ISSN (Print Version) 0975-3931
ISSN (On-Line Version) 2278-1277

Linkage between Business of Sports and Economic Perspectives on Sport: An Empirical Analysis

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Abstract

Sports economics plays a crucial role in shaping the sports industry in both developing and developed countries. The aim of this study is to assess the linkage between the business of sports and economic perspectives on sport, using an empirical analysis. This study opted for a qualitative research approach. The study opted for content analysis. Because the analysis of the theme and subtheme of a specific topic. The empirical analysis was conducted using 20 research articles and various reports from international institutions' databases, including the IMF and WB, as well as contributions from scholars from different countries. The articles and reports were extracted from Semantic Scholar, Google Scholar, and ResearchGate. The study revealed that to improve corporate social responsibility and reporting in sports organisations, the efficiency of sports and lottery markets influences the economic growth of any nation. The study suggested that environmental sustainability, ethical conduct, and community involvement are crucial for any sports organisation to ensure economic sustainability.

1.0 Introduction

Sports economics plays a crucial role in the growth and expansion of the sports industry. It helps stakeholders to make informed decisions on ticket pricing, player pay, broadcast partnerships, and sponsorship deals (Wu, 2024). Understanding economic dynamics in action enables sports companies to boost revenue and efficiency (Tettamanzi et al., 2024). Furthermore, sports economics may shed light on the social and cultural ramifications of sports, such as the impact of athletic events on local economies and the role of sports in promoting social cohesion. Sports economics examines the economic aspects of the sports industry, such as the production, distribution, and consumption of sports-related goods and services (Raso and Cherubini, 2024).

Understanding sports economics enables stakeholders to make more informed decisions about ticket prices, player salaries, television arrangements, and sponsorship partnerships, leading to increased revenue and efficiency (Mohity et al., 2025). Sports economists, sports business analysts, sports marketing managers, sports finance analysts, and sports operations managers are among the most common job titles in sports economics today. A strong understanding of sports economics is crucial for success in the industry, enabling professionals to drive revenue growth, enhance efficiency, and

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make informed decisions. The relationship between sports and economics is evident, as it significantly impacts the multibillion-dollar sports industry. Sports economics examines supply, demand, and pricing techniques to inform critical decisions (Anagnostopoulos, 2025). This subject also examines the social and cultural implications of sports, emphasising its economic value and uniting power. As the sports sector expands, so do the fields of sports economics, with opportunities for sports economists, sports business analysts, and sports marketing managers (Moradi et al., 2025). Sports lotteries emerged as a hybrid of regular lottery games and sports betting. It is a type of lottery gambling in which bets are placed on the outcomes of predetermined sporting events, regardless of their features (Shahbazi et al., 2025).

2.0 Literature Review

Sports lotteries are widely used to raise revenue for charitable organisations, including orphanages, nursing homes, medical care, education, and legal aid. Sports lotteries, in particular, are often used to promote athletic growth. For example, in China, 60% of the funds are committed to implementing the "National Fitness Plan," with the remaining 40% supporting the "Olympic Glorious Program" (Varea-Calero et al., 2025). The money might be utilised to promote sports in all programs, construct sports infrastructure to encourage mass participation, stage huge athletic events, and develop sports in low-income neighbourhoods. To improve revenue streams at these new facilities, space was needed for both premium seats and low-cost concourses where fans could hang around while receiving rapid service. Downtown sports facility locations have increased in value in recent decades, as has the development of premium seats and other on-site facilities. The significant number of businesses interested in suites and other premium seating options has led to new venues relocating to downtown locations (Sánchez et al., 2025).

Many sports business leaders have worked hard to create an optimal balance between attendance and television viewership, ensuring that both can benefit without harming each other. Sport administrators must thus understand how broadcast viewership affects live attendance, and vice versa. Many owners anticipate that consumers will alternate between visiting and watching sporting events on television, although there is little data to support this. Supporters may alternate between watching a game on television and attending the game, as well as initiatives aimed at promoting diversity in teams, management, and fan engagement. Šerić and Ljubica (2025) evaluate diversity measurements, inclusion initiatives, and leadership representation—the process of publicly conveying CSR activities and outcomes to stakeholders. Criteria include frequent CSR reporting, stakeholder input channels, and third-party audits (Carlini et al., 2025). The public lottery originated in a thousand-year-old gaming culture and has evolved into a substantial source of funding for social welfare. Within the lottery industry, the modern sports lottery has created widespread consumer interest across cultures and nations, hence supporting public sports fundraising activities. Consider the British Olympic team's surge following the Atlanta 1996 Summer Olympics, which was partially due to an increase in the national lottery. China's sports lottery is based on the

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ISSN (On-Line Version) 2278-1277

premise of "from the people, for the people." In 1994, the General Office of the State Council permitted five provinces (cities) to begin the China Sports Lottery, which is overseen by the Ministry of Finance and the General Administration of Sport of China.

3.0 Methodology

This study opted for a qualitative research approach. The study opted for content analysis. Because the analysis of the theme and subtheme of a specific topic. The empirical analysis was used from 20 research articles and different reports from various international institutions' databases, such as the IMF, WB, and African Development Bank, from Semantic Scholar, Google Scholar, and ResearchGate.

4.0 Insights On The Business Of Sports And Economic Perspectives On Sport

This insight covers corporate social responsibility and reporting in sports organisations, as well as sports and lottery markets.

4.1 Corporate social responsibility and reporting in sports organisations

Corporate social responsibility (CSR) in sports organisations refers to the entities' commitment to positively contributing to society while conducting business, which includes ethical behaviours, community involvement, environmental sustainability, and fostering social fairness (El-Dabt et al., 2025).

4.1.1 Required attributes for CSR in sports organisations:

Ethical behaviour is characterised by values of fairness, good faith, and respect that align with applicable laws, regulations, and university policies. It governs how we interact with others, both within and outside of the community. Each circumstance must be assessed in terms of ethical norms. Community engagement is the ability to make a tangible, positive difference in both the areas where you operate and your business. Community involvement can take numerous forms, including in-kind and monetary donations, employee volunteer days, skill-based volunteering programs, long-term philanthropic relationships, and other initiatives.

Environmental sustainability refers to the ability to maintain ecological balance in our planet's natural environment while conserving natural resources for present and future generations, through transparent reporting. Reports are important tools for increasing accountability and transparency, but they are not immune to data errors. Human error, technical hurdles, data misinterpretation, and reporting anomalies are all potential causes for these differences. Stakeholder involvement is the systematic identification, analysis, planning, and execution of actions that impact stakeholders. A stakeholder engagement plan prioritises the demands of important groups, and the sponsor is responsible for meeting their requests (Gupta et al., 2025).

The term "organisational size" describes the scope or extent of an organisation. The number of individuals, income, market reach, and other relevant metrics are often used to calculate this. It represents the scope and magnitude of the organisation's operations.

The geographic location of a statistical unit, for which data is collected and disseminated, is described. The lowest level of the business register statistical structure is referred to as location (He, 2025).

There are multisports, leagues, trials, round robins, knockouts, races, regattas, contests, and various sports or event types. Sports festivals, open days, fun days, taster events, and non-competitive events are examples of recreational activities. Fundraising events that smash records and are sponsored. Financial resources refer to the tangible and intangible assets that an individual, organisation, or government can utilise to meet their financial needs. Credit lines, investments, savings, money, and other assets that may be converted into cash when needed are examples of these resources. The corporate culture reflects how employees, suppliers, and customers perceive the business and its brand (Chen, 2025).

The various types of corporate social responsibility (CSR) initiatives undertaken by sports organisations can be categorised into the following groups. One example is community participation initiatives, which include activities aimed at enhancing the local community's welfare, such as health campaigns, youth programs, and educational outreach. The criteria include the quantity of activities, the assessment of the impact on the community, and partnerships with local groups.

Environmental sustainability aims to minimise the impact on the environment through techniques such as waste reduction, energy efficiency, and sustainable sourcing. Criteria: Implementation of green policies, measurable decreases in carbon emissions, and sustainability certificates. Moral leadership and adherence to ethical standards in company operations, including treating employees fairly and complying with the law. Training programs, codes of ethics, and accusations of ethical violations are examples of criteria (Madden, 2025).

4.2 Sports and Lottery Markets

Although sports lottery gambling has become a popular commercial and recreational activity, it remains under-examined in the literature on sports management.

4.2.1 Determinants of Demand for Sports Lottery

Effective Price: There are two different lottery game prices on the market. For the chance to win a prize, players pay a nominal price, typically set at a minimal amount, such as $1 in the US or 2 yuan in China. The actual ticket price, also known as the effective price in literature, is the cost of buying a probability distribution of prizes with an expected value of $1. Instead, it appears that players are more likely to follow a heuristic due to the potential magnitude of the prize pool (Madden, 2025). According to Headley and Byers (2025), lottery players may be motivated more by the thrill of spending the most amount of money that may be acquired from possessing the ticket than by the possibility of winning the prize.

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Game Attractiveness: The idea of gambling as consumption states that the attractiveness of the lottery game will affect the demand for the sports lottery. It has been suggested that sports betting products provide bettors non-monetary benefits, as some people have used them to shield themselves from the disappointment of an event in which they have an emotional stake failing. Regardless of consumers' income, there is evidence that the sociodemographic makeup of the population will likely affect lottery demand. Previous studies have examined the relationship between lottery demand and sociodemographic factors, specifically income.

i. **Financial burden:** In line with the indivisibility in expenditure reasoning, financial burden is hypothesised to be positively correlated with demand.

ii. **Education:** A person's level of education has a significant impact on their earning potential. Those with higher education levels are paid more than those with lower education levels, as numerous studies have demonstrated (Madden, 2025).

iii. **Accessibility:** Venue distribution plays a fundamental role in marketing gambling products. Several studies have examined the relationship between gambling venue accessibility and the demand for gambling products (Madden, 2025).

5.0 CONCLUSION AND RECOMMENDATIONS

The study found that the efficiency of sports and lottery markets, as well as the development of corporate social responsibility and reporting in sports firms, has an impact on a nation's economic prosperity. The research suggests that community involvement, moral conduct, and environmental sustainability must be given top priority by any sports organisation that hopes to achieve financial viability.

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ISSN (Print Version) 0975-3931
ISSN (On-Line Version) 2278-1277

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