



Bouncing Back

Preparing for a Sport Hosting
and Economic Reboot

Part 2: International

June 2021

Bouncing Back: Preparing for a Sport Hosting and Economic Reboot (Part 2: International)

In partnership with Destination Canada, Sport Tourism Canada is pleased to present the second 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 international 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, provinces postponed events and communities responded quickly to adhere to public health orders, cancelling tournaments and events. With the industry at a “standstill”, private venues and businesses supporting the sport event industry struggled to maintain operations.

By October 2020, some sport event rights holders attempted to return with modified formats, most with varied success. Unlike the majority of domestic events, many international federations had a timeline to keep for Olympic qualification. Destinations, event rights holders, and sport governing bodies worked diligently to bring sport back. Only a handful of the hundreds, if not thousands, of events were successfully executed in 2020 in Canada, while hundreds of tournaments took place successfully in numerous other countries.

Many event rights holders and hosts have struggled to balance their desire to host with the restrictions and guidelines of various levels of government and public health agencies. The ongoing question remains, is the risk versus reward worth it? In our opinion, absolutely, if managed properly.

“It turns out that the most important way to leverage sports tourism right now has nothing to do with venues and competition... but to leverage the impact of sports tourism to return us to a sense of normalcy.” Sport Destination Management, May 2021

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Sport tourism in Canada is incredibly important to local economies – in urban and rural communities. While most communities across Canada choose to focus on local, regional, and provincial sport leagues and events, international sport event rights holders continue to look for creative ways to engage all communities to allow the region to share in the benefits of sport tourism, the economic impact and the legacy that an international sport event can bring.

Hosts can anticipate a number of economic benefits by hosting international single-sport or multi-sport events of any size, which can include:

- Direct spend in the region
- Increased international travel to the host region
- Stabilized seasonal fluctuations in hotel occupancy
- New job creation
- Development of local businesses
- Increasing local tax revenues
- Urban and rural regeneration and development
- Funding injection for upgrades to local sport facilities

The average spend per sport tourism visit in Canada is \$301.56.

The average spend for a U.S.-based visitor is \$775.26.

*The average spend of an overseas visitor is **\$2,033.01** per stay.**

Sport Tourism Canada & Paradigm Consulting, 2018

In addition to the economic benefits, international sport event bidding and hosting can have a profound impact on civic pride, improvements in the host country and /or host community's image, and better awareness and exposure of the destination internationally. It is widely understood that any event at the national or international level, no matter how large, has a direct impact on generating awareness about the sport, potential interest in trying it, in addition to creating countless opportunities for athlete, coach and official development and mentorship from the participants of the international event.

The Case of Ice Hockey in Canada > It is estimated that the sport of ice hockey has a \$2.6 billion CAD direct economic impact on host communities in Canada, 83% of which can be directly related to sport tourism, the NHL and major events.

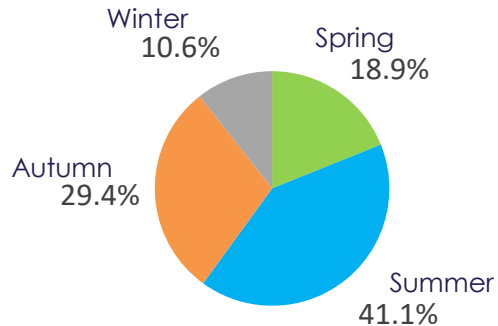
O'Reilly, 2015

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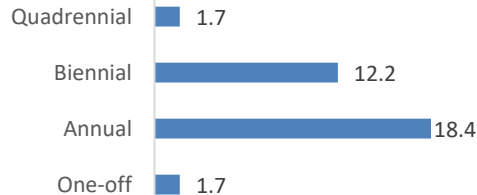
International Sport Event Rights Holders

Feedback was received from **82** different sports.

Sport event distribution by season



Average # of Events Hosted by Respondents per Year by Type of Event



Respondents highlight that they collectively have selected to host their events in **47** different countries, with Canada, the United States and Australia being the most frequent host countries.



The top ten (10) nations where respondents indicate they have hosted events over the past five (5) include a number of the “sport power houses” internationally. These countries are known to have invested in their sport systems from grassroots through to high performance, but also in the development of and investment in a solid sport hosting infrastructure.

Canada	43.5%
United States	43.5%
Australia	34.8%
France	21.7%
Germany	21.7%
United Kingdom	21.7%
Russia	17.4%
Argentina	13.0%

Brazil	13.0%
Chile	13.0%
China	13.0%
Mexico	13.0%
Serbia	13.0%
Turkey	13.0%
Austria	8.7%
Belarus	8.7%

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International Sport Event Rights Holders

Many hosts have spent years investing in facilities, building up local sport expertise, and gaining the buy in and support from local, provincial, and national officials and stakeholders to successfully host international sport events. These efforts have not gone unnoticed.

Feedback from the international sport event rights holders highlight that they appreciate a number of things about Canada as a host nation. The top six (6) are listed below.

What Respondents Appreciate About Hosting in Canada / What Makes Canada a Unique Host (% of Respondents)	
Excellent venues	80%
Strong National Federation (NF / NSO) support	80%
Expertise in the sport being hosted	70%
Safe / physical security / low crime rate	70%
Volunteer support	60%
Host partners (e.g., local organizing committee, host cities)	60%

When reviewing the lowest ranked answers on the “what we appreciate about Canada as a host nation” versus the subsequent question about “what are your reasons for not hosting in Canada”, the answers are pretty comparable – it all came down to money.

Surprisingly, **58.3%** of respondents indicate that not a single host city has expressed interest in hosting their events.

Respondent Reasons for Not Hosting in Canada (% of Respondents)

No host cities have expressed interest	58.3%
Insufficient funding (rights fees, governments, sponsors)	50.0%
Lack of relationship with Canadian hosts	33.3%
Lack of government support	25.0%
Too costly to host	16.7%

This feedback from the international event rights holders is a clear message to any host that a long-term event strategy and deliberate work on financial sustainability of events is central to Canada's future as a host nation.

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International Sport Event Rights Holders

Pre-COVID, Canada was ranked #6 globally by SportCal as a sport host nation. Since the pandemic, however, reactions to hosting in Canada has been mixed. Each host city and province has reacted differently to the pandemic, some focusing on keeping citizens safe and cancelling all sport events and others hoping to contribute positively to the local economy by supporting event hosting. This has created added risk and uncertainty for international rights holders about hosting in Canada. But is Canada viewing safety versus international sport event hosting as mutually exclusive? Why can't events be hosted and event participants and Canadians be kept safe?

The feedback from the international federations at the 2021 IF Forum hosted by SportAccord was clear - hosting events safely is possible. Throughout 2020, however, Canada and some international event rights holders felt that the risks of hosting events during the pandemic was not worth it. In 2020, our research showed **22 out of 28** international sport events were cancelled, an additional four (4) were postponed and two (2) events were awarded to other cities, one (1) of which was awarded to another host city outside of Canada.

Event hosting comes with risks, particularly during a pandemic. With the right resources, investment and commitment to operational excellence, sport tourism could see a reboot from international event hosting.

Canadians can feel more comfortable about hosting international sport events knowing the level of investment put into "safe hosting practices". The International Olympic Committee (IOC), International Paralympic Committee (IPC) and the Organizing Committee of the Olympic and Paralympic Games Tokyo 2020 (Tokyo 2020) launched the second editions of the Tokyo 2020 Playbooks in late April. These

Playbooks can act as a model and guidelines for safe international event hosting based on the experience and lessons learned from international sport events hosted during the pandemic.

"Since last year (2020), the international federations have collectively organized over **420 World Cups and World Championships**, with a participation cumulatively of **over 51,000 athletes**. In doing so, [the IFs] have demonstrated that sports competitions can be organized safely, even under current restrictions."

Thomas Bach, President, International Olympic Committee (IF Forum, May 2021)

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International Sport Event Rights Holders

Canada's advantage as a host nation prior to the pandemic was safety, quality of venues, strength of relationships with the national federations, and excellence in operational planning and delivery.

At the time of the survey, the verdict was split among respondents, with **53%** of international event rights holders believing that Canada is "safer than most" relative to COVID-19, while **47%** of respondents saw absolutely no difference from other host nations.

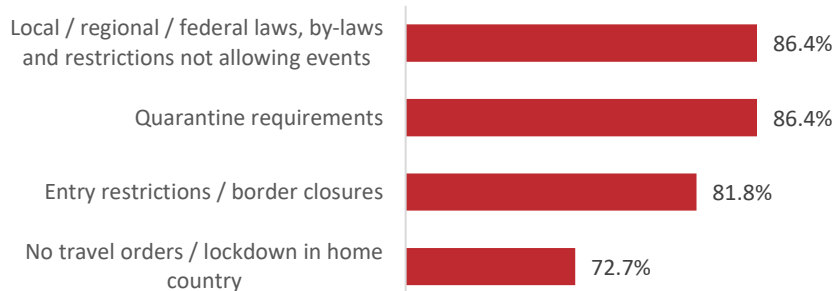
Strict health regulations and government restrictions create barriers to hosting sport events. Similar to domestic rights holders, international event rights holders need clarity on travel, health and operational restrictions to determine Canada's suitability and viability to host. Canada's varying restrictions and opening strategies across provinces and territories make understanding the country's suitability and desirability to host more limited.

On a positive note, suppliers in Canada's sport tourism industry, such as venues, ground transportation / public transit, air access and hotel availability, are cited as low to non-existent barriers to sport hosting in Canada.

"It is absolutely possible to host safe and COVID-free events in our communities. Complete buy-in from all levels of government is critical. Collaboration with all industry suppliers is necessary for flowless execution of an event in a COVID-controlled environment."

Host Organizing Committee – International Event

Respondents also highlight a number of perceived barriers to hosting in Canada. The top four (4) all involve COVID or travel-related guidelines, protocol, and restrictions.



Perceived Barriers to Hosting / Operating Events in Canada

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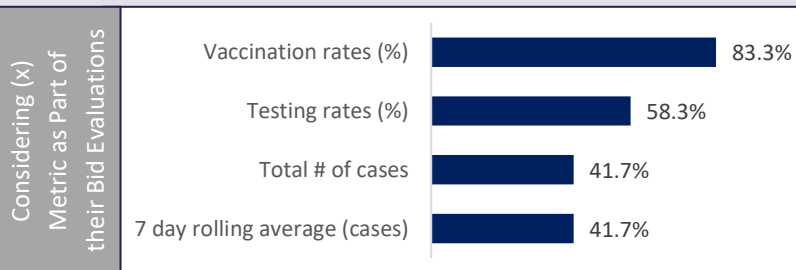
COVID Reporting and Protocol for International Sport Events

Part of executing an event successfully during COVID involves sifting through mountains of data to identify the key facts and figures that can support international sport event rights holders, host nations, and communities in developing COVID protocol, operational guidelines and tactical plans.

Despite international event rights holders stating that they feel confident in delivering an event safely, respondents indicated that they are taking COVID metrics into consideration when assessing a potential host country. In fact, **65%** of international event rights holders stated that they take particular COVID metrics into consideration when assessing a potential host country.

When asked which metric was the single most important metric for consideration, **63.6%** of respondents highlight “vaccination rates (% of population)” as the most important metric for consideration when evaluating a country for sport hosting. And while perhaps not the most important metric for everyone, **3 out of every 4** respondents state vaccination rates would impact the likelihood of a country winning a bid. Vaccination rates will continue to be one of the primary metrics for consideration leading into the rest of 2021 and 2022 for international event hosting.

Despite wide-spread access to COVID-19 Information through global and local media sources, international event rights holders indicate that they rely on the World Health Organization and local public health authorities for “official information” about the status of COVID-19 by country.



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Bouncing Back

Who is bouncing back successfully?

An underlying consensus among respondents was that well-financed sports (like professional leagues), individual sports, and outdoor sports are in a better position to implement COVID protocol swiftly and get back to competition sooner. Sports that are part of the Olympic program have successfully run a number of events internationally. Being part of the Olympic program, there is greater urgency to run events, as there is a timeline meet for Tokyo 2020 or Beijing 2022 qualification.



Both survey and interview feedback provided some additional insight about international sport event rightsholder sentiments, namely:

- 1. Remove the Barriers** > *“Despite the pandemic, we have an event to put on. If operationally sound, we will give the event to whichever country removes the barriers to make it happen.”*
- 2. Trust the Collective Experience** > *“This is not our first rodeo. We have put on dozens of events over the past year and have developed solid protocol from our learnings. Combined expertise from our international events team and local operations and medical support is key.”*
- 3. Government Support or Bust** > *“Events will not be successful during the pandemic without the support of governments at all levels. From international arrivals, to rapid testing and quarantine requirements, to financial support. Everyone needs to be in-step and committed to the seamless delivery of the event. Afterall, the world is watching.”*
- 4. Consistency Please** > *“We love hosting in Canada. The most difficult thing to manage presently is the inconsistency in response between provinces and communities across Canada. This creates additional risk for the event and is a deterrent to selecting Canada as a viable host for international events.”*

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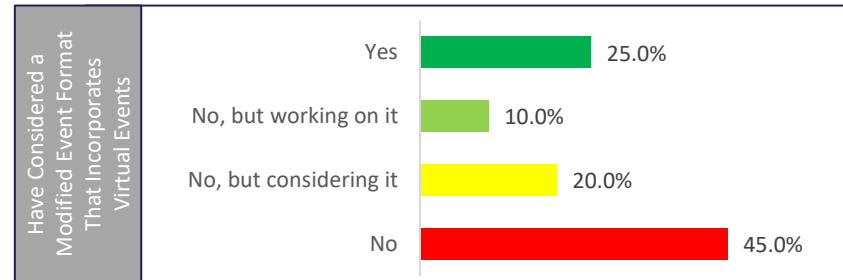
What else can host cities focus on to get international sport events back sooner? Given restrictions on sport competitions, international federations have shifted focus to other activities and events, such as:

- Athlete training and evaluation
- International congresses / conferences (virtual)
- Youth sports / grassroots initiatives
- Coach / officials training
- Education initiatives
- Climate / environmental initiatives
- Supporting underprivileged in sport participation

These are great options for Canadian hosts to kickstart their local sport event hosting. These types of events are more flexible (due to less technical requirements for set up and equipment) and are more easily adapted to smaller groups, alternate or virtual event formats, etc.

“International sport is not all about competition. There is an entire machine in every country around the globe developing athletes from the grassroots through national team. The focus needs to be on supporting all the pieces – including training, evaluation, and programming for athletes, coaches and officials. It is a great springboard for host cities that aren’t quite ready to dive into the limelight and financial risk of a major international event.” Survey Respondent, Summer Sport IF

Part of the reason why some of the sports or sport events cited by respondents have been successful is because of the creativity of international event rights holders to create new and modify existing event formats, including to virtual events.



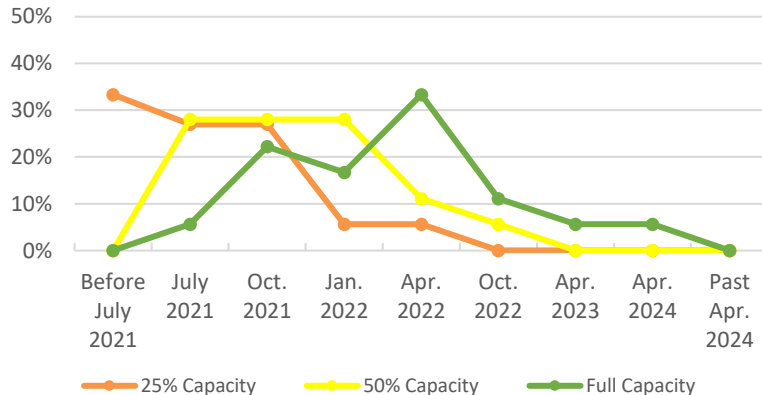
Survey respondents are decisive about **virtual event formats** – the majority were either in or they were out. Only **25%** of respondents highlighted that they have altered the sport event format. Professional leagues are setting a precedent, and sport fans are growing accustomed to consuming sport events via video or interactive online formats. The implications on hosts, while unknown, could be considerable.

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How much longer are we going to be operating like this?

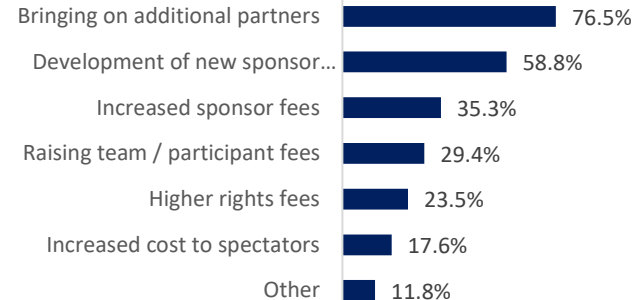
Realistically, no one is certain about when live sport events will restart, and if they restart, will they restart with or without spectators. The United States has demonstrated that live events are back, filling stadiums during NFL, NBA, NHL and NCAA games throughout May. When asked, a little more than **44%** of respondents anticipate live sporting events to return within the **next 9 months** with spectators at full capacity, jumping to **78% within a year.**



For international event rights holders, while hosting events without spectators is not ideal, it is still feasible. Many international sport event host contracts keep broadcasting and major sponsorship rights with the international event rights holder, while ticket sales, merchandise and local sponsorship revenue typically go to the host. During the pandemic, however, without spectators, host revenue potential drops significantly.

When asked about how to cover the increasing costs of events, respondents indicate that partnership / sponsorship programs will be key.

Covering Increased Costs of Sport Events through (x)



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Industry Best Practices and Case Studies

In reviewing the COVID-19 protocols and operational guidelines from leagues and events that have successfully been hosted around the world, a number of leading practices were identified relative to COVID-19 protocols. These protocols are highlighted to support local hosts think through creative options to help them bounce back sooner.

Protocols include:

- COVID protocol
- Frequent rapid COVID testing
- Health tracking and monitoring
- Contact tracing
- Facility maintenance and cleaning
- Venue upgrades
- Venue modifications for traffic flow
- Tournament bubbles
- Regional competitions
- Virtual competitions
- Adjusted competition calendars
- Chartered transportation
- Complete hotel “buy outs”

A number of hosts worked to create “event bubbles”, fully isolated event communities where players, coaches and officials could operate the event while remaining in relative isolation from the rest of the world. Event bubbles, while logistically intensive, are greatly impactful on the host community. Three great case studies from Canada come to mind, each with their own unique story and experience, but all declaring that it would be worth doing all over again for the sake of their communities. Additional details are in the full report.

1. **Calgary Curling Bubble – “Hub City”** > Curling Canada hosted seven (7) prestigious curling competitions in a bubble environment at the Markin MacPhail Centre at WinSport's Canada Olympic Park in Calgary, Alberta. The competitions all took place in 2021 from Feb 19 – May 9. Estimated economic impact of \$11 million.
2. **2021 IIHF Junior World Championship – Edmonton and Red Deer** > In September 2021, the IIHF announced that the tournament would be held in a bubble format in Edmonton, after Edmonton and the Oilers Entertainment Group (OEG) had successfully hosted one of two National Hockey League bubbles for the 2020 Stanley Cup playoffs. Estimated economic impact of \$30 million.
3. **Canadian Premier League (Soccer) Bubble PEI – The Island Games** > Professional soccer league based wholly in Canada comprised of eight (8) club teams. Charlottetown, PEI hosted all eight (8) clubs for a 35-match season (league games and playoffs) in August / September 2020. The bubble was successfully executed with zero (0) COVID cases. Estimated economic impact of \$11.75 million.

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Bouncing Back: The Way Forward

What COVID-19 has taught us this past year and a half is that the playbook for hosting international sport events of any size is no longer applicable and any attempt to re-write a new one is fragmented, incomplete and experimental at best. 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. Even post-COVID, international sport event hosting will forever be changed.

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.

Sport hosts must adapt and adjust to rebuild visitor confidence and trust in participating in, spectating and / or hosting international sport events. Some of the "go forward" considerations (detailed in the full report) to support hosts fall into the following categories:



Government



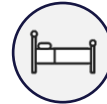
Partners



Athlete Health & Safety



Transportation



Accommodations



Venues & Operations



Fan Engagement

A few sample questions that hosts and local organizing committees may ask themselves in preparation for a reboot include:

- How can we demonstrate the business case for the event and engage the entire business and sport community to make it successful?
- How can hosting contracts be structured to redistribute revenues to minimize the impact of no ticketing or "in-stadium" revenue?
- How well coordinated are all the moving parts? Can we operate so that teams or athletes remain in their own bubble without risking exposure to other participants or staff?

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Bouncing Back: The Way Forward

Kick starting or maintaining an international event calendar would require dedicated effort, coordination, investment and collaboration from every major partner – from government to sponsors to athletes – to bring sport back safely.

While event adaptations have enabled some events to go ahead, the changes are not financially sustainable long-term. The entire sport event model, at least at the international level, is centred around ticketing, spectators, on-site sales, and sponsor activations. The primary and secondary research from this study, both qualitative and quantitative leads us to believe that the economic bounce back is approaching, but that the sport tourism sector will have to reinvent itself for the long-term creating a “new normal”.

How do we prepare for successful event hosting in the current COVID environment? What changes can we anticipate when there is a sport hosting restart? How will visitor behaviour have changed for the long-term and how do we proactively prepare for the “new normal”?

- 1 Safety First** > Host organizing committees and partners must put participant and spectator health and safety first. Developing expertise in venue set up, traffic flow, and COVID contingency plans will be necessary long-term. These standards are expected to become industry norm.
- 2 Focus on Relationships** > Whether hosting an event bubble or developing a sport hosting strategy through 2030, hosts must prioritize relationships in the local community, with all levels of government, and with the national and international sport federations to position themselves for success.
- 3 Rethink Revenues** > With the possibility of limited spectators for some time to come, hosts can move away from the reliance on ticketing and on-site sales to new sponsor asset development, creative brand activations, and monetization of digital content and fan engagement.
- 4 Individual Sport** > Individual sport has proven more easily adaptable to COVID restrictions and protocols. Focusing on individual sport will allow hosts to bounce back sooner and stronger, while also gaining the operational experience to host larger team sport events safely.
- 5 Creative Facility Adaptations** > Facilities will continue to be central to COVID recovery in the short- and long-term. Whether reviewing traffic flow inside the facility or upgrading HVAC, communities nation-wide will be reassessing facility features, safety, and suitability for events. But what about facility development for “rapid repurposing”? From recreational to competitive sport events, to hosting concerts in parking lots, driving maximum usage and ROI is key.
- 6 Fan Engagement Online** > For more than a year, fans have been engaging with their sports teams and favourite events online. From digital content to fantasy leagues, consumer behaviour has been altered by COVID, creating interesting opportunities for new partner agreements and sport delivery.

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Sport Tourism Canada assembled a team of industry experts to manage and steer this project from concept to completion...

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SPORT
TOURISM
— **CANADA** —

The logo for Sport Tourism Canada is centered on a white background. The word "SPORT" is in a large, bold, dark blue font, with a stylized red maple leaf inside the letter "O". Below "SPORT" is the word "TOURISM" in a smaller, bold, dark blue font. Underneath "TOURISM" is the word "CANADA" in a bold, red font, flanked by two horizontal lines. The background features a diagonal split: the top-left corner is red, and the bottom-left corner is dark blue.