.0% |
| Rent Assistance / Subsidy (CECRA / CERS) | 21.2% | 9.8% | 36.4% | 32.6% |
| Flexibility to pay income tax | 5.9% | 0.8% | 52.1% | 41.2% |
| Deferral of Sales Tax remittance | 6.7% | 0.0% | 61.7% | 31.7% |
| Emergency isolation support | 0.0% | 0.0% | 60.2% | 39.8% |
| Federal Emergency Sport Funding | 43.2% | 6.8% | 30.4% | 19.6% |

## Emergency Funding Required for Recovery




Average = $143,000

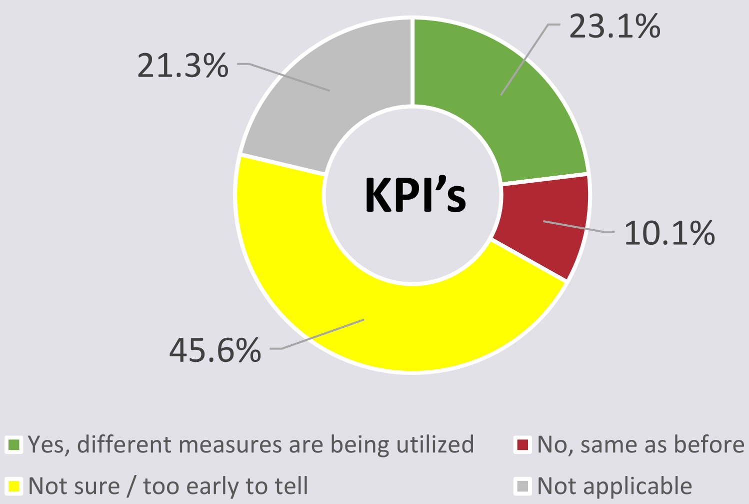
# Financial – Impact Over Time




For sport event rights holders, 19.5% anticipate significant or devastating consequences should events not return within three months. There is a 100% jump to 38.2% should there be no events at six months. Should one year pass without events, expectation of significant or devastating impacts grows significantly. With uncertainty as to when events will be feasible within 2021, some of the optimism and resilience from previous answers is countered by these thoughts on when significant or devastating impacts could be felt.

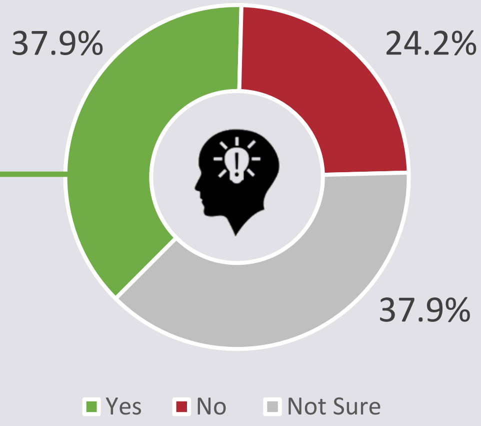
# Financial – KPIs & Opportunities

## Are Key Performance Indicators for Funders Shifting




Uncertainty is the majority response as to whether KPIs will shift for funders. While hosts represent just one funding source, they largely feel that economic impact and social/community impact will remain their dominant success measures in evaluating events.

## Have New Opportunities Emerged




Near 40% of rights holders agree that "new opportunities have emerged" since the cessation of sports – many of them financially related. Other mentions include technology, virtual hosting, and collaboration.

# Event Rights Holders – Events

**SPORT EVENT PORTFOLIO BALANCED BY GEOGRAPHIC REACH »** Sport event rights holders aggregately reported a fairly even mix of events by season, with slightly more (32.6%) hosted in the summer months. By geographic reach, local (38.4%) and provincial (38.7%) calibre events comprise the large majority of events held in Canada.

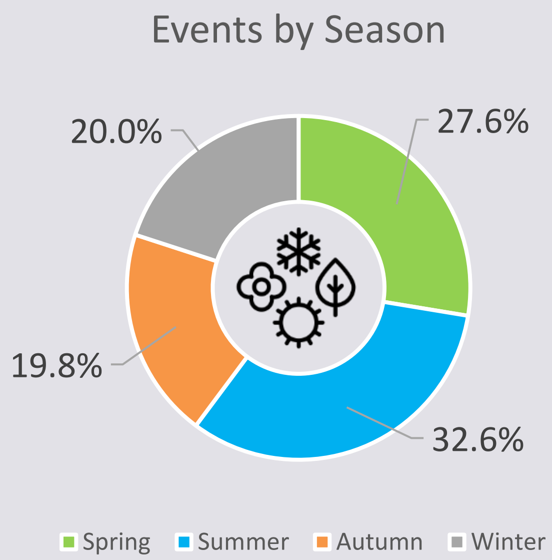
**ONLY HALF OF DISRUPTED EVENTS RESCHEDULED FOR FUTURE YEARS »** The breadth of partners noted by rights holders would require a level of understanding and adaption to the unique needs and requirements of those agreements. While some 2020 agreements were reduced and some sponsor commitments were lost, it is positive that 48% of organizations indicate they have been able to move agreements to future years. This will provide a solid source of future funding on which events can be run.

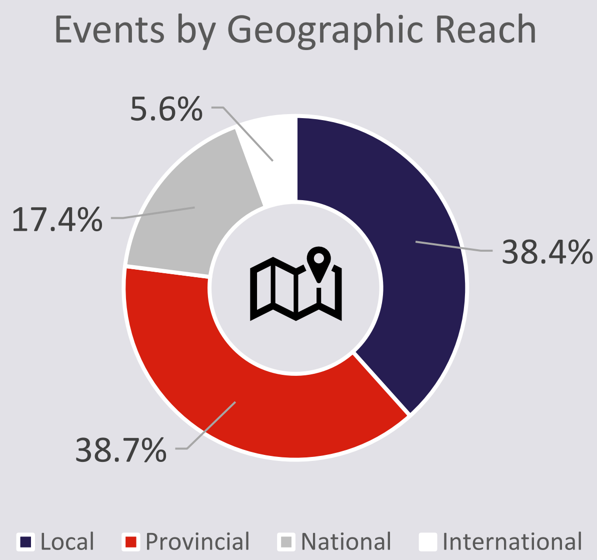
**1/4 of EVENTS IN 2020 WERE CANCELLED, with ANOTHER 1/2 POSTPONED OR ALTERED »** Though everyone understands elements of the impact of COVID-19, 2020 event status most clearly outlines the effects. 84% of organizations have been forced to alter events with the best-case scenario a modified live event, and the worst case the 25% of respondents had to fully cancel events. Ideally the 14% of rescheduled events can occur as planned and the 18% indefinitely postponed can find alternate dates.

**INDUSTRY IS NOT GIVING UP ON EVENTS »** Despite the evident challenges of 2020, it is positive to see that 70% of rights holders plan to host events in some form in 2021 with the largest percentage, 26.5%, planning to host as normal. This is slightly ahead of the 21% of hosts that are planning as normal. 15% of both rights holders and hosts are waiting for better conditions or are undecided so there remains a general COVID-19 drag on hosting. However, despite modifications listed, signs are positive for progress on events in 2021 as compared to the challenges of 2020.

**GOVERNMENT RESTRICTIONS ARE THE BIGGEST BARRIER TO EVENT HOSTING IN 2020 »** The complications that have led to the changes in 2020 and the potential event adaptations in 2021 are noted by the many barriers event rights holders highlighted, with government restrictions far and away the biggest one. The sense is if those are lifted or adjusted, it would be manageable for events to be hosted, even while the other barriers remain.

# Events – By Season & Geographic Reach




# Events – Number of Events

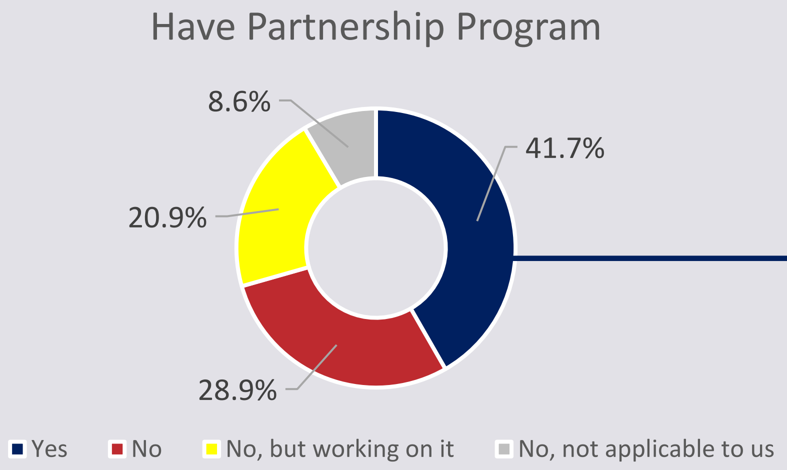
## Number of Events on Annual Basis
(Operate / Host / Sanction)

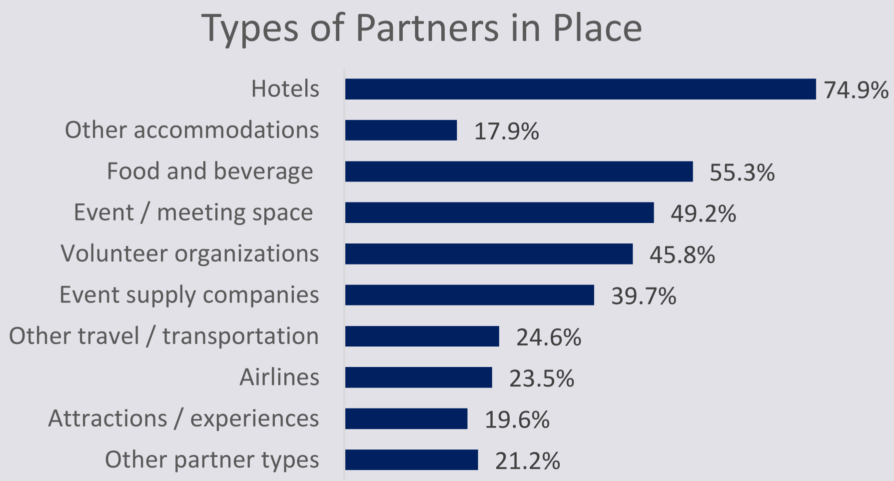
| Organization Type | Avg. # |
|---|---|
| Sport Governing Body | 191 |
| National Sport Organization | 124 |
| School Sports / USPORTS | 61 |
| Provincial / Territorial Sport Organization | 47 |
| Multi-Sport Organization | 22 |
| Sports League | 16 |
| Commercial Rights holder / For-Profit Organization | 15 |
| Local Sport Organization | 14 |
| Aboriginal Sport Body / Indigenous Sport Organization | 5 |
| Other Not-For-Profit Organization | 4 |
| Registered Charity | 3 |
| Other | 9 |

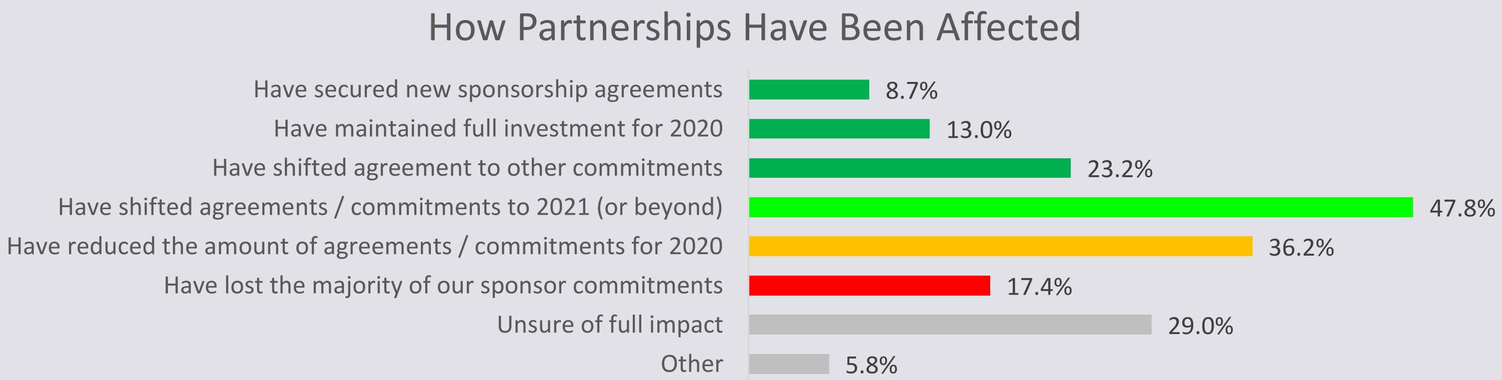
## Number of Events on Annual Basis
(By Event Type)

| Event Type | Avg. # |
|---|---|
| Mega-Events - Multi-Sport | 0 |
| Mega-Events - Single-Sport | 1 |
| Multi-Sport Games | 2 |
| Single-Sport Leagues | 14 |
| Single-Sport Championships | 8 |
| Training / Evaluation Camps | 8 |
| Development Courses | 19 |
| Conferences | 2 |
| Sport Festivals / Home-Grown Sporting Events | 12 |
| Professional Sporting Events | 2 |
| Cause-Related / Fundraising Events | 4 |
| Showcase Events | 1 |
| Grassroots Events | 31 |
| One-Off / Single Participation Events | 11 |

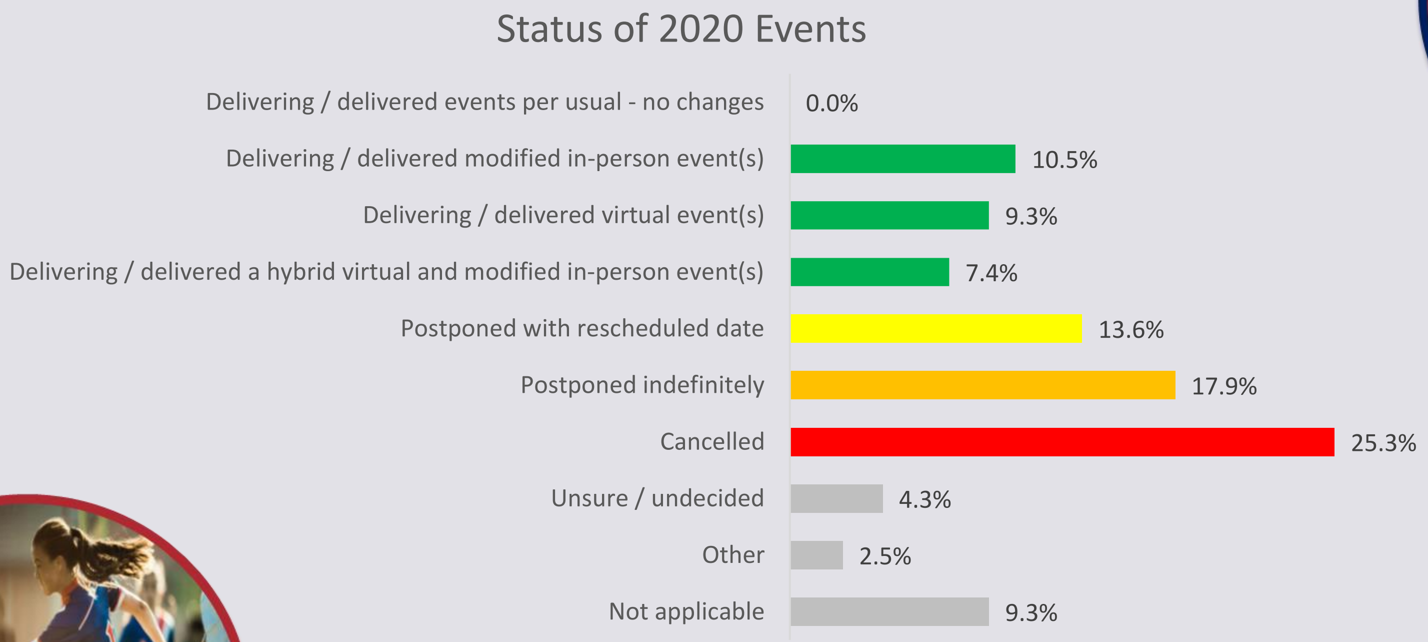
# Events – Partnerships



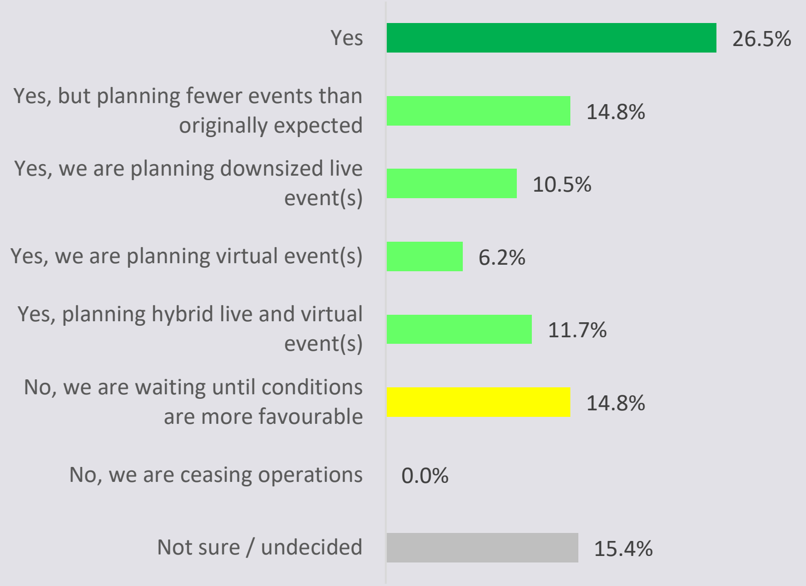
# Events – Status




Though everyone understands the impact of COVID-19 to some degree, this chart most clearly outlines the effects. 84% of organizations have been forced to alter events with the best case scenario being a modified live event. In the worst case, 25% of respondents identified that they had to cancel events. Ideally the 14% of rescheduled events can occur when planned and the 18% indefinitely postponed can find dates that safely work.

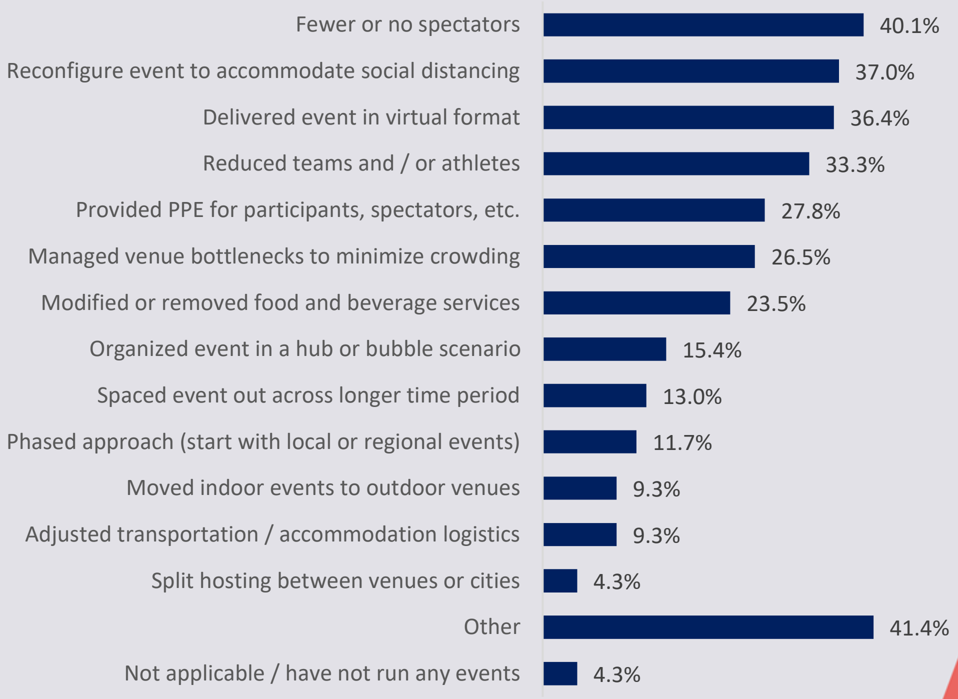
# Events – Hosting Outlook & Modifications

## Operating or Hosting Events in 2021

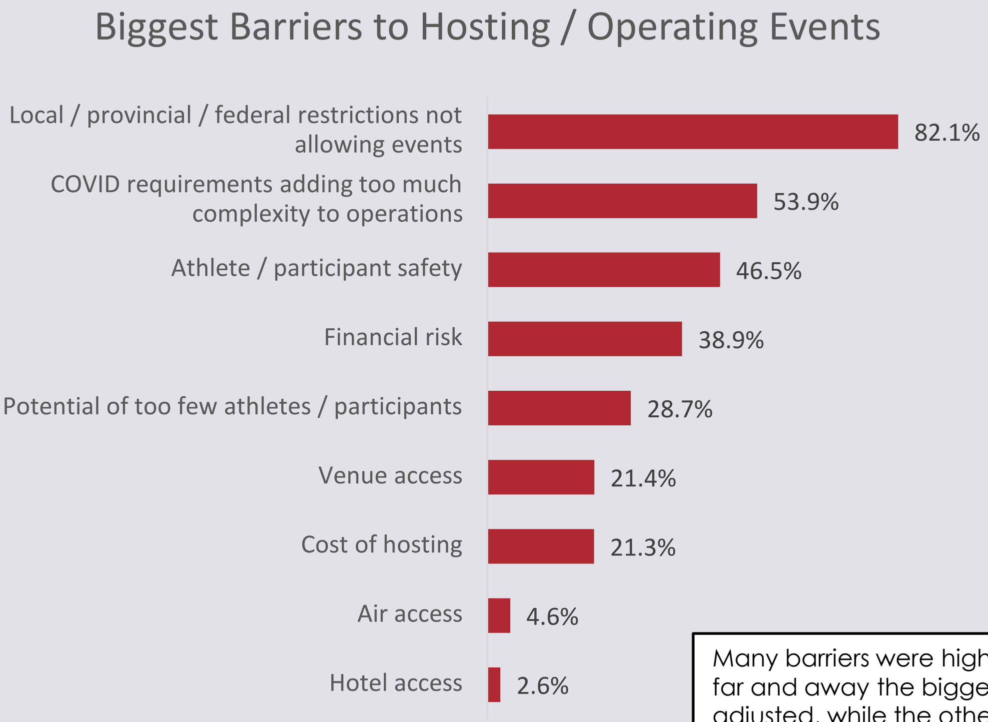



It is positive to see that 70% of event rights holders plan to host events, in some form, in 2021 with the largest percentage, 26.5% planning to host as normal. 15% are waiting for better conditions or are undecided so there remains a COVID-19 drag on hosting.

## Modifications Made for Event(s) to be Possible



# Events – Barriers to Hosting & Pursuing Opportunities




## Pursuing Event / Bid Opportunities

| Year | Yes | No | Unsure |
|---|---|---|---|
| 2021 | 3.2% | 60.5% | 34.7% |
| 2022 | 35.6% | 31.1% | 32.6% |
| 2023 | 53.9% | 20.4% | 24.3% |
| 2024 | 19.5% | 46.1% | 32.0% |

Many barriers were highlighted by rights holders with government restrictions far and away the biggest one. The sense would be that if those are lifted or adjusted, while the other barriers would exist it would be manageable for events to be hosted.

# Rights Holders – Pandemic Impacts & Initiatives

**TAKING ADVANTAGE OF THIS "DOWN TIME" »** Time away from gatherings, be them events, conferences, or training activities for members, has freed sport event rights holders to focus efforts in other areas. Seeing long term strategies as the highest ranked activity is positive as rights holders continue to plan, adjust, and look to the future of their organizations and sport tourism. It is evident, too, that they have spent significant energy mapping out plans to navigate their operations, COVID-19 preparedness, and event hosting plans related to the pandemic.

**MORE INFORMATION REQUIRED TO SUPPORT A REBOOT »** Straightforward and concise guidelines, along with clear and regular health updates, rank as the top pieces of information and/or support that rights holders require. It is felt this will allow for the strategic planning and assessment of when they will be allowed to "return to play" and "return to competition".

**CLEAR AND CONSISTENT VENUE REQUIREMENTS A MUST »** Additionally, clarity on restrictions, requirements for venues, and understanding guideline variances across the country, are of importance for rights holders to plan accordingly.

**PLAYBOOK FOR WHERE TO GO AND WHEN »** As each province and territory continues through the pandemic and emerges from its challenges, each will open at different rates and with different guidelines. Clarity around this information will be crucial for rights holders to determine where they can safely host events in a timelier manner to get their operations back up and going.

# Pandemic – Activities & Initiatives

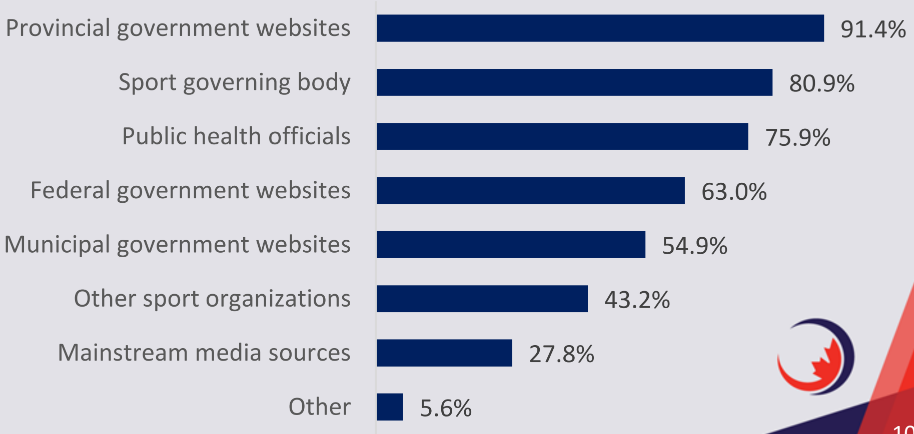


Seeing long term strategies as the highest ranked activity organizations are focusing on is positive as rights holders continue to plan and look to the future of their organizations and sport tourism. It is evident too that they have spent significant energy mapping out plans to navigate their operations and event hosting protocols related to the pandemic.

# Pandemic – Expertise & Information

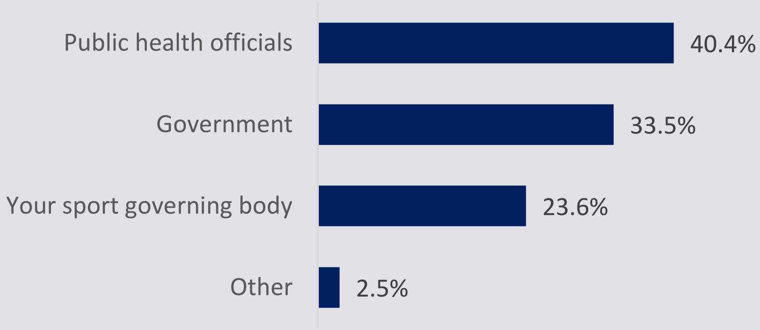
## Have Necessary Expertise to Manage Pandemic


## Information Sources for Pandemic Restrictions

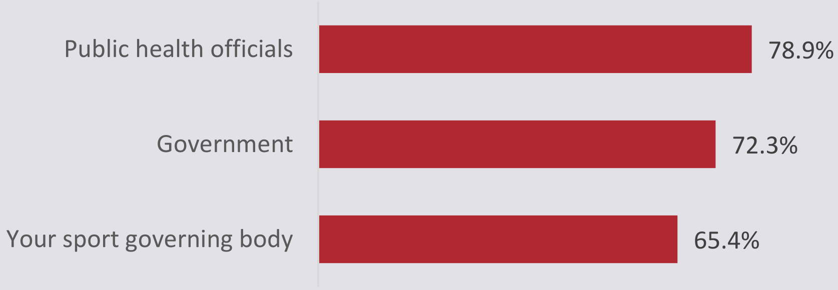



# Pandemic – Direction & Guidance

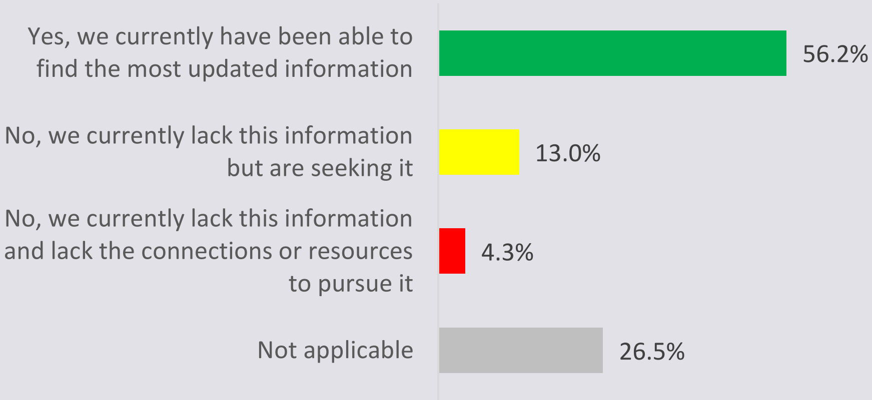
## Take Direction From – Restrictions & Restart




## Getting Necessary Guidance for Restart From…




## Access to Relevant Information for Hotels and Venues



# Pandemic – Supports Required


Clear and concise guidelines along with clear and regular health updates rank as the top pieces of information and/or support that rights holders require to allow for the strategic planning and assessment of when they will be allowed to return to play and competition.

Similar to above, clarity on restrictions, requirements for venues and understanding the variances across the country are importance for rightsholders to plan accordingly.

# Event Rights Holders – Return of Live Events

**RIGHTS HOLDERS MORE OPTIMISTIC THAN HOSTS ABOUT "RETURN TO COMPETITION" »** Sport event rights holders are more optimistic than hosts in terms of a timeline for a return to live events. 38% feel a "return to competition" within six (6) months is possible, with 31% of hosts agreeing. At nine (9) months 29% of rights holders feel we will see events return, with only 21% of hosts.

**RECOVERY ANTICIPATED FOR 1 to 2 YEARS »** They do agree on a long tail recovery to the COVID-19 pandemic bulked at between 1 and 2 years of impact. The nature of these long-term impacts could include costs related to providing personal protective equipment, revenue risks, or hesitancy for athletes and spectators to gather in large numbers. All of these are expected to return to what we have known as normal, but it will be time before that occurs.

**MANAGING SPECTATORS = FASTER RETURN TO COMPETITION »** Rights holders' top two strategies leading their respective "return to competition" ideas list include i) the need to manage events for physical distancing and ii) fewer or no spectators. The logistics and financial challenges presented by many of these strategies make planning and executing events very complicated and it will be interesting to see how many rights holders are willing to and able to implement to see events move forward in 2021.

**MAJORITY FEEL REBOOT RELIANT UPON MULTIPLE FACTORS – ALL REQUIRING ENGAGEMENT FROM MULTIPLE STAKEHOLDERS »** With 14 of the 18 factors for return of live sport events over 80% for somewhat and very important, it provides insight to the complexity and considerations for getting live events back up and going. Interestingly, 12 of the top 14 items match those identified by hosts as being crucial, with clear public health guidelines leading the way for both groups, and they share 3 of the same top 5 factors.

# Event Rights Holders – Return of Live Events (cont'd)

**HOTEL CHAINS PROVIDING CONFIDENCE AND COMFORT FOR VISITING ATHLETES »** With hotel chains able to operationalize and more readily demonstrate their cleanliness and sanitization standards, those are the accommodations perceived to provide the most confidence and comfort for visiting athletes.

**UNTANGLING COVID IS COMPLEX »** Along with clear public health guidelines, the others that ranked as 'very important' were the availability of venues, of volunteers, and athlete comfort level with competing. Those three are all influenced by, but are fully under the control of, sport event rights holders, which adds an extra layer of challenge. Therefore, clear communication to venues, volunteers, athletes and officials about public health guidelines, operational plans, and return to play protocols becomes a crucial component to seeing live sport return in 2021 and beyond.

**EASE OF ACCESS BY AIR A LOWER PRIORITY DURING COVID »** One of the lower ranked items for both rights holders and hosts is the return of broader airline schedules – while still seen as relatively important, this could indicate there being a greater focus on regional events for a period of time, or an emphasis on hosting in markets less affected by airline schedule cutbacks.

# Return of Live Events – Comfort & Safety Levels

## Rating Comfort Level of Athletes / Staff by Accommodation Type

| Accommodation Type | Not at all comfortable | Somewhat Uncomfortable | Somewhat Comfortable | Very Comfortable | Top 2 Box |
|---|---|---|---|---|---|
| Major hotel chain offering full or limited service | 13.6% | 13.6% | 42.4% | 30.5% | 72.9% |
| Smaller hotel chain offering full or limited service | 14.4% | 18.6% | 47.5% | 19.5% | 66.9% |
| Non-chain affiliated smaller hotel or boutique style setting | 19.4% | 26.9% | 40.7% | 13.0% | 53.7% |
| AirBnB / private rental property | 31.7% | 28.7% | 27.7% | 11.9% | 39.6% |
| University dormitories | 40.2% | 26.5% | 22.5% | 10.8% | 33.3% |
| Billeting | 59.1% | 29.0% | 4.3% | 7.5% | 11.8% |

## Rating Comfort Level if Events Returned Tomorrow

| Group & Activity | Not at all comfortable | Somewhat Uncomfortable | Somewhat Comfortable | Very Comfortable | Top 2 Box |
|---|---|---|---|---|---|
| Your athletes competing | 13.6% | 25.2% | 37.4% | 23.8% | 61.2% |
| Your athletes travelling | 20.4% | 35.9% | 30.3% | 13.4% | 43.7% |
| Spectator safety | 21.1% | 36.6% | 31.7% | 10.6% | 42.3% |
| Staff and volunteer safety | 16.1% | 27.5% | 34.9% | 21.5% | 56.4% |

# Return of Live Events – Anticipated Timeline



Although rights holders are optimistic that live sport events will return as soon as six months from now, they are realistic in terms of dealing with the impacts of COVID-19 for years to come.

For rights holders, the longer term impacts could include continued uncertainty around the hosting of events, the ability for athletes to train and travel, and revenue risks, among potential challenges.

# Return of Live Events – Strategies

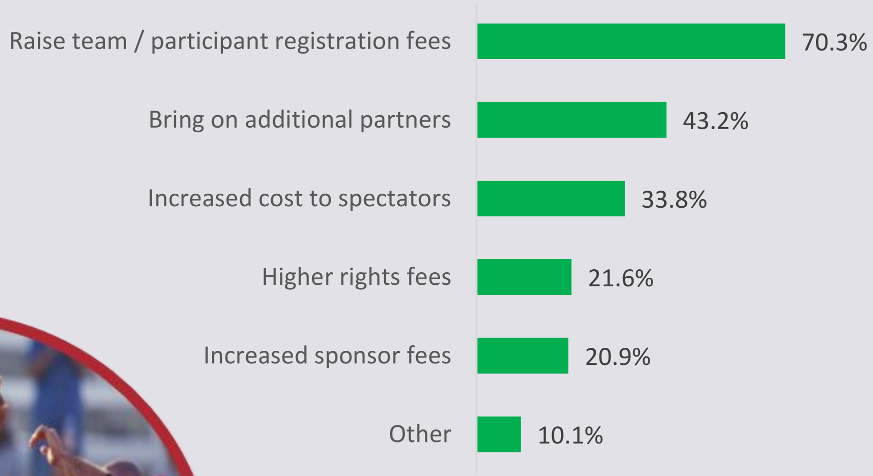

Strategies Considered / Implemented for Return of Live Sport Events


Many strategies are being considered for the return of live sport events, with the most popular considerations involving fewer people and / or logistics to maximize social distancing. The logistics and financial challenges presented by many of these strategies make planning and executing events very complicated.

# Return of Live Events – Time & Cost

## Time Required to Prepare to Run / Host Events


## Covering Increased Cost(s) of Sport Events




# Return of Live Events – Important Factors

Rating: Importance of Factors for Return of Live Sport Events

| Factor | Not at all | Not Really | Somewhat | Very | Top 2 Box |
|---|---|---|---|---|---|
| Clear guidelines from Public Health officials | 0.7% | 0.7% | 2.1% | 96.6% | 98.6% |
| Increased costs due to COVID-19 precautionary measures | 1.4% | 2.1% | 39.7% | 56.8% | 96.6% |
| Availability of volunteers | 0.7% | 2.8% | 12.6% | 83.9% | 96.5% |
| Immunity for participants and the community | 0.7% | 2.9% | 25.0% | 71.4% | 96.4% |
| Availability of venues | 0.7% | 2.9% | 10.8% | 85.6% | 96.4% |
| Availability of COVID-19 vaccine or treatment | 0.7% | 4.2% | 16.0% | 79.2% | 95.1% |
| Availability of PPE and medical or sanitation supplies / equipment | 2.1% | 2.8% | 30.5% | 64.5% | 95.0% |
| Athlete's comfort level with competing | 0.0% | 5.6% | 9.8% | 84.6% | 94.4% |
| Government support (e.g., funding) | 2.2% | 3.6% | 15.9% | 78.3% | 94.2% |
| Availability of staff | 2.3% | 7.7% | 20.8% | 69.2% | 90.0% |
| Sponsorship commitments | 4.4% | 7.3% | 31.4% | 56.9% | 88.3% |
| Funding / rights fee commitments | 4.1% | 8.2% | 23.0% | 64.8% | 87.7% |
| Rapid COVID-19 testing options | 2.1% | 11.3% | 33.3% | 53.2% | 86.5% |
| Health of supply chain | 4.9% | 13.8% | 35.0% | 46.3% | 81.3% |
| Marketing / promotional timelines | 4.5% | 18.9% | 45.5% | 31.1% | 76.5% |
| Resumption of broader air travel schedules | 10.9% | 14.7% | 32.6% | 41.9% | 74.4% |
| Return of tourists (open borders, comfort travelling, etc.) | 4.6% | 22.1% | 35.9% | 37.4% | 73.3% |
| Audience's comfort level with attending | 7.3% | 22.6% | 27.7% | 42.3% | 70.1% |

# Suppliers

# Suppliers – Respondent Profile & Status of the Organization(s)

As to be expected, the largest number of respondent suppliers come from the venue and hotel sectors, as they represent the most common partner for event hosts and rights holders. From the survey it is clear, however, that there are multiple businesses that are actively engaged in sport tourism and provide valuable services to strengthen the industry.

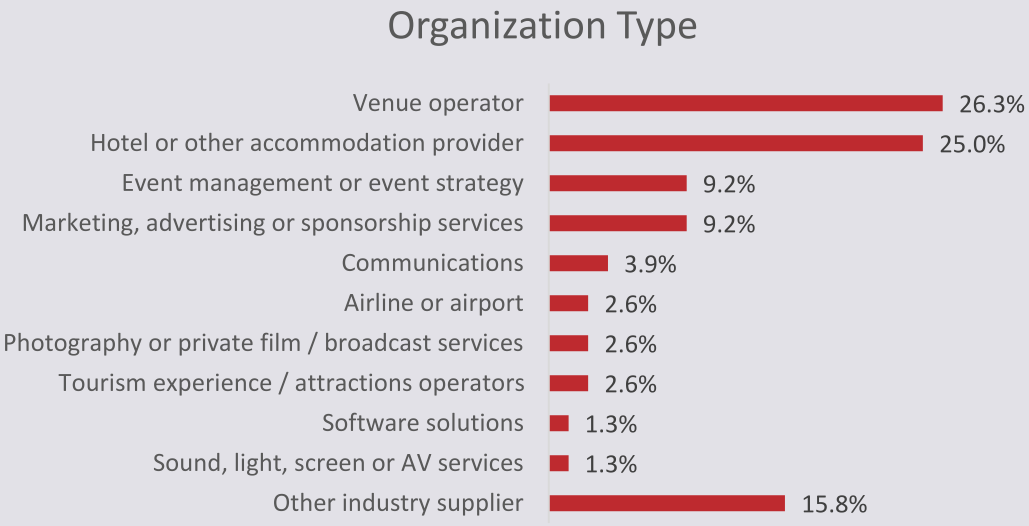
**80% of SUPPLIERS OPEN AND OPERATING »** Through the pandemic, 80% of suppliers are open and operating, though most (69%) are doing so with modifications (e.g., remote workers). Unfortunately, 15% of suppliers have closed their doors, most with 'intent to return'.

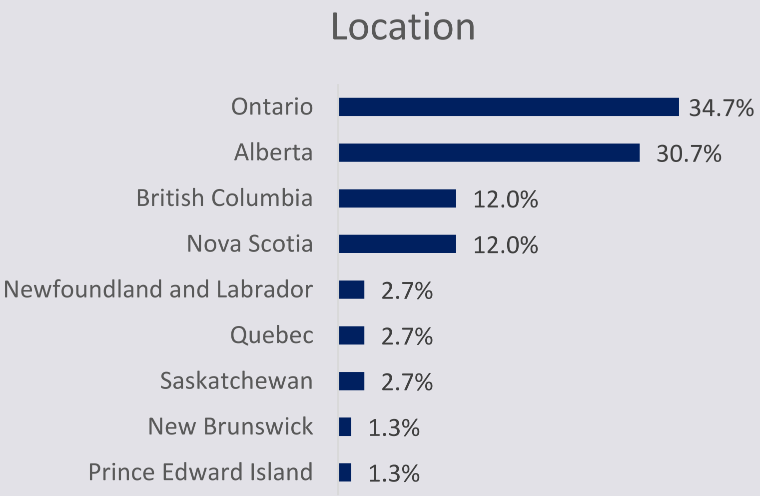
**FOR HALF, NINE (9) MONTHS OF RESILIENCY, THEN THE WORRY SETS IN »** While there is evidence of some resilience in the sector with 53% of suppliers able to sustain themselves for at least 9 months, the longer the pandemic goes the more risk exists to businesses and their ability to serve the industry once it reopens. This jeopardizes a stronger recovery once events are able to get back up and going.

**INDUSTRY-WIDE STAFFING / STRUCTURAL CHANGES »** Assessing another layer of operational modifications highlights a whopping 85% of suppliers have made some staffing or structural changes. Event cancellations forced this massive level of layoffs across suppliers, but especially for hotels and venues. 47% of suppliers have returned all or some laid off staff which is a positive for the industry and lands them in between the results for hosts (59%) and rightsholders (42%). The key will be to see if other suppliers that anticipate returning staff are able to do so as the pandemic eases.

**INDUSTRY RESPONDED EARLY »** Encouraging for sport tourism suppliers is the majority (55%) of those which have yet to make staffing or structural changes and do not anticipate any in the future. The concern rests with the 36% of respondents that are unsure at this time, as there is the potential for some further changes. When reflecting on the whole staffing story, it appears most changes to be made have already been implemented.  Staffing adjustments were moderate to major for 64% of suppliers. Ramping up operations will play a major role in how quickly and effectively the sport event market rebounds post-pandemic.

# Suppliers – Respondent Profile



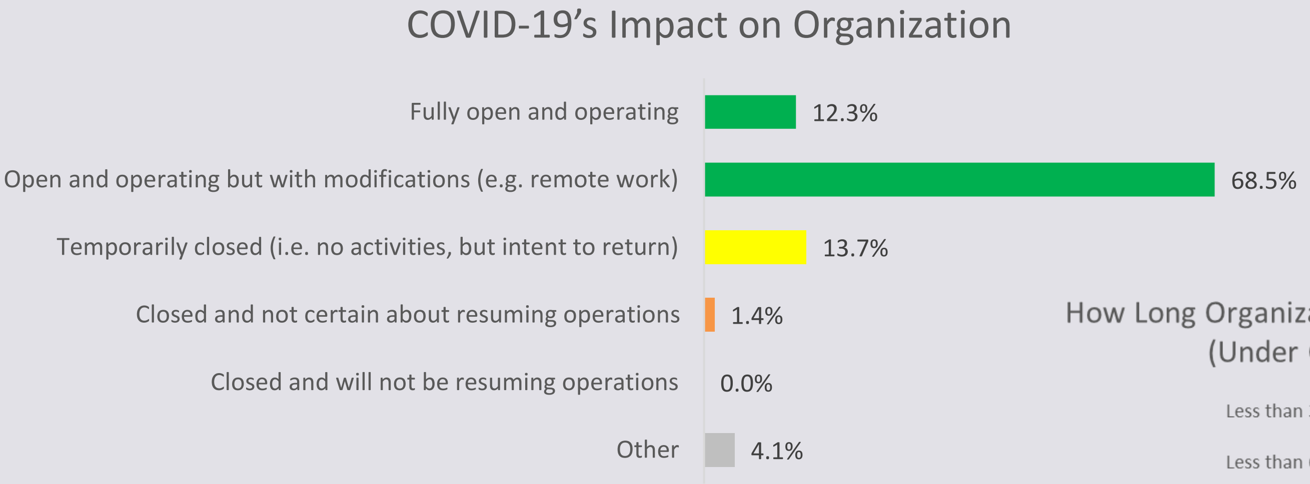




**Two-thirds**
have agreements in place with sport organizations to ensure business

**50.7%**
of business directly related to sports and/or sport events

**5% - 100%**
the range of business directly related to sports and/or sport events

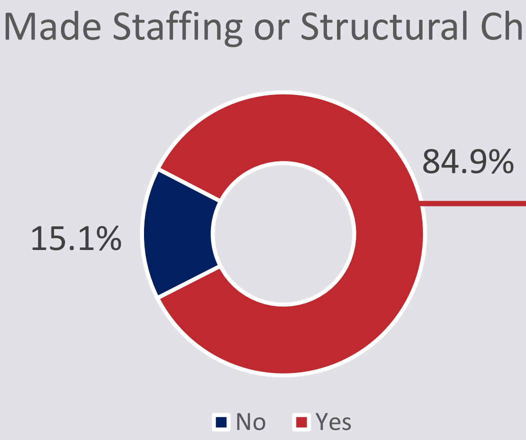
# Status of Organization – Impact




Although 80% of suppliers are open and operating, most are doing so with modifications (e.g., remote workers).


Unfortunately, 15% of suppliers have had to close their doors, most of those with the 'intent to return', but while there is some resilience to the sector with some suppliers able to sustain themselves, depending on the length of current restrictions, the more risk that exists to businesses and their ability to serve the industry once it reopens.

# Status of Organization – Staffing Changes




| Have you laid off any employees since the pandemic was declared? | |
|---|---|
| Yes, we have laid off all staff | 12.9% |
| Yes, we have laid off some staff | 59.7% |
| Yes, and we will be laying off additional staff | 11.3% |
| No, but we have reduced the hours of existing employees | 9.7% |
| No, but not certain about near future | 3.2% |
| No | 1.6% |
| Not applicable | 1.6% |

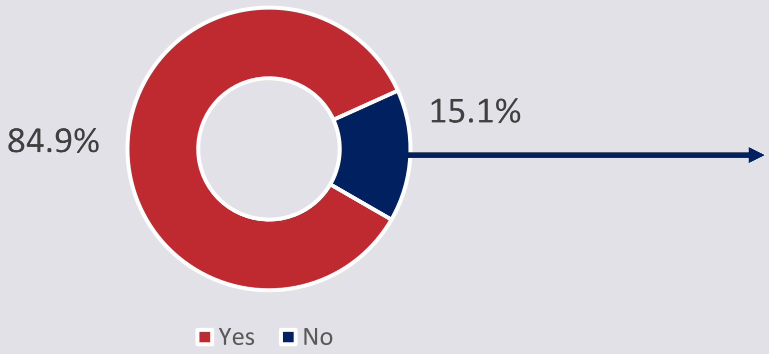
**61.0%**
average amount of staff laid off due to the pandemic

**7% - 100%**
the range of staff laid off due to the pandemic

| Have you re-hired, or plan to re-hire any staff based on the federal, provincial, or territorial government emergency funding initiatives or benefits? | |
|---|---|
| Yes, we have re-hired all staff that were laid off | 5.9% |
| Yes, we have re-hired some of the staff we laid off | 41.2% |
| No, but we plan to re-hire all the staff we laid off | 8.8% |
| No, but we plan to re-hire some of the staff we laid off | 20.6% |
| No | 5.9% |
| Unsure at this time | 14.7% |
| Not applicable | 2.9% |

# Status of Organization – Staffing Changes

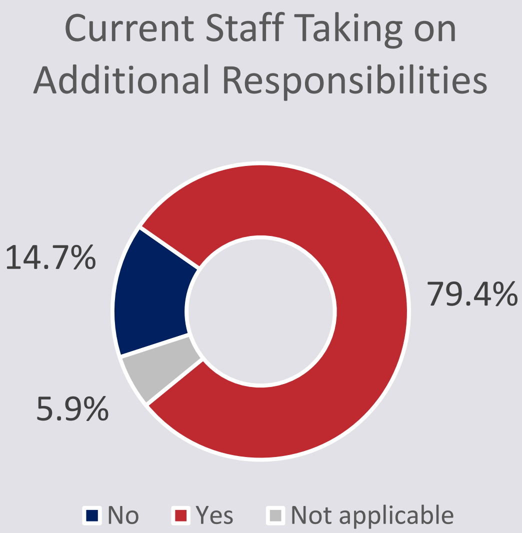
Made Staffing or Structural Changes

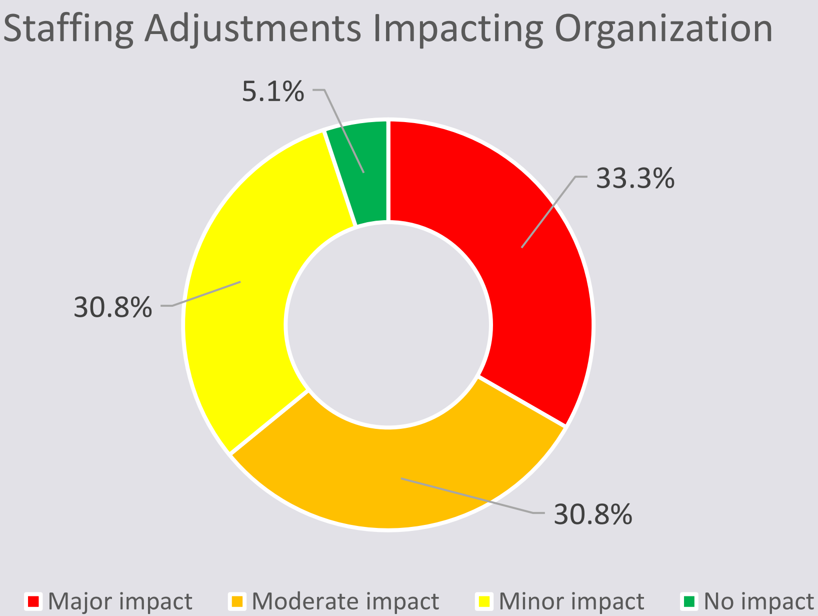



| Do you foresee making staffing or structural changes in the near future if things don't change? | |
|---|---|
| No | 54.5% |
| Yes, we will have to reduce hours for some or all staff | 0.0% |
| Yes, we will have to lay off some of our staff | 0.0% |
| Yes, we will have to lay off the majority of our staff | 0.0% |
| Yes, we will have to cease operations altogether | 9.1% |
| Uncertain at this time | 36.4% |

A small positive for suppliers to the sport tourism industry is the majority of those which have yet to make staffing or structural changes do not anticipate making any in the future. With 36% unsure at this time, there is the potential for some further changes but with the hope of the situation improving, it appears any changes to be made have already been made.

# Status of Organization – Staffing Adjustments




With 64% of suppliers indicating the staffing adjustments have had a moderate or major impact, once the industry is able to fully get back on its feet, it will be important to monitor how quickly suppliers can ramp back up operations to support the hosting of events.

# Suppliers – Financial

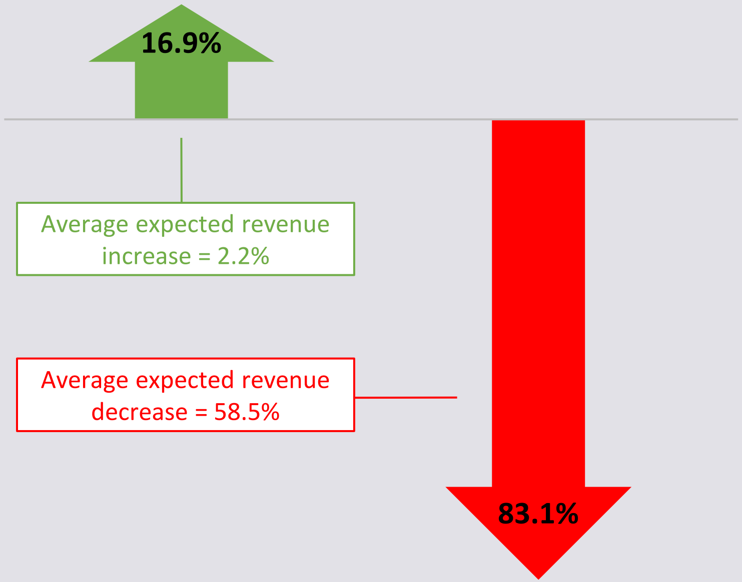
**SUPPLIERS ANTICIPATED A 59% DROP IN 2020 REVENUES »** Only 17% of suppliers had expectations of increased revenue in 2020, and those increases were expected to be very modest averaging 2.2% over 2019 levels. Expectedly, the majority (83%) expected decreased revenues averaging a mammoth 59% in 2020 as compared to 2019. Such an expected revenue drop is very significant and could have an impact on a company's ability to invest in rehiring staff or in buying equipment. This risks reducing supplier options for hosts and rights holders, increasing event costs and thus slowing sector recovery.

**SUPPLIERS BETTER POSITIONED THAN MOST TO SURVIVE A 9 MONTH+ COVID SHUTDOWN »** Despite revenue concerns, there is a relative persistence to suppliers in this space with the majority of respondents (45%) saying they can sustain themselves between 9 months and 2 years.

# Financial – Revenue & Resilience

## Revenue Expectations – 2020 vs. 2019

Only 17% of suppliers had expectations of increased revenue in 2020, with the majority (83%) expecting decreased revenues. Those expecting decreases were significant, with the average loss of revenue nearing 60%.




## How Long Organizations Can Sustain Themselves (Under Current Conditions)


Despite revenue concerns, there is a relative resilience to suppliers in this space with the majority of respondents (45%) saying they can sustain themselves between 9 months and 2 years.

# Suppliers – Pandemic-Related

**INFORMATION PLENTIFUL, BUT NOT ALWAYS INTUITIVE OR APPLICABLE »** Information has been plentiful throughout the pandemic though there is a need to sift through it all to find guidance helpful to each sector. For suppliers, 87% have had access to the necessary expertise to support them in decision making and planning through 2020 and into 2021, with 68% having it internally.

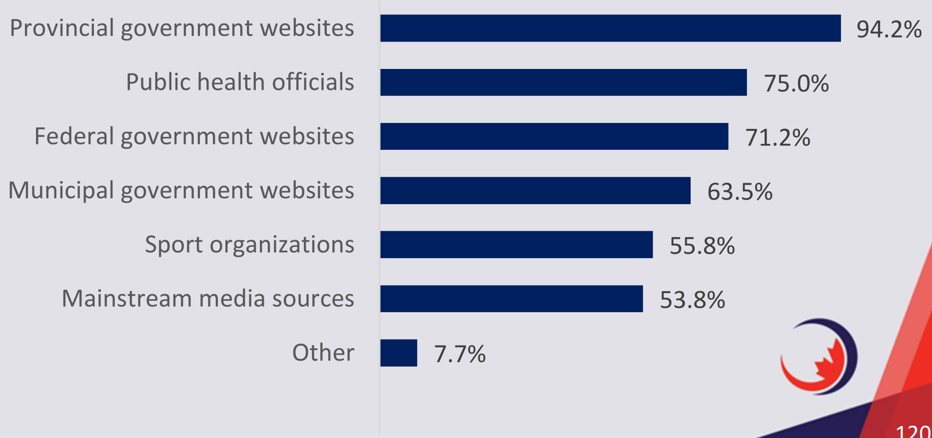
**HOTELS AND VENUES RESPONDING WITH NEW PROGRAMS FOR STAFF »** For hotels and venues, certification programs have been created to support in standardizing cleanliness and hygiene protocols. Some of these programs have been more general to support those sectors and some have been created by specific brands.

**PROVINCIAL / TERRITORIAL GOVERNMENT WEBSITES IS "GO TO" SOURCE OF INFORMATION »** For broader information on COVID-19, provincial and territorial government websites have been the "go-to" source indicated by 94% of respondents, which is understandable considering health is managed at that level in Canada.

# Pandemic-Related – Expertise & Information

## Have Necessary Expertise to Manage Pandemic


## Information Sources for Pandemic Restrictions




# Suppliers – Return of Live Events

**SUPPLIERS OPTIMISTIC ABOUT THE RETURN OF EVENTS WITHIN NINE (9) MONTHS »** Although the majority of suppliers are optimistic that live sport events will return within nine months, they feel the impacts of COVID-19 may be felt for some time to come.

**1 to 2 YEAR RECOVERY »** 65% of suppliers believe the long tail of the pandemic will continue for between 1 and 2 years. With no suppliers expecting the challenges will be gone in less than 9 months, it is clear they are gearing up for continued issues in 2021.

**NEW PROTOCOL WILL BECOME THE NEW NORM »** For hotel and venue suppliers, increased sanitization, controlling traffic flows, and managing restrictions to other sources of revenue (e.g., restaurants, concessions) are among the longer-term constraints they could face.

**SUPPLIERS THE FIRST EFFECTED BY EVENT DISRUPTION AND HARDEST HIT »** The return of sporting events may take time but the degree of effects to support industries could occur sooner, based on supplier responses. At three (3) months, 27% of suppliers indicate there to be significant or devastating impact if events have not returned. At six (6) months, there is a 64% increase to 45% of respondents, and at one (1) year a further 70% increase to 77% of respondents sensing significant or devastating impacts. This sharp rise through one additional year of no events may counter the previous responses of suppliers largely saying they can sustain themselves for up to two years.

**SUPPLIERS COULD RAMP UP AGAIN WITHIN THREE (3) MONTHS »** The impacts of no events could come quickly but on the optimistic side, 90% of suppliers feel they can be ready within three(3) months to host events, with the majority ready to go right now. This is ahead of hosts (73%) and rightsholders (75%). Though the majority of sport venues have been closed and hotels running with "skeleton crews", they have been planning and preparing to host as soon as it is safe to do so. Early events may include meetings or small group sport training.  Suppliers are ready to support the industry when conditions allow.

# Return of Live Events – Timeline

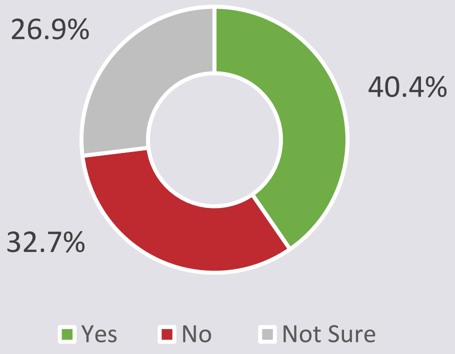


Although majority of suppliers are optimistic that live sport events will return within nine months from now, they are realistic in terms of dealing with the impacts of COVID-19 for years to come.

# Return of Live Events – Preparation & Opportunity

## Time Required to Prepare to Support Events


## Have New Opportunities Emerged




90% of suppliers feel they can be ready within 3 months to support events, with the majority ready to go right now. Though sports venues have largely been closed and some hotels have limited operations, they have been planning and preparing through scenarios to host as soon as it is safe to do so. While early events may include meetings or small training, it appears suppliers are ready to support events when conditions allow.

40% of suppliers feel new opportunities have emerged out of the pandemic. It will be interesting to see how these new opportunities manifest themselves and what impact they have on event operations.

# Hotels

# Hotels – Summary

**2021 BOOKINGS AT RATES ALMOST 60% LOWER THAN 2019 NUMBERS »** The stark contrast between the pre- and post- pandemic reality is demonstrated by the gap between 2019 and 2021 sport tourism hotel room bookings. No hotels surveyed expect to be any better than at 59% of their 2019 levels, so a significant amount of business must be replaced.

**3/4 DO NOT HAVE POSTPONED OR CANCELLED EVENTS REBOOKED »** This is further exemplified by the 75% of respondent hotels saying they have less than 20% of cancelled sport related reservations rebooked to a future year. Sport clearly plays a significant role in the success of many hotels and the loss of events in 2020 and into 2021 has created a major impact in current and future revenue projections.

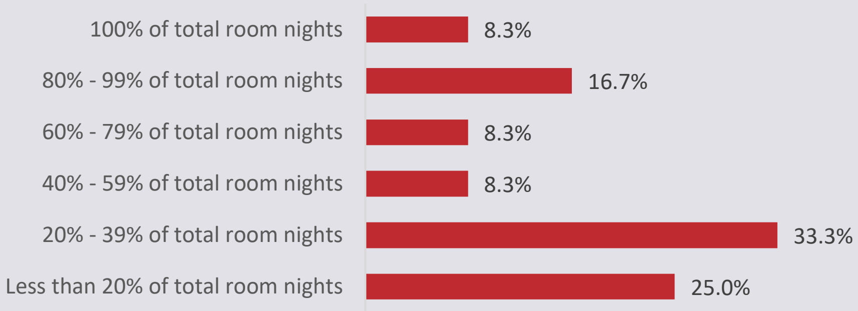
**HOTELS GETTING CREATIVE WITH "IN-HOUSE BUBBLE" EVENTS »** An interesting revelation of the survey, however, is the ability for 75% of hotels to self-contain a sporting event. Of course this would be limited to specific events that could fit in a typical ballroom setting, but it is an important consideration for both rights holders and hosts that may now consider hotels not just for accommodation but also as sport venues.

# Hotels – Room Nights

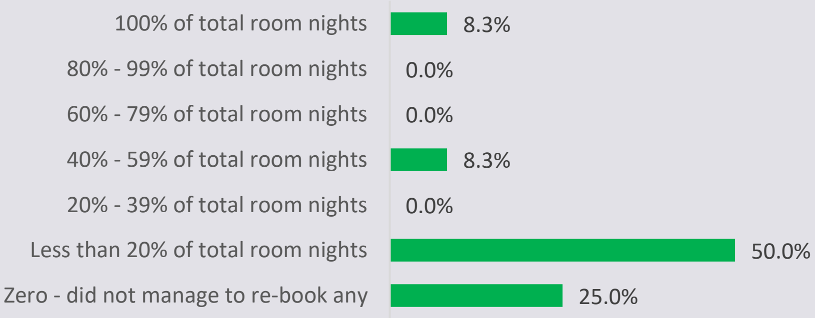
**100%**

of responding hotels indicated they were negatively affected due to sport event cancellations

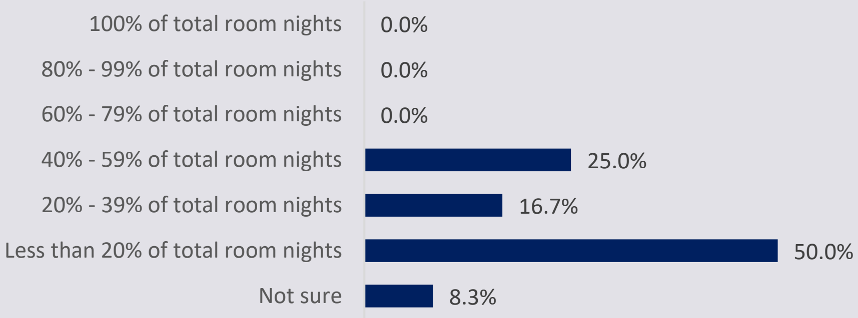
## Room Nights Lost - Cancelled Sport Events




## Room Nights Re-Booked - Future Year

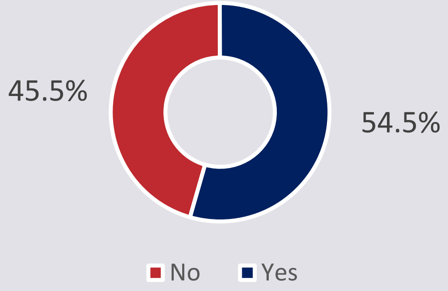



## Room Nights Booked - 2021 vs. 2019

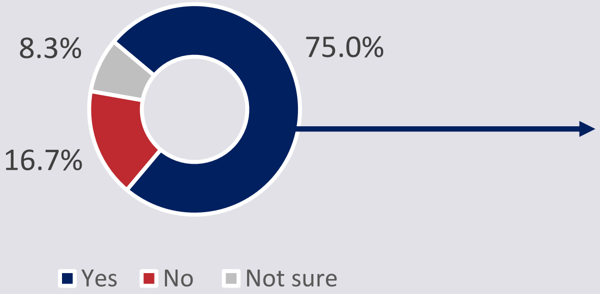


# Hotels – Repurpose & Self-Contain

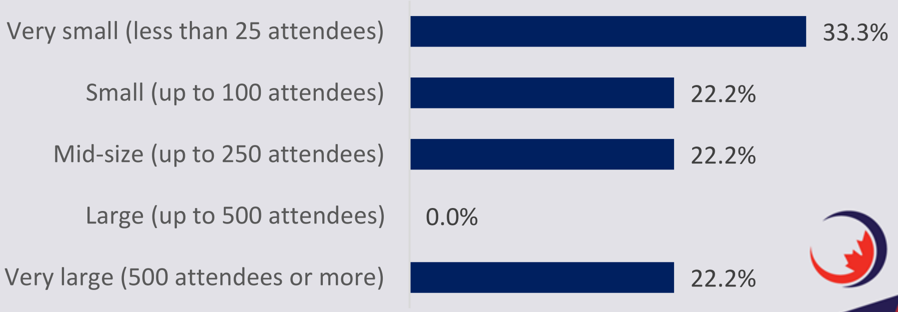
## Hotel Re-Purposed for COVID Assistance




## Ability to Self-Contain a Sporting Event




## Size of Event Property Could Host



# Venues

# Venues – Summary

**MORE THAN HALF OF SPORT EVENT BOOKINGS CANCELLED »** It goes without saying that COVID-19 has had a major influence on the sport tourism industry and it is no more evident than by the amount of event cancellations venues endured in 2020. 50% have seen at least 60% of their sport bookings disappear. It also does not appear that significant numbers of those bookings have rescheduled to future years so the business development need for new bookings is very much increased.

**VENUES RETHINKING WHAT SAFE EVENT HOSTING LOOKS LIKE »** To support rescheduled or new events, venues are working on logistics to minimize crowding, avoid bottlenecks, and other aspects to ensure social distancing. Though percentages are much higher for suppliers, their top responses largely align with those of rightsholders which can better able events to get back up and going.

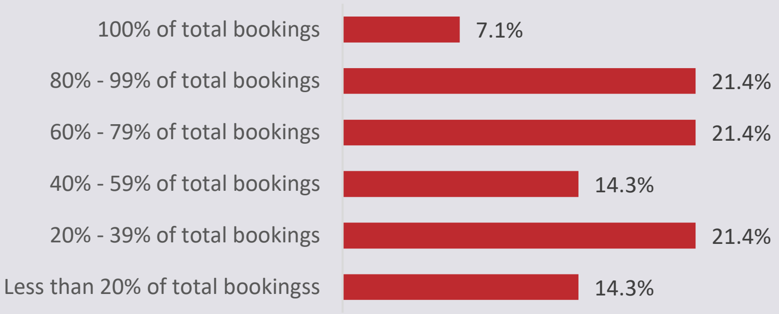
# Venues – Bookings

## 100%

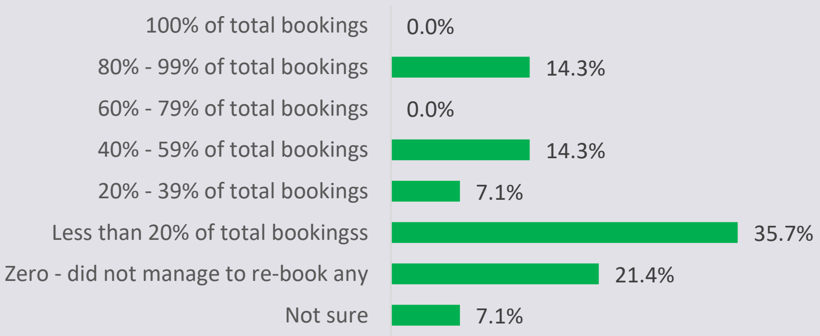
of responding venues indicated they were negatively affected due to sport event cancellations

**14.3%**
of venues re-purposed for COVID assistance

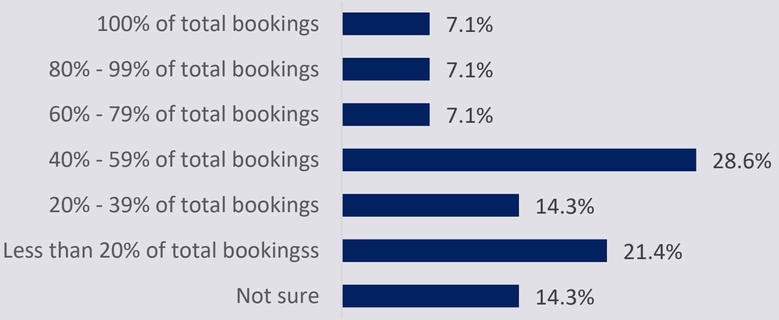
### Bookings Lost - Cancelled Sport Events



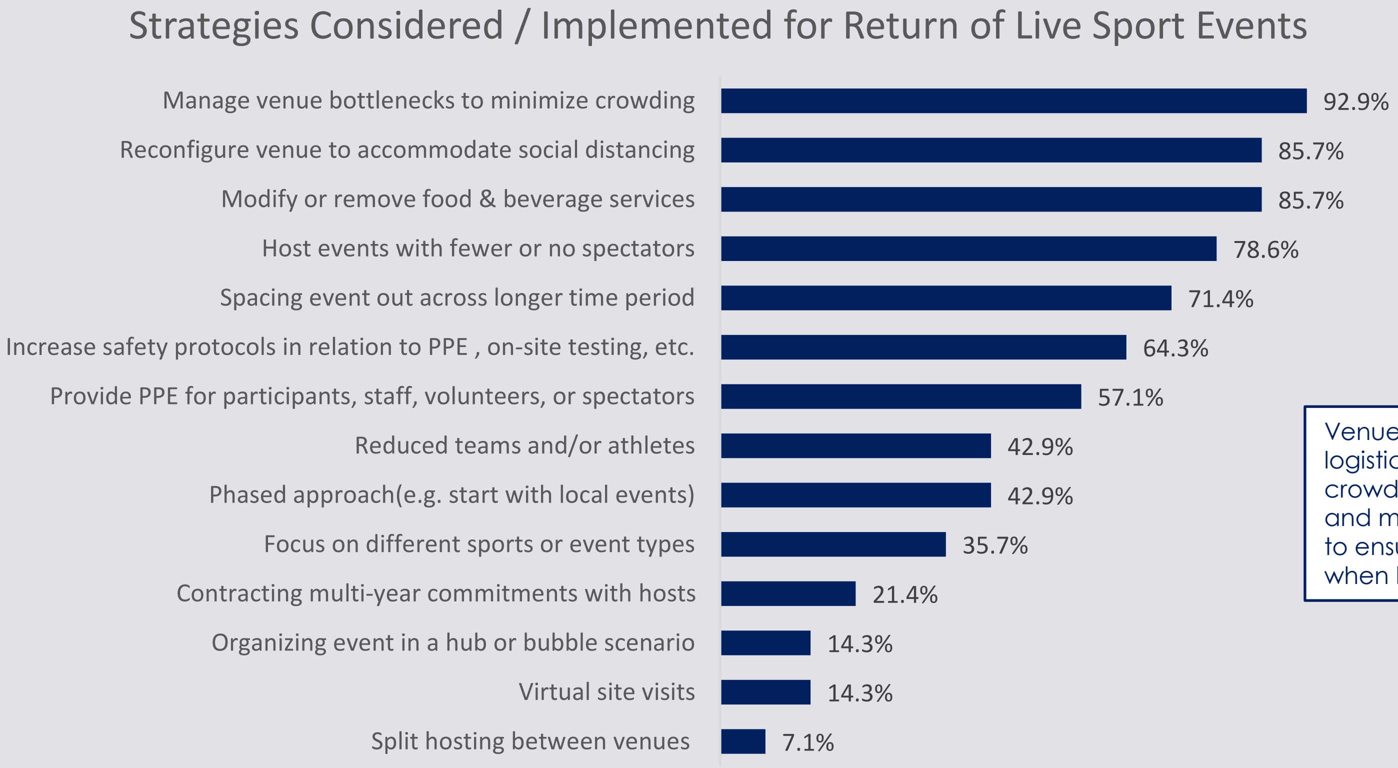

### Events Re-Booked - Future Year




### Sport Event Bookings - 2021 vs. 2019



# Venues – Strategies for Return of Events





Venues are working on logistics to minimize crowding, avoid bottlenecks, and manage other aspects to ensure social distancing when live sport events return.

# Appendix

Methodology

Acknowledgements

Contact Information

# Methodology

Sport Tourism Canada (STC) conducted this study in an effort to collect and analyze primary data from the sport, sport hosting, and sport tourism communities to deliver the type of intelligence necessary to help guide industry decision makers for the safe return of sport events. Understanding the current state of the industry, along with what is required for events to safely return, will provide the information to restore confidence in hosting, participating, and viewing sport events.

This study was conducted with sports event rights holders, sport tourism hosts, and sport event suppliers across Canada in both official languages. The survey was developed by Sport Tourism Canada and deployed to the entire STC database through direct email, amplified through social media, and a pop-up invitation on the STC website. These efforts were further supported and amplified by our partners (see next page).

**SURVEY DETAILS**

| | |
|---|---|
| Total Responses | 607 |
| Market | Canada |
| Method | Online |
| Questions | 162 |
| Average LOI | 15 minutes |
| Languages | English & French |
| Field Dates | 12/06/2020 – 01/10/2021 |
| Margin of Error | +/- 4.0% at 95% confidence level |

# Report Authors

Sport Tourism Canada assembled a team of industry experts to mange and steer this project from concept to completion…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Sport Tourism Canada would also like to thank these organizations and individuals for their support and involvement…

Organizations:

- Sport for Life
- Federal, Provincial, and Territorial Sport Hosting Groups
- Provincial and Territorial Sport Governing Bodies
- Sport Information Resource Centre (SIRC)
- Adrenalin Magazine
- Total Analysis

Individuals:

- Rick Traer, CEO
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