

Sports Tourism as A Business Model: Challenges and Opportunities

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Abstract

Sports tourism travel that entails either viewing or engaging in a sports spectacle — has grown into a fast-expanding part of the international tourism economy. This narrative review aggregates scholarly papers, industry reports, and policy papers (2010–2025) to put together an integrated image of sports tourism as a business model: its drivers of value, typical revenue sources, prevailing business-model blueprints, key opportunities for the stakeholders involved (hosts, operators, sponsors, communities), and the structural and operating handicaps that limit expansion. The industry showed robust post-pandemic recovery, with sport events and travel generating significant direct and indirect economic effects across various markets. Opportunities include the development of niche markets (active sport tourism and adventure), infrastructure and hospitality integration, digital fan interaction and analytics, public–private event collaborations, and destination branding through marquee events. Challenges are seasonality, infrastructure deficiencies, social and environmental sustainability, regulatory fragmentation, talent and skill deficiencies, and financial risk to small/medium operators. The review also points towards resilient business model templates (event-centric, destination-centric, tournament-tourism, and experience / participation models) and suggests strategic and managerial suggestions to enhance resilience and socio-economic value. Gaps in research are noted around long-term sustainability measures, microeconomic effects on SMEs, and the contribution of AI-based personalization towards sports-tourism marketing. The article concludes with a future agenda for empirical investigation and managerial response to expand sports tourism in a sustainable manner.

Keywords: Sports, Tourism, Business, Collaborations, Infrastructures.

1. Introduction

Sports tourism occurs at the intersection of two dynamic sectors: sport and tourism. It provides countries and regions with mechanisms to add diversity to the tourism portfolio, stimulate local economies and enhance the visibility of their destination via sports-related events and experiences. The sports tourism business model isn't monolithic; and it also encompasses different configurations — for example, one-off hosting of mega-events (international tournaments), re-occurring amateur tournaments, sports training camps, fan travel packages, adventure sport experiences, and so on. Each of these configurations produces specific yet different stakeholder relationships, revenue streams, and operational requirements.

The recovery after Covid and growing consumer interest in adventure travel has made sports tourism particularly attractive to investors and decision-makers. In the US and other markets, sports-related travel has contributed tens of billions in total economic impact and supported jobs and tax revenues. (Sports Travel Magazine) At the same time, national level reports and consultancy analyses (e.g. KPMG) highlight significant growth potential in emerging markets such as India, estimating billions of dollars of expansion opportunities if infrastructure, policy and private sector participation are improved. (KPMG Property)

Despite its potential, sports tourism is confronted with significant challenges, including insufficient or uneven infrastructure, seasonality, sustainability and environmental impact, competing stakeholders, and financial risk associated with hosting major events. This review summarizes the existing literature and industry evidence to (a) define business model types used in sports tourism, (b) provide a summary of opportunities and barriers, and (c) provide specific actionable managerial and policy recommendations and future research avenues.

2. Methodology (Descriptive review approach)

This is a **descriptive literature review** combining peer-reviewed articles, industry reports, government / consultancy whitepapers, and reputable industry statistics covering 2010–2025.

2.1. Theoretical and Conceptual Background

The theoretical framework for the business model for sports tourism is derived predominantly from the literature on service, events, and destination management. Value proposition (what the event/destination, offers), customer segments (fans, attendees, teams, families), revenue streams (tickets, hospitality, sponsorships, sales, ancillary tourism spend), key partners (associations, local authorities, sponsors, travel operators), and cost structure (stadiums/venues, logistics, logistics, travel agents, platform). Peric et al. and others propose comparable models for active sports tourism and event tourism anticipated in the experiential consumption of participants to income mechanics and resource and distribute flows of resources. (Science Direct)

Integrated destination competitiveness models also note how tourism related to sports connects to the larger tourism infrastructure (transport, hospitality, attractions) and generates multiplier effect for host regions. Recent studies that examine linkages, also, have identified positive linkages from sport industry development and competitiveness for destination tourism which indicates sport tourism is or can be, a strategic leverage in regional development. (PMC)

2.1. Business-Model Archetypes in Sports Tourism

Drawing on literature and industry practice, four practical archetypes are commonly observed:

1.Event-Centric Model (Mega & Medium Events): This model centers on the organization of major sporting events including the Olympic Games, World Championships or national leagues. Revenues come from ticketing, sponsorships, media rights, and merchandising. While these events provide short-term significant financial and promotional advantages, they require upfront investment of a considerable sum of money, risk management mitigation, and deployment of infrastructure after the event, to ensure that there is long-term value.

2.Destination-Centric Model (Sports Hubs & Stadium Cities): This model envisages establishing cities as sustainable sports destinations that feature advanced facilities, stadiums, training centers and recreational facilities. These locations consistently invite sports-related activities, tourists and investments. The underlying objectives are for year-round use, improve global city brand identity and sustain the onward growth in tourism through integrated travel, accommodation and leisure.

3.Participation/Experience Model (Active Sport & Adventure Tourism): This theoretical structure places substantial emphasis on the engaged role of tourists in activities labeled sport (e.g. marathons, triathlons, hiking, water sports and cycling). These activities are predominantly adventure travel, where individuals looking for personal achievement, fitness and entertainment, are actively engaged. Participation fees, hospitality and equipment hire represent income generation. It promotes health-oriented tourism, while also contributing to the economy of the area particularly for regions rich in nature or experiences.

4.Tournament/Tour Operator Model (Youth & Amateur Sports Tourism): This model pertains to running tours for youth, amateur or community clubs. Tour operators tend to manage the complete package involving travel, accommodations, and competition arrangements. This model may yield annual recurring business, encourages showcase talent and built tourism through family and other community relationships. Sports events enriched local sporting culture and enables substantial revenue gains from hospitality and retail actions.

5.Digital Sports Tourism Model (Virtual & Tech-Enabled Engagement): The advent of digitization has introduced this nascent model of sport tourism to incorporate virtual reality (VR), eSports, and online engagement platforms for fans. Sport fans utilize websites or platforms to use digital visitations or tours of stadiums, real-time global events, and virtual competitions. Requisite revenues are generated from subscription platforms, sponsorships, and digital advertisements. This model extends the reach, lowers costs, and develops international marketing avenues for sport tourism destinations.

6.Wellness & Training Camp Model (Rehabilitation & Sports Education Tourism): This model integrates sport, wellness and education through the provision of training camps, physiotherapy centres and performance enhancement retreats. Whilst targeting many sports and fitness tourists it has a unique emphasis on long programs that blend professional coaching with travel experiences. Revenue is generated from training fees, visitation, sponsorship affiliation, health promotion work, skills development and the destination reputation in sport.

3. Opportunities

3.1 Economic and Revenue Opportunities

Through ticket purchases, lodging, food services, local transport, and merchandise, sports tourism generate substantial direct and indirect economic contributions. In addition, it incentivizes investments in infrastructure and hospitality. Industry review concludes that prominent sport events can contribute billions of spending and job creation. Emerging countries can leverage this framework for growth in a sustainable economy at the regional and community level.

3.2 Niche Market Growth

The worldwide surge of interest in adventure, fitness and lifestyle activities has resulted in an increase in demand for niche sports tourism such as hiking, cycling, marathons and yoga retreats. These niche segments attract premium travelers searching for "experiential" tourism. Niche areas and destinations can develop bespoke tour packages engaging with consumers beyond traditional audiences, extending tourism into health, wellness and cultural sectors.

3.3 Year-Round Monetization

Sport tourism allows the use of sports facilities and venues during the whole year. Facilities used for annual work events can be used for training camps, concerts or corporate events in the out of season break. Continued use increases revenue and job stability to local employment and income, and helps to ensure that economic and social benefits continue all year around, and can help create a sustainable economy related to the infrastructure and/or sporting events.

4. Challenges (structural, operational, and sustainability)

4.1 Infrastructure and Capacity Constraints

There are many development areas that do not possess adequate sports facilities, or transport and housing. This lack of infrastructure will ultimately diminish the quality of events for the visiting public and overall competitiveness of the destination will be diminished; eventually limiting some areas ability to successfully host a major international tournament.

4.2 Seasonality and Demand Volatility

Demand for sports tourism typically varies as seasons, schedules, and weather conditions change. The seasonal nature of sport will result in unpredictable cash flows, inconsistent employment periods, and difficulty achieving predictable profitability throughout the year.

4.3 Financial Risk and Project Viability

The nature of hosting a professional sporting event involves significant financial investments, dependency on sponsorships, and uncertainty surrounding future returns. Without an adequate budget, oversight, or planning the costs can exceed the benefits, leading to long-term debt and underutilization of new infrastructure as well potential loss of credibility for investors.

4.4 Regulatory and Coordination Complexity

Several agencies, including tourism councils, sports associations, municipal agencies and others, are typically involved in organizing means of public gatherings. Lack of coordination, overlapping rules and red tape results in inefficient processes that ultimately delay timelines and smooth processes from site preparation to implementation.

4.5 Sustainability and Social Impacts

Sport tourism can place a strain on natural resources, produce waste and displace communities. Without sustainable planning and social inclusion, these types of projects can result in environmental degradation and generate negative public dialogue for long periods of time.

4.6 Human Capital and Skills Gaps

Like any sport, sport tourism relies on the support of trained professionals, whether it is event management, hospitality, or marketing. Several destinations are facing a shortage of skilled labour, or the right people for the job, which leads to lower service quality and operational inefficiencies during the event.

5. Managerial Implications & Strategic Recommendations

Adopt Hybrid and Flexible Business Models:

It is essential for managers to utilize a model that is informed by a combination of event-based and attendance-driven models, especially when balancing revenue generated during the peak season and off-season. A hybrid model generates multiple sources of revenue, mitigates cash flow variability, and enhances the long-term economic sustainability of the sports tourism enterprise.

Develop Scalable Infrastructure with Legacy Use:

Investing in multi-functional, sustainable infrastructure guarantees post-event use. Venues built for community or corporate events have monetary value, reduced financial risk and continued collaborative engagement beyond the big tournaments.

Leverage Data and Digital Platforms:

The use of digital technologies for ticketing, fan engagement and analytics enhances marketing accuracy, increases operational efficiencies and customer retention. Data-driven insights can drive pricing, forecast demand and personalize visitor experience.

Foster Public–Private Partnerships and Local Supply Chains:

By working together, governments, private investors, and social enterprises can mobilize financial and human resources and increase the quality of events while ensuring that tourism revenue benefits local economies via inclusive, sustainable and transparent partnership models.

Institutionalize Sustainability and Community Engagement:

Maintaining a focus on stakeholders and integrating local stakeholders into environmental assessments or waste management and event planning fosters responsible growth in tourism. Sustainable strategies enhance public social license, protect the environment and align sports tourism growth with global greenspace tourism practices.

Invest in Skills Development and Professional Training:

The establishment of a trained labor force as a result of specific training programs in sports management, event management, and hospitality functions to promote quality of service. Trained professionals positively influence administrative efficiency, visitor satisfaction, and the competitiveness of the industry overall.

6. SWOT Summary**Strength:**

Sports tourism provides the potential for high engagement, strong economic multipliers and powerful destination branding. It is a unique combination of entertainment, wellness and culture, with the ability to attract global audiences in return for creating jobs, investing in community infrastructure and providing long-term tourism growth.

Weaknesses:

The quality continues to be affected by insufficient infrastructure, fragmentation of governance systems and insufficient professional leadership. Overconfidence in larger events and the absence of sustainability planning consequences in shrinking profits and reduced use of facilities in the aftermath of the event.

opportunity:

Emerging trends, including adventure tourism, digital fan engagement and wellness travel can be highly beneficial. The collaboration of both private and public partnerships and the government can determine sports tourism and make it a sustainable engine for inclusive economic development.

Threats:

There is a combination of environmental deterioration, political unrest, and a downturn in the world economy which threaten the industry's sustainability. An inadequate event organization or security or

vandalism issues for an event could compromise the perception of an event leading potential investors to refrain from committing and disrupting extended destination development plans.

7. Conclusion

Recently, the sports tourism sector has established itself as a significant, and rapidly growing sector of the global tourism and sports sectors, which is now providing economic and socio-cultural benefits to host regions. This descriptive review indicates that sports tourism offers flexibility as a business model, for example, as an event-based; destination-based; participant-based; tour/tour operator; or as a digital and wellness/training camp model. Each model has its own revenue sources, stakeholder relationships, and operational challenges to design and plan to ensure revenue sustainability.

There is significant potential for growth in sports tourism. Economic benefits include direct expenditure on tickets, accommodation, transportation and tangible goods; there are indirect multiplier effects on the local economy. Emerging areas of development such as adventure tourism, wellness-based travel and digital fan engagement add further monetization and destination enhancement. Year-round use of arenas and infrastructure provides another opportunity for continuous revenue, while public-private partnerships and technological innovation and development present another channel to improve operational efficiency, market access and an opportunity to secure and protect investment.

Nonetheless, numerous challenges persist, such as bespoken neglect, seasonal demand, financial risk, disconnected governance, environmental challenges, and labour shortages. Without reforming these aspects of sports tourism, there will be a risk of underperformance, returning little or no meaningful long-term benefits to the local and national economy. To overcome these challenges, a range of management practices ought to be considered that might include hybrid business models, integrated plans for workforce development, scalable infrastructure investments, digital approaches, and sustainability efforts.

Ultimately, sports tourism growth and resilience will largely be attributed to planning, business practice, and will both require and support policy efforts. The sustainability and image of the industry demands that private and public stakeholders demonstrate a balance between immediate financial gain, environmental stewardship, participation and engagement of local communities, and high-level experiences for tourists. There is ample opportunity, but it will require us to proactively manage risk associated with sports tourism. Future studies ought to focus on refining sustainability metrics and evaluating impacts, but importantly, must embrace digital innovations, so the industry's continued evolution is informed by new tools and emergent opportunities for competitiveness and social responsibility.

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