

Could tech help turn sports in SA into an economic growth sector?

By Andrew Bourne

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The world of sport has greatly evolved for the better with the impact of technology. For fans, that impact can most clearly be seen in the ways that TV and streaming experiences have changed over the years. From HD pictures to innovative camera angles and ways of presenting data, today's sports viewing experience has transformed immensely for the better.



Source: Supplied.

But technology has also changed things behind the scenes. Player tracking devices, for instance, mean that coaches have a much clearer idea of how players are performing and recovering. Teams are better able to analyse the opposition and adjust their tactics accordingly, with the same video technologies that help improve the fan-viewing experience.

Perhaps the next big evolution of technology in sport will be as an enabler of growth. And given the rich sporting resources in South Africa, leveraging technology in the sports industry could even boost the country's economy.

Leveraging event value effectively

The numbers for some of the biggest individual events in South Africa over the past couple of years show how sports hugely contribute to the GDP of the country. The 2022 rugby test match between the Springboks and Wales, for instance, boosted the city's economy by approximately R167m. The Rugby Sevens World Cup, hosted in the same city in 2022, added R765m to the country's GDP, while the 2023 Cape Town ePrix brought in R2.3bn.

Those are also relatively short events. Meanwhile, the impact of longer tournaments can be even bigger. Take the Betway SA20 (of which Zoho was a sponsor), for example.

According to an economic impact report released in November last year, the tournament's inaugural season resulted in R1.4bn worth of direct expenditure into South Africa and R4.1bn contribution to the country's GDP. That's in addition to creating more than 8,000 annualised job opportunities and R958m to household income.

In the coming years, South Africa will host even more of these marquee events. In 2027, for example, the country will co-host the ODI Cricket World Cup with Zimbabwe and Namibia. And if the Cape Town Marathon succeeds in its goal of becoming Africa's first marathon major, it will become a global road running destination (having already established itself as a must-visit destination for trail runners).

While all of these events will bring economic benefits to the country, organisers must find ways to maximise their ability to bring in revenue and create positive economic impacts. Digital transformation is key to doing so.

The importance of digital transformation

Research conducted last year shows that the organisations that are the furthest along in their digital-transformation journeys deliver enhanced shareholder value, enjoy better returns, and higher levels of growth in their customer bases. Those are all things from which South Africa's sporting unions and tournament organisers stand to benefit, particularly as they continue rebuilding and consolidating post-Covid.

Moreover, businesses in the sports industry should look to embrace technologies that digitally transform both its internal and fan-facing operations. Internally, they should make use of technologies that allow everyone within the organisation to communicate and collaborate seamlessly while also still providing robust security and privacy standards. Additionally, businesses should ensure that the solution gives them a unified view of all the data required to operate effectively and efficiently.

From a fan-facing perspective, meanwhile, organisations should look for technologies that can boost engagement. Here, personalised communication tools that make use of engagement data are particularly useful.

Commercial champions

South Africa is one of the world's great sporting nations, and is home to world champions in numerous team- and individual sporting codes. Time and time again, the country has also demonstrated its ability to host major sporting events, tournaments, and leagues. But if sport is to meet its full economic potential, then we also need to become champions of the business of sport. And that will require a full embrace of digital transformation.

ABOUT THE AUTHOR

Andrew Bourne is the regional manager of Zoho Africa.

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