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The COVID-19 halftime report: Just warming up

By Ed Desser and John Kosner

October 26, 2020



Sports will continue to be larger than life as we navigate our way through 2020 and beyond.

Photo: GETTY IMAGES

The Sports Glut hit this summer, but as we await COVID-19's "Second (Sports) Wave," we have reached one major conclusion:

We predict more sports industry change will occur in this decade than in the previous five combined. COVID-19's "first half" already brought: a late-summer Stanley Cup; an NBA season that ended,

not began, in the fall; back-to-back U.S. Opens (tennis, then golf), a 60-game MLB season culminating in a neutral site World Series, fanless NFL games, a significant but hopefully transitory ratings decline, and a fall/holiday “sports partial eclipse” without the NBA or NHL, dominated by football and ... college basketball?

Things figure to get even wilder, starting with the:

■ **Impact of the virus.** Sports that played through successfully had a plan. But without a plan for the country, sports will suffer. We don't see a return to “normalcy” in our lives (or sports) until 2022, with local gathering restrictions combined with fans' reluctance to return to indoor venues. Since most sports derive more than half of their income from gate-related sources, COVID-19 remains an existential threat. Compounding this ...

■ **Linear pay TV is in secular decline.** The return of sports has been a lifeline. However, spring's sports blackout accelerated cord-cutting, and pay TV audiences are expected to be down around 8% despite finally quenching pent-up demand. Considering that pay TV's massive bundle revenue is the other linchpin of the Sports Industrial Complex, continued decline could be devastating. There is no “Plan B” to replace that revenue and exposure. We see the industry evolving more toward streaming to supplement lost income, and better serving audiences that are less reachable via TV. Indeed ...

■ **Fans under 30 are different.** This generation, which grew up with smartphones, is accustomed to myriad more choices, many, like TikTok, of their own (user-generated) making. We are experiencing a content revolution — an ever-expanding, infinite supply of interesting programming, often available for free through social networks including YouTube and Twitch. A friend's son recently declined his father's offer of Sunday Ticket, preferring a pirated

ed from NFLbite.com. The sports avidity of this crucial younger audience is our industry's biggest, but not guaranteed, opportunity. Fathers and sons no longer bond primarily through sharing sports. Rather, they experience sports via video games (Madden, NBA 2K), which are more compelling than playing catch. Sports has to invest to attract this younger generation and get them to spend money. Enter ...

■ **Betting.** Sports is calculating that it can reach the next generation by giving them some "action." This risky change is a total 180. Betting is already adding a new dimension to event coverage. With younger fans, live sports comes face to face with the dominance of:

■ **Video games.** A generation that grew up playing electronic games views them as mainstream. This influences the look (NBA's sideline rail-cam from the bubble and football's Skycam behind the QB) and feel of live sports telecasts (which haven't changed substantially since the 1970s), the growth of esports and the shrinking of attention spans. We expect shorter games and new content approaches.

Not surprisingly ...

■ **Athletes have changed too.** These men and women are far more media savvy, harnessing their online personas into individual direct-to-consumer media properties. They are more inclined to use their voices to advocate and they have the tools to do so. The pivotal moment occurred Aug. 26, when NBA, WNBA, MLB and NHL players, reeling from the searing video of Jacob Blake's shooting in Kenosha, Wis., shut all sports down. The threat of future actions in an increasingly volatile country (and world) is now part of the calculus. Meanwhile, on college campuses, name, image and likeness rights are coming to athletes next year. More than 15,000 have already signed up on the Opendorse app. That follows the

Big Ten's and Pac-12's decisions to play football (after deciding not to), joining the other major conferences, making college players seemingly "essential employees," according to Joe Nocera of Bloomberg Opinion. The NCAA's traditional definition of a student athlete is changing forever. We could ultimately get to a better place in college sports. And, of course ...

■ **Technology will accelerate everything.** Considering how often most of us are on Zoom calls, it was apropos to see video conferencing technology featured in the NBA's virtual fan experience from the bubble. What will the impact be on corporate America? In a Zoom world, will businesses entertain more or less in suites? Will they advertise the same on TV and other screens (the value of which could skyrocket with the audience shift) and in-venue? Before COVID-19, artificial intelligence and technologies such as computer vision and machine learning had already been changing sports. After COVID-19, they will transform them using ...

■ **Next-wave technology** harnessing content algorithms; low-latency 5G; robotic umpires; automated highlights compilation and customized curation; wearables with 24/7 biometrics spawning a generation of quantified athletes; and use of the cloud. It's all going to combine to make our experience of sports increasingly personalized/curated, always on, and differentiated from the past.

All of us in sports will have to work much harder to regain market and mindshare once COVID-19 is behind us. That's achievable because sports are dynamic, live entertainment, which thrills and emotionally ties audiences together. Like LeBron James and the Lakers winning the NBA title ... in October!

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