Innovation Under Pressure: How Athletes Transform Their Business Models in Times of Crisis

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Athletes’ on-field performance has been foundational in the elite athlete business model, allowing athletes to profit from selling their athletic labor (Rosen & Sanderson, 2001) and serving as a core component in athlete branding (Doyle et al., 2020). However, external disturbances (e.g., injury, paternal leave) can affect athletes’ careers by keeping them off the field. Understanding how athletes shift their operations as brands in times of crisis is important, yet it has remained underexplored in extant literature that focused on branding in traditional contexts (e.g., Kunkel et al., 2020). Management literature suggests that environmental disturbances can inspire organizational transformation (Peters, 1990). The COVID-19 pandemic represents an external disturbance that, by bringing sports to a pause, has put pressures on the athlete profession and pushed athletes to explore new business models (Ratten, 2020). The purpose of the current research was to explore how athletes innovate their business models when their ability to engage in athletic labor changes. The COVID-19 pandemic provided the external stimulus that sparked innovation processes.

We employed Pettigrew and Whipp’s (1991) content, context, and process (CCP) framework of organizational change to explore how athletes respond to environmental disturbances and innovate the dimensions of their business model. The CCP framework indicates that to explore change, one must consider the context, content, and process of change. Further, evaluation of innovation entails identifying transformations in the processes of business value creation, proposition, and capture (Teece, 2010). Based on that, we formulated three research questions:

RQ1. How do elite athletes experience the effects of external disturbances caused by the COVID-19 crisis?
RQ2. How do elite athletes cope with the COVID-19 crisis?
RQ3. How do elite athletes innovate their business models in times of the COVID-19 crisis?

We utilized a qualitative approach and employed semi-structured interviews with an international sample of 15 elite athletes (e.g., members of national teams, Olympians, and Paralympians). Data were analyzed via an analytical approach recommended by Gioia et al. (2013). We triangulated the interview findings by observing informants’ social media practices during the lockdown through reviewing their Instagram posts (N=399).

Our data revealed three aggregate theoretical dimensions depicting athletes’ responses to the crisis: experiences with COVID-19 impacts, coping, and changes in athlete branding. In relation to RQ1, results indicated that halting of athletic labor rendered normal operations of athletes’ business models impossible, resulting in challenges on personal and professional levels and representing the context of change. As entrepreneurs, athletes responded by transforming their value creation process as they leveraged their leadership, emotional capital, and entrepreneurship potential to develop coping strategies such as optimism, adjustments to training, and search for new business opportunities, which addressed RQ2. Finally, in relation to RQ3, we found that athletes transformed the content of their business value proposition and their value capture, as they put emphasis on personal brand expansion. The study contributes to research on athlete branding by spotlighting the entrepreneur behind the brand and showing how athletes mobilize their personal brands to retain relevance in the market and income during crisis.