

Innovative Management and Economic Analysis of Business Models in Sports Enterprises: Enhancing Competitiveness Through Strategic Practices

Xiaoyu Li^{1*}

Abstract

This study delves into the correlation between economic outcomes and the competitiveness of innovative management practices and sports organisations. In today's rapidly evolving sports industry, it is crucial to recognise the importance of innovation in reaching organisational objectives. As new opportunities and challenges arise in the digital and data-driven landscape, staying ahead of the curve is essential. This study utilises empirical and quantitative economic analyses, as well as insights from industry experts and practitioners, to investigate the adoption patterns of innovative practices and their effects on different performance indicators. The financial statements of major European football clubs were examined in this study to showcase the feasibility and future prospects of organisations that prioritise innovation in response to the COVID-19 crisis. The research primarily concentrates on the influence of innovations like smart stadiums and digital strategies on market capitalisation and revenues, achieved through enhanced fan engagement. The findings indicate that incorporating innovative approaches to resource management can have a positive impact on economic performance. In addition, the investigation uncovers a clear link between the adoption of innovative strategies and improved performance in sports and finances, establishing a mutually beneficial cycle. Nevertheless, this study highlights concerns regarding employee turnover and job satisfaction, underscoring the importance of incorporating personnel culture and well-being into a company's innovation system. Important factors to consider involve ensuring that strategic innovation is aligned with business objectives, consistently investing in digital assets and data insights, and making infrastructure advancements to create new avenues for profitability. This study further highlights the significance of fostering innovation in organisational processes as a means of preparing for future crises. This study provides valuable insights to the literature on sports management innovation and offers practical implications for industry practitioners. It is evident that the successful adoption of cutting-edge management strategies will play a vital role in maintaining a competitive edge as the sports industry continues to develop.

Keywords: Sports Management, Innovation, Economic Performance, Competitiveness, Digital Transformation, Data-Driven Decision Making.

Introduction

The sports industry has emerged as a significant contributor to the global economy, with projected revenue of \$403.08 billion by 2022. According to Gough (2024), there is an anticipated increase projected from 2023 to 2028, with a compound annual growth rate (CAGR) of 9.13%. This robust growth trend confirms the industry's stability and resilience in the face of shifts in consumer preferences, technology, and the macro-environment. The challenges and opportunities faced by sports enterprises highlight the increasing demand for innovative management and effective business models.

The convergence of digital technologies, evolving fan expectations, and the globalisation of sports markets has led to a change in the way organisations approach sports management. Traditional revenue streams, such as ticket

sales and broadcasting deals, are now being enhanced by innovative revenue models that leverage data analytics, digital platforms, and increased fan interaction. As an illustration, the worldwide market for sports technology, which is crucial for many of these advancements, reached a valuation of \$13.14 billion in 2022 and is projected to experience a steady annual growth rate of 20.8% from 2023 to 2030 (Grand View Research, 2024). The ability of sports enterprises to adjust and evolve their management systems and business models is a crucial aspect that determines their competitiveness and long-term sustainability. Understanding economic theories and utilising quantitative approaches is crucial for effective resource management, enhancing organisational performance, and optimising shareholder wealth. However, more research and analysis are needed in the existing literature to explore

¹ Department of Business, University of Nottingham, United Kingdom. ORCID iD: <https://orcid.org/0009-0007-2528-597X>

Email: lx_y_xiaoyu@outlook.com

*Correspondence: lx_y_xiaoyu@outlook.com

the connection between IMPs, economic performance, and competitive advantage in the sports industry.

This study aims to address the existing research gap by conducting a comprehensive review of cutting-edge management practices and business models in sports enterprises, as well as examining their economic consequences and impact on competitiveness. The investigation aims to gain insight into the impact of adopted management practices and business models on the economic performance of sports industry enterprises. Furthermore, this study seeks to investigate whether there is a link between the use of data-driven methods and the competitiveness of sports organizations. The study also explores how innovation contributes to maintaining a competitive edge in the sports industry. It utilises a combination of quantitative economic analysis and qualitative insights from industry practitioners to address these questions. This study aims to enhance our understanding of the impact of financial factors on successful innovation in sports management. It utilises data from sports-listed companies, as well as secondary data from reports and papers, to provide valuable insights.

Literature Review

In a recent study, Litvishko et al. (2019) delved into the strategic approaches used to enhance the investment appeal of professional sports clubs, with a specific focus on football clubs. This study reveals that numerous clubs face financial challenges, experiencing insufficient cash flows and significant losses that render the football industry unprofitable. This study examines the impact of UEFA financial fair play policies, which were introduced in 2011 to encourage financial responsibility and sustainable investments in youth development and football facilities. These policies have played a significant role in significantly reducing annual losses in the football industry. In order to tackle this issue, Litvishko et al. (2019) propose the adoption of a sports business model commonly seen in America, which emphasises the attainment of financial stability and diverse revenue streams. By increasing the proportion of tangible assets and establishing a solid foundation in sports, clubs can generate additional income through commercialisation of their well-known brand, without relying too heavily on the sports industry alone. This strategic shift enhances the attractiveness of football clubs to private investors, thereby increasing their investment worth. In their comprehensive review of Sports Big Data: Management, Analysis, Applications, and Challenges, Bai and Bai (2021) presented an understanding of sports big data, which involves big, vast, and gradually

growing data regarding athletes, coaches, and games. Bai and Bai et al. (2021) delineated the concept of big data in sports and characterized it using five key features: volume, variety, velocity, integrity, and value. Such characteristics contribute to the understanding that sports data include not only physical metrics, but also behavioral patterns and even individual players' data. Bai and Bai et al. (2021) comprehensively and systematically explain the management of big sports data and how to obtain, tag, and enhance existing big data. They highlighted issues arising from the wide range and lack of structure in data sources, emphasising the importance of employing appropriate methods and tools to extract the hidden value within these sources. They covered topics like web crawlers for data collection and blockchain for data protection. They stressed the importance of using proper tags for data usability. Bai and Bai et al. (2021) provided a comprehensive overview of the various applications of sports big data, including performance evaluation and outcome prediction. These examples demonstrate the use of performance analysis in identifying talent, evaluating coaches, and predicting performance trends. Here are several research directions highlighted by the review as significant and demanding: There is a lack of convergence and standardisation in data platforms, which raises concerns about privacy.

The article "Innovation, Info communication and Digital Transformation in Sport Policing and Certain Aspects of Sports" by Ágnes et al. (2024) explores the impact of technology on the policing of sports and various aspects of the sports industry. This study emphasises the significance of innovation and digital transformation in enhancing sports safety and policing. Various technological platforms, such as drones, facial recognition systems, and predictive analytics, have been studied to determine their potential in improving safety during sporting events. It is crucial to acknowledge the significance of addressing sports management and law enforcement in light of the rapid advancements in digital technologies, as emphasised by Ágnes et al. (2024). This highlights the complexity of sports tourism and the numerous challenges it poses for law enforcement agencies in ensuring the safety and security of fans. State-of-the-art technologies are essential for addressing these challenges. Furthermore, this study delves into the legal and bureaucratic procedures of sports policing, emphasising the need for increased focus on the ever-evolving technological landscape. Ágnes et al. (2024) suggest that it is important to promptly adopt the most up-to-date tools used in large-scale events in order to improve sports safety. They present a comprehensive meta-analysis that emphasises the importance of considering technology,

sports, and law enforcement together. They advocate for a holistic and adaptable approach to addressing the challenges that arise in modern sports.

In their study titled "Unlocking Innovation in the Sport Industry through Additive Manufacturing," [Meier et al. \(2019\)](#) explore the impact of 3D printing, also known as Additive Manufacturing (AM), on the sports equipment industry. Given the fast-paced nature of the sports industry and the demand for constant innovation and improved performance, Additive Manufacturing offers a flexible solution through its ability to create prototypes. The study questions focused on investigating the current level of knowledge and practical application of Additive Manufacturing technologies in the sports industry, as well as the process of implementing these technologies and their impact on innovation. In their study, [Meier et al. \(2019\)](#) highlighted numerous benefits of Additive Manufacturing, including the acceleration of development processes, the optimisation of outputs, and the creation of innovative designs. However, there are certain drawbacks associated with them, such as the limited range of materials that can be processed and challenges in achieving mass production. This study highlights the significant potential of Additive Manufacturing in driving future innovations in sports equipment, leading to a wider range of products available in the market. It is crucial to remove existing obstacles in order to fully utilise additive manufacturing technologies in the industry.

The article "Sensemaking of Novelty: The Dynamic Nature of Integrating Esports within a Traditional Sport Organisation" by [Pizzo et al. \(2022\)](#) explores the incorporation of esports into traditional sports organisations from a strategy-as-practice (SAP) perspective. This study explores the integration of esports into professional sports franchises, analysing how they incorporate and justify this emerging industry with a focus on its appeal to young, affluent consumers. In their study, [Pizzo et al. \(2022\)](#) identified specific strategies employed by practitioners to foster a progressive culture, shared understanding, and synergy between traditional and esports. These strategies were uncovered through interviews, analysis of press release content, and media analysis. This study highlights various factors, including gender and brand barriers, that impede cross-selling and necessitate strategic adjustments in enterprise management and operations. The study highlights the importance of strategy as practice in effectively managing the difficulties associated with integrating new activities. This context emphasises the importance of sports managers effectively managing and positioning esports to take advantage of emerging opportunities.

In their article titled "Sustainable Olympic Development: A Proposed Benchmark for Managing Economic Outcomes," [Koba et al. \(2021\)](#) primarily address the financial management and potential cost implications associated with the Olympic Games. In their study, [Koba et al. \(2021\)](#) highlighted the inefficiency and financial burden placed on the local population due to the extravagant nature of the Olympics. In their study, [Koba et al. \(2021\)](#) express concern about the existing strategies for Olympification. They highlight the common occurrence of the 'white elephant phenomenon,' where expensive assets are often abandoned after the conclusion of the Games. In their study, [Koba et al. \(2021\)](#) introduced a novel index aimed at assessing and mitigating potential economic losses associated with the Olympics. Their research aims to inform public policy decisions regarding sustainability and legacy. The International Olympic Committee (IOC) can help host cities by setting a budget ceiling and preventing excessive debts related to construction and legacy planning costs. The study highlights the importance of implementing a suitable legacy plan that aligns with the host city's sustainable development goals. This calls for the adoption of more strategic, sustainable, and economically feasible approaches to mega sporting events. This benchmark can serve as a valuable tool for enhancing fiscal responsibility and maximising the long-term benefits of hosting the Olympics.

[Huettermann et al. \(2022\)](#) examined fan interactions in professional team sports. The article by [Huettermann et al. \(2022\)](#) offers a comprehensive review of fan engagement in team sports from both the perspective of managers and fans. The authors present a model that highlights the strengths, weaknesses, and implications of this phenomenon. [Huettermann et al. \(2022\)](#) conducted interviews with 13 team managers and 12 fans of European professional football teams to thoroughly investigate fans' experiences. They emphasised the positive aspects of fan resource integration, fan learning, and knowledge sharing, which led to beneficial outcomes such as enhanced fan resources and the generation of value. Similarly, aspects of the model that are not embraced by fans, such as violations of fan norms and resistance from fans, lead to unfavourable consequences, such as the destruction of value and conflicts in identity. They discussed the advantages and disadvantages of fans, highlighting their crucial role in the long-term success of sports teams. This research has a wider relevance to the field of fan behaviour, suggesting that effectively managing external factors is crucial for improving team performance and fan satisfaction. The research proposes a framework that could offer valuable recommendations to sports team managers who are looking

for a strategic and long-term perspective on fans.

The study conducted by [Drewes et al. \(2022\)](#) delves into the severe consequences of the COVID-19 pandemic on the football industry. Instead of relying on general economic theories, the researchers focused on theories that are specific to the football industry. They offer valuable insights into the risks that the sports industry, particularly team sports, encounters. The study provides an analysis of the pandemic's impact on matches played without spectators, resulting in a substantial decline in ticketing and other revenues. However, television revenue remained a crucial source of income. [Drewes et al. \(2022\)](#) highlight the unique economic dynamics of professional football, emphasising the interplay between competition and cooperation in the creation of marketable games by clubs. This process is heightened by the fact that the majority of clubs focus mainly on sports and have limited investment capital, minimal buffer stocks, and a high sensitivity to income. Fans, as both buyers and participants in matchday activities, have a significant impact on the overall appeal of a game. [Drewes et al. \(2022\)](#) suggest implementing intra-industry measures like solidarity funds and self-regulation to address the impact of the pandemic, rather than relying on government subsidies. This study emphasises the need for a focused and efficient economic plan in the professional sports sector to effectively handle potential crises, like the recent COVID-19 pandemic.

[Delshab et al. \(2022\)](#) conducted a study on the use of knowledge management (KM) to enhance nonprofit sports clubs. They also examined the influence of attitudes towards innovation, open innovation, and innovativeness as moderating factors. This study utilised quantitative methods and data collected from 266 board members of nonprofit sports clubs in Iran. Structural equation modelling was employed to test the variables under investigation. The findings demonstrate that knowledge management has a positive impact on organisational performance. This impact is observed through two mediation pathways: perception of innovation and innovativeness, as well as open innovation and innovativeness. [Delshab et al. \(2022\)](#) emphasised the importance of knowledge management processes in service organisations, such as nonprofit sports clubs. These processes, namely knowledge creation and sharing, play a crucial role in fostering innovativeness and enhancing competition. These clubs, with their increased access to knowledge resources, can also foster a culture of innovation, improving their ability to innovate and, as a result, their overall performance. These clubs should enhance their knowledge management efforts to facilitate the creation and dissemination of pertinent resources and personal knowledge, in order to meet the requirements of members and stay competitive.

Methodology

This study employs a comprehensive research approach to examine the relationship between innovative management practices, economic performance, and competitiveness in sports enterprises. This approach consists of four steps: preliminary analysis, identifying a promising line of inquiry, comparing results and data, and summarising findings ([Åkerblad et al., 2021](#)). It heavily relies on secondary sources of data and economic modelling. This research approach involved utilising various secondary data sources to ensure accuracy and reliability. These sources consist of documents created by publicly traded sports organisations, teams, and leagues. They provide information on revenue, profit, value, and other financial indicators. The study also examined reports from sports industry analysts, consulting firms, and international market research firms to gather market trends, future outlooks, and consolidated financial information.

In addition to the financial information, the research utilised publicly accessible data from prominent sports leagues to obtain additional insights into the teams' performances, attendance records, and various operational statistics. Data on the sports industry's performance was collected from national statistical offices and international organisations, allowing for a discussion of its relationship with macroeconomic factors. The study also analysed previous scientific literature in peer-reviewed journals and books on sports economics, management innovation, and business model analysis in order to establish a theoretical framework and analytical method. In addition to the quantitative data, we collected news articles and press releases to gather qualitative information on management practices and strategies.

The data spans a period of five years, from 2019 to the present, facilitating a straightforward comparison of results pre and post the COVID-19 pandemic. During this period, we can analyse the impact of recent technological advancements and practices in the sports industry. This study utilises a range of quantitative analysis tools to interpret the abundance of data. Descriptive statistics were employed to describe the data, while innovative practices adopted by various sports organisations and regions were examined to identify relationships. Moving averages and exponential smoothing were applied to the financial data to analyse trends and seasonality in revenue, profits, and market valuation.

Analysing various aspects of innovative management practices and their impact on economic performance, we constructed multiple regression models. These models took into consideration factors such as organization-sport size, type of sport, and market characteristics. Organisations with

data from different time frames utilised cross-sectional time-series data regression to analyse both cross-sectional and time-series data. In order to forecast future results, this study constructs econometric models that depict the potential long-term impacts of different management actions on organisational performance, taking into account industry development, current market factors, and macroeconomic conditions.

An index is developed to evaluate the extent of implementing these changes. It includes factors such as investment in digital technologies, data-driven decision-making, and the adoption of new business models. This index is compiled using data collected from annual reports, accounts, industry publications, journals, and the press. The performance parameters include revenue growth rate, EBITDA margin, ROIC, market capitalisation growth (if the club is listed on the stock exchange), and engagement metrics like attendance and social media engagement figures. The measurement of competitiveness utilised fundamental elements. These factors to consider are market share in the sports market, brand competitiveness, performance indicators specific to the sport, and talent attraction and retention.

Various methods have been used to ensure the accuracy and credibility of data and analysis. Data from multiple sources were cross-referenced to ensure consistency and accuracy. The key findings were rigorously tested using various model specifications and assumptions to ensure their reliability. In addition, colleagues in the field of sports economics and management have reviewed the methodology and initial findings through a peer review process.

There are a few limitations to consider in this study. The use of secondary data may restrict the level of understanding of decision-making processes. However, this limitation can be minimised by incorporating a wide array of secondary sources and qualitative data from media reports and executive interviews. This study acknowledges the limitation of relying solely on secondary data to quantify innovative practices, as it may not encompass all dimensions of innovation. A five-year study period was used to address the potential time lag between the implementation of innovative practices and their reflection in financial reports. This period aimed to capture medium-term impacts. The study acknowledges the varied nature of the sports industry, which can introduce confounding variables. To address this, the study explicitly states limitations in generalisability whenever possible.

This research primarily utilises secondary data and maintains a strong commitment to ethical standards. Data was handled in compliance with the Data Protection Act, and we took into account the copyrights and usage rights for industry analyses. The study analysis process strived to

maintain objectivity and avoid any bias or conflicts of interest in its findings and recommendations. This comprehensive approach provides a strong foundation for measuring the economic impact of managerial innovations in sports businesses. It utilises a wide range of secondary data sources and advanced analytical methods to provide practical insights into the rapidly changing sports market.

Results

Adoption of Innovative Management Practices

The analysis of industry trends reveals a notable increase in the adoption of enhanced management practices within the sports industry. Based on data from 2022 to 2027, a study conducted by [Statista \(2024\)](#) revealed an average annual growth rate of 9.66%. This growth was especially noticeable in investments in digital technologies and the focus on data-driven decision making. Significantly, the growth rate saw an uptick after 2020 due to the impact of the COVID-19 virus, which led to disruptions in various organisations. During this time frame, a vast majority of Spanish companies, specifically 97%, encountered notable disruptions in the labour market ([Peñarroya-Farell & Miralles, 2022](#)). This decline in revenue affected businesses of all sizes, including those in the sports industry ([Table 1](#)).

Economic Performance Metrics

The analysis centred on economic performance indicators and revealed a strong correlation between innovation management and financial outcomes. Organisations in the top innovation quartile, known as 'high adopters', outperformed their counterparts in terms of financing during the analysed period. This study examined the annual revenue of leading European football clubs from 2019 to 2023, including the average revenue for each year. Upon analysing the data, numerous trends and insights were discovered. In terms of annual figures, the revenue for 2019 stood at 538.133 million, but experienced a significant decline to 474.333 million in 2020. The decline is expected to persist in 2021, with an average revenue of 470.667 million. Starting in 2022, the recovery phase commenced, resulting in a rise in average revenue to 534.867 million and a notable increase to 611 million by 2023.

When analysing the performance of individual clubs, it is evident that Real Madrid has consistently achieved impressive revenues, reaching a peak of 831 million in 2023. Manchester City's revenue has shown a consistent upward trend, growing from 611 million in 2019 to 826 million in 2023. PSG's revenue surged from 636 million in 2019 to 834 million in 2023, demonstrating significant growth. FC Barcelona experienced fluctuations in revenue, reaching a

peak of 841 million in 2019 and a decline to 582 million in 2021. However, it managed to recover to 638 million by 2023. Manchester United's revenue declined from 712 million in 2019 to 558 million in 2021, but gradually increased to 746 million by 2023. Bayern Munchen and

Liverpool have demonstrated steady growth, with their respective revenues reaching 781 million and 683 million in 2023. Tottenham Hotspur, Chelsea, Arsenal, and Juventus have displayed different patterns, experiencing either moderate growth or stagnation in recent years.

Table 1

Revenue Growth and Profitability

Club	2019	2020	2021	2022	2023
Average Revenue	538.133	474.333	470.667	534.867	611
Real Madrid	757	692	641	714	831
Manchester City	611	549	645	731	826
Paris Saint Germain	636	541	556	654	802
FC Barcelona	841	713	582	638	800
Manchester United	712	580	558	689	746
Bayern Munchen	660	634	611	654	744
Liverpool	605	559	550	702	683
Tottenham Hotspur	521	446	406	523	631
Chelsea	513	470	493	568	589
Arsenal	445	388	367	433	533
Juventus	460	399	433	401	432
Borussia Dortmund	372	366	338	357	420
AC Milan	206	154	216	257	385
Inter Millan	365	292	331	308	379
Atletico Madrid	368	332	333	394	364

Source: Deloitte (2024). Deloitte Football Money League 2024. [www.deloitte.com. https://www.deloitte.com/uk/en/services/financial-advisory/analysis/deloitte-football-money-league.html](https://www.deloitte.com/uk/en/services/financial-advisory/analysis/deloitte-football-money-league.html)

Notable observations involve the effects of the COVID-19 pandemic, as seen in the decline of revenue in both 2020 and 2021. This is related to the worldwide pandemic, which had a significant impact on sports revenues because of lockdowns and limited fan attendance. The substantial increase in revenue projected for 2023 indicates a robust

rebound and promising expansion in commercial activities, broadcasting rights, and other sources of income following the pandemic. The prevalence of top clubs like Real Madrid, PSG, and Manchester City, who consistently rank high in terms of revenue, showcases their significant global brand presence and effective commercial strategies (Table 2).

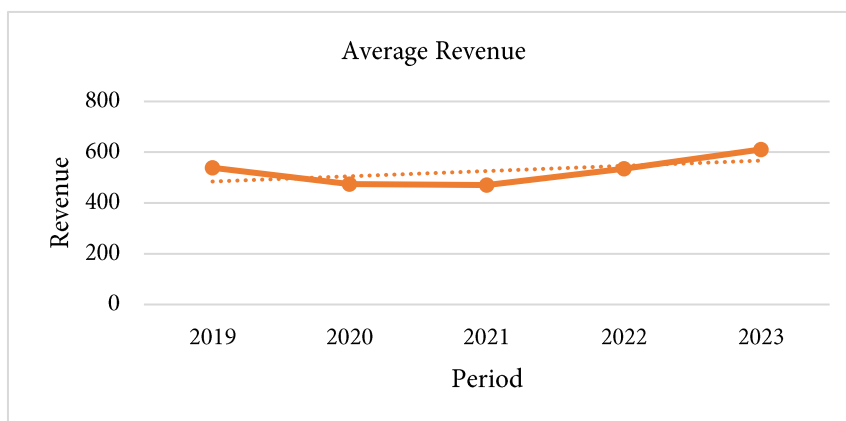


Table 2: Illustration of the Average Revenue Between the Specified Period.

Data Source: Deloitte (2024). Deloitte Football Money League 2024. [www.deloitte.com. https://www.deloitte.com/uk/en/services/financial-advisory/analysis/deloitte-football-money-league.html](https://www.deloitte.com/uk/en/services/financial-advisory/analysis/deloitte-football-money-league.html)

Despite the temporary setback caused by the COVID-19 pandemic, leading European football clubs have demonstrated remarkable resilience, experiencing a strong recovery by 2023 (Keshkar & Karegar, 2022). The rise of

clubs like PSG and Manchester City exemplifies the ever-changing landscape of football economics, fuelled by commercial triumph and astute management.

Market Valuation

Innovation has a significant impact on the market valuation of publicly traded sports enterprises. The concept of smart stadiums has become increasingly popular in the world of sports. Due to the increasing popularity of smart stadiums, they provide numerous advantages to owners and patrons. These include ticket management, seat upgrades, crowd control, shorter bathroom lines, social media updates, Wi-Fi networks, food ordering, merchandise sales, smart lighting, integrated security systems, and emergency response management. As a result, the smart stadium segment contributed to more than 54% of the total revenue share in 2022 ([Grand View Research, 2024](#)). Multiple stadiums are currently undergoing renovations to transform into smart stadiums, offering a comprehensive event experience that encompasses enhanced security, intelligent parking, and increased operational efficiency. The adoption of this innovation has significantly boosted the market valuation of sports organisations. After making significant advancements in the field of sports, the New York Giants have experienced a remarkable increase in their market valuation. According to [Forbes Media \(2024\)](#), their value has surged from \$3.9 billion in 2019 to an impressive \$6.8 billion in 2023. This demonstrates a significant increase of 74.36%, with an average annual growth rate of 14.87% in market valuation.

Impact of Specific Innovative Practices

Digital Transformation Initiatives

Upon closer examination, it becomes evident that digital transformation projects have a significant impact on economic performance. According to Deloitte's study, advancements in sports have resulted in an increase in the number of fans. [Giorgio et al. \(2023\)](#) study found that 90% of fans reported either growth in their fandom (37%) or stability in their fandom (52%) over the past three years. Companies that implemented comprehensive digital strategies, including high-quality e-commerce platforms, interactive fan engagement, and advanced analytics, experienced an impressive average growth of 27% in their digital sales, according to a study by [Giorgio et al. \(2023\)](#). The impact of the economic downturn was particularly evident in the merchandising sector. Digitally innovative companies experienced a significant increase in online revenue, as well as a rise in streaming services and online

subscriptions.

Competitiveness Indicators

Market Share and Brand Value

Through an analysis of competitiveness indicators, it becomes evident that the implementation of innovative practices plays a crucial role in bolstering organisations' market positions. Sports organisations experience an average market share growth of 5.9 percent. According to a projection by [Yahoo Finance \(2024\)](#), the market is expected to reach \$651 billion by 2028, with a growth rate of 6.1%. This growth is linked to the ongoing adoption of innovation in the sports industry.

On-Field/On-Court Performance

In a study conducted by [Seçkin et al. \(2023\)](#), a clear correlation was discovered between innovative management practices and on-field/on-court performance. The study revealed that innovation facilitated athlete tracking and performance analysis. This data is essential for athlete planning, leading to personalised and effective training sessions. Sports wearables are a valuable innovation utilised by athletes to receive real-time feedback in their natural sports environment. This advantage in sporting performance surpasses what can be achieved through video analysis ([Seçkin et al., 2023](#)). This finding indicates that implementing innovative management practices can foster a favourable environment for sports success. This can be achieved by enhancing player recruitment, refining training methodologies, or making strategic decisions.

Talent Management and Fan Engagement

In relation to talent management, organisations categorised as high adopters experienced reduced turnover rates among key personnel. Employee engagement and fulfilment play vital roles in maintaining high employee retention rates and minimising staff turnover ([Ngozi & Edwinah, 2022](#)). Over half of the employees expressed a desire to leave their positions in both sports and non-sports sectors. Out of the total respondents, 16% highlighted the importance of well-being, specifically mentioning reduced overtime and the flexibility to work from home, as potential improvements to their jobs ([Kieckhaefer, 2024](#)). This indicates that a strong dedication to innovation can help an organisation attract and retain highly skilled employees, thereby improving its competitive advantage.

The results demonstrate the substantial economic influence of innovative management practices in sports enterprises. Organisations that focus on innovation, especially in areas

such as digital transformation, data-driven decision-making, and the adoption of new business models, have been shown to achieve better financial performance, increased competitiveness, and improved fan engagement (Mariani & Nambisan, 2021). The findings highlight the crucial role of innovation in navigating the dynamic and ever-changing sports industry. While there are obstacles and uncertainties that come with embracing innovation, the potential rewards in terms of increased revenue, profitability, and market standing are significant. In today's ever-changing sports industry, the ability to effectively implement and leverage innovative practices is crucial for organisational success.

Discussion

This study's findings confirm that innovative management practices have a positive impact on the economic outcomes and competitiveness of sports enterprises. This section provides an overview of the findings, their implications, and their alignment with the existing literature.

Adoption and Impact of Innovative Management Practices

The sports industry demonstrates the adoption of innovative management practices, as indicated by the 9.66% average growth rate projected from 2022 to 2027. This growth aligns with broader business development trends. The growth experienced a significant increase after 2020, likely due to the disruptive impact of the COVID-19 pandemic. The pandemic has caused significant changes in the labour market for the majority of Spanish companies, leading to a boost in innovation within the sports industry. This suggests that the crisis serves as a catalyst for change as organisations feel compelled to adapt in the midst of uncertainty (Dahlke et al., 2021). There is a noticeable shift towards digital transformation, with an increased emphasis on digital technologies and data in decision-making processes. This shift is particularly evident in sports, as the experience of sports is primarily physical and conducted in person. Adopting these strategies shows that sports organisations are starting to embrace new approaches to improve their effectiveness in a fast-paced digital world.

Economic Performance and Innovation

The analysis of revenue data from top European football clubs between 2019 and 2023 provides a nuanced understanding of the relationship between innovation and economic performance. In the span of two years, there was

a noticeable decrease in average revenue, dropping from 538.133 million in 2019 to 470.667 million in 2021. Nevertheless, it rebounded to 611 million by 2023, demonstrating the resilience of innovative organisations in the face of external pressures. The varying success of these clubs during this time suggests that simply being innovative may not guarantee financial gains. It is important to consider factors such as brand impact, market sector, and competitive standing.

Examining the present achievements of clubs like Real Madrid, Manchester City, and PSG, which stay current with fan engagement and commercialisation tactics, it can be inferred that innovation plays a crucial role in economic strength and growth. The shift towards recovery and growth started in 2022 and 2023. Research has shown that innovative firms are better equipped to handle economic shocks compared to firms in different industries (Caballero-Morales, 2021). In the realm of sports, the recovery can be attributed to the effective implementation of online fan engagement strategies, virtual revenue models, and operational adjustments amidst the pandemic.

Market Valuation and Smart Stadiums

This study emphasises the impact of innovation on market valuation, specifically in the context of the smart stadium phenomenon. Based on data from Grand View Research (2024), it is projected that smart stadiums will account for a majority of the revenue share by 2022. This emphasises the importance of sports infrastructure development. Even for the New York Giants, making organisational changes resulted in a significant 74.36% increase in market valuation. This demonstrates that embracing such innovations can lead to a higher market value. Therefore, a company can gain financial advantages by adopting new technologies (Yu et al., 2021). Research conducted in various industries has consistently shown a strong link between innovation and firm valuation (Li et al., 2020). The use of smart stadiums in sports can be described as the combination of a physical stadium with a digital experience. This integration can result in increased revenue and a better fan experience. The significant investment required to incubate these innovations also indicates a steadfast dedication to long-term progress, which investors may view favourably.

Digital Transformation and Fan Engagement

Regarding digital transformation, it is worth noting that a significant majority of fans, as indicated by a study conducted by Giorgio et al. (2023), perceive that their level

of fandom has either increased or remained consistent over the past three years. The consistent and steady increase in fandom, coupled with the significant rise in digital sales for organisations with strong digital foundations (Giorgio et al., 2023), suggests that digital innovation effectively maintains fan relationships and enhances these connections. This finding aligns with other studies that have recognised the impact of digital technologies on modern sports fandom (Macey et al., 2022). The growth of merchandising and streaming services demonstrates the potential of digital selling channels to generate additional revenue and enhance existing sources (Gebauer et al., 2020). These findings suggest that digital transformation in sports goes beyond transferring traditional sports experiences to online platforms. Instead, it involves enhancing the overall fan experience by adding value.

Competitiveness and Innovation

According to Yahoo Finance (2024), the sports market is expected to reach \$651 billion by 2028. Additionally, innovative organisations are projected to experience an average increase in market share of 5.9%, highlighting the advantages of innovation for these organisations. This aligns with the resource-based view of a firm, which states that valuable and rare resources, like innovation capabilities, can provide a long-term competitive advantage (Macey et al., 2022). An important discovery is the link between innovative strategies and performance in sports (Seçkin et al., 2023). It is crucial to utilise innovation in order to improve financial performance and overall sporting accomplishments. Applications and innovations in sports wearables and analytics are found at the crossroads of sports science and management (bin Hamid, 2024). This reinforces the concept of a virtuous cycle, where advancements in sports management lead to enhanced performance and financial gains, which in turn support further innovation.

Talent Management and Organizational Culture

Lower turnover rates in innovative organisations suggest a potential link between innovation and employee retention. Research in other industries has shown a strong connection between innovative work practices and employee retention (Papa et al., 2020). In the realm of sports, where human capital plays a pivotal role, the pursuit of talent can provide a distinct advantage in terms of competitiveness. However, the finding that a significant portion of employees in the sports industry were

considering changing jobs (Kieckhafer, 2024) indicates that innovation alone is not enough to ensure employee contentment. Furthermore, this demonstrates the significance of incorporating organisational culture and employees' experience into innovation by investing in well-being and flexible work arrangements.

Implications and Future Directions

These findings have several important implications for sports management practitioners and researchers:

1. The importance of a strategic approach to innovation: The benefits of innovation are clear. However, the varying performance of different organisations suggests that the practical implementation of innovative measures is crucial (Taheri et al., 2019). Sports organisations must adhere to a logical and consistent approach to innovation that aligns with their overall business strategies and expertise.
2. The importance of digital transformation: The positive outcomes of digital initiatives in enhancing fan engagement and generating additional revenue provide a strong basis for continued investment in digital expertise. At present, organisations are striving to navigate the digital landscape while upholding the tangible nature of sports experiences.
3. The potential of data-driven decision-making: Another significant discovery of this study is the positive impact of analytics on both financial and sporting performance. Sports organisations should prioritise the cultivation of data capabilities (Cipriano, 2024). This involves gathering information, expertise, and knowledge to effectively use data in decision-making.
4. The role of innovation in crisis resilience: The study highlights the importance of innovation in building organisational resilience by examining the recovery of the sports industry. Instead of viewing innovation solely as a growth process, sports organisations should also recognise its value as a risk-mitigation process.
5. The need for a holistic approach to innovation: The findings emphasise employee satisfaction levels and provide evidence that cultural change and advancements in work experience are necessary to fully benefit from technological innovation.

Further research may delve into the effects of innovation on sports performance, the sustainability of various innovative practices over time, and the potential drawbacks or risks linked to swift innovation in the sports sector. In addition, cross-cultural studies can analyse the varying impact of innovation in different sports and

geographical contexts.

This study provides strong evidence of the positive impact of innovative management practices on the economic performance and competitiveness of sports enterprises. As the sports industry continues to evolve in response to technological advancements and changing consumer behaviors, the ability to innovate effectively is likely to become an increasingly important determinant of organizational success.

Conclusion

This study provides a comprehensive analysis of the effects of cutting-edge management strategies on the financial standing and competitive edge of sports companies. The findings emphasise the importance of innovation in tackling the ever-changing challenges and opportunities in the sports industry. This study presents compelling evidence that establishes a clear link between the adoption of innovation and enhanced economic performance. A study of how sports organisations have dealt with the challenges posed by COVID-19, with a focus on their use of digital technologies and data analysis, highlights the importance of innovation in improving organisational adaptability. This highlights the important role of innovation in the recovery and growth of top European Football Clubs by 2022 and 2023.

Smart stadiums have the ability to impact market valuation and revenues, demonstrating the potential for generating new value propositions through the development of sports

technology. The significance of embracing digital transformation to generate new revenue streams is highlighted by the success of fan engagement strategies and the growth in digital sales. In addition, it is worth noting that innovation has a significant influence on both financial performance and sporting achievements. There is a clear correlation between implementing innovative practices and achieving positive results on the pitch, creating a beneficial cycle that improves both sporting and financial outcomes. Nevertheless, the implementation of innovative practices presents certain challenges, including the need to address employee turnover and satisfaction, as well as navigate organisational complexities in order to foster innovation.

In order to keep up with the ever-changing sports industry, professionals need to create strong innovation strategies that are in line with their goals. This includes a particular emphasis on digital transformation and effectively utilising data. Advancements in infrastructure, such as smart stadiums, present opportunities to generate additional revenue and improve fans' experiences. Innovation is essential for organisations to be prepared for future disruptions, as exemplified during the recent pandemic. Practitioners need to find a middle ground between embracing technology and fostering a positive organisational culture and employee experiences. It's important to understand that innovation involves both technological advancements and the human aspect within the organisation. The implications of innovation in sports management are complex and require a systemic approach for sustainable success in this competitive industry.

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