



INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

The Evolution Of Sports Commercialization In India: Trends, Challenges And Future Directions

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Abstract

India is a country where sports play a vital role in one's life. The country has served as a hot spot for various emerging sports. Apart from this, India has been the centre of Sporting systems over the past two decades. Over the past two decades or so, there has been a significant shift in India concerning the commercialization of sports. This is the result of economic liberalization and media expansion along with corporate funding and the beginning of professional leagues. This Research paper aims to analyze the role of media, sponsorships, and private investments by various houses on the sports of India and why sports is being commercialized. Trends concerning revenue generation, viewership, market growth, and other factors are analyzed and represented graphically. Apart from these, the research also focuses on the athletes, fans, and the impact of sports commercialization on the sports ecosystem as a whole. These financial shifts and enhancements to varying degrees of competition and ethics indicate that there is a rising financial concern in sports, even though commercialization appears to be beneficial to some domains within the sports structure.

Keywords: Commercialization, Sports Industry, Media Rights, Sponsorships, IPL, Indian Super League, Kabaddi, Badminton.

Introduction

Indian sports have transformed from mere pastimes to multi-billion-dollar industries. The term 'sports commercialization' describes the transition where sports are monetized through advertising, media rights, sponsorship, branded merchandise, and ticket sales (Andrews & Jackson, 2001). While cricket continues to dominate the sports economy in India, various other sports are emerging like football, kabaddi, badminton, and hockey which are receiving professional leagues and more investment.

In 2023, the value of the Indian sports industry was \$2.7 billion and is expected to grow at a manageable pace, achieving a CAGR of 12% to reach \$10 billion by 2027 (KPMG, 2023). This development is driven by digital infrastructure, corporate spending, and government initiatives like Khelo India. However, there are issues such as over-commercialization, athlete exploitation, underfunding of non-popular sports, and the focus on only the 'money making' facets.

This paper focus on:

1. The historical evolution of sports commercialization in India.
2. The role of media and broadcasting in sports monetization.
3. The financial impact of sponsorships and private leagues.
4. The challenges and future prospects of sports commercialization.

1. Historical Perspective of Sports Commercialization in India

Historically, sports in India were not seen as a lucrative career option. However, the scenario began changing in the 1980s and 1990s with the advent of television broadcasting. The 1983 Cricket World Cup victory was a turning point, attracting sponsors and advertisers to cricket.

The launch of the **Indian Premier League (IPL) in 2008** revolutionized sports commercialization, introducing franchise-based leagues, high-profile sponsorships, and global viewership. Following IPL's success, other sports leagues such as the **Indian Super League (ISL - Football)**, **Pro Kabaddi League (PKL)**, and **Premier Badminton League (PBL)** emerged, further boosting the sports economy.

Historical Evolution of Sports Commercialization in India

Pre-Liberalization Era (1947-1990)

Before economic liberalization in 1991, sports in India were largely amateur and government-funded. The **Board of Control for Cricket in India (BCCI)** was the primary body managing cricket, while other sports relied on state support.

Post-Liberalization Boom (1991-2010)

The **1996 Cricket World Cup** marked a turning point, with **Doordarshan** earning **₹120 crore** in advertising (Business Standard, 2020). The launch of the **Indian Premier League (IPL) in 2008** revolutionized sports commercialization, generating **₹48,390 crore** in brand value by 2023 (Duff & Phelps, 2023).

Modern Era (2010-Present)

The rise of **private leagues** (ISL, PKL, PBL) and their digital streaming on different platforms such as Disney+ Hotstar, JioCinema, you tube etc has expanded revenue pipelines. In 2023, **IPL media rights were sold for whooping ₹48,390 crore (\$6.2 billion)** for five years (ESPNcricinfo, 2023) gives us an insight into the wide ocean of revenues collection by encashing the popularity of sports.

Key Drivers of Sports Commercialization in India: following are some of the major factors which are responsible for the commercialisation of sports which goes hand in hand, the rise in one leads to the rise in another factor, linking them together to encash the growing market of sports.

1. Media and Broadcasting Rights

Media rights contribute significantly to sports revenue. The IPL's media rights for the 2023-2027 cycle were sold for **₹48,390 crore (\$6.2 billion)**, making it one of the most expensive sports leagues globally.

Table 1: Media Rights Value of Major Indian Sports Leagues (2023)

League	Media Rights Value (in ₹ crore)	Duration
IPL	48,390	2023-2027
ISL	2,500	2021-2026
PKL	1,200	2022-2027
PBL	350	2023-2028

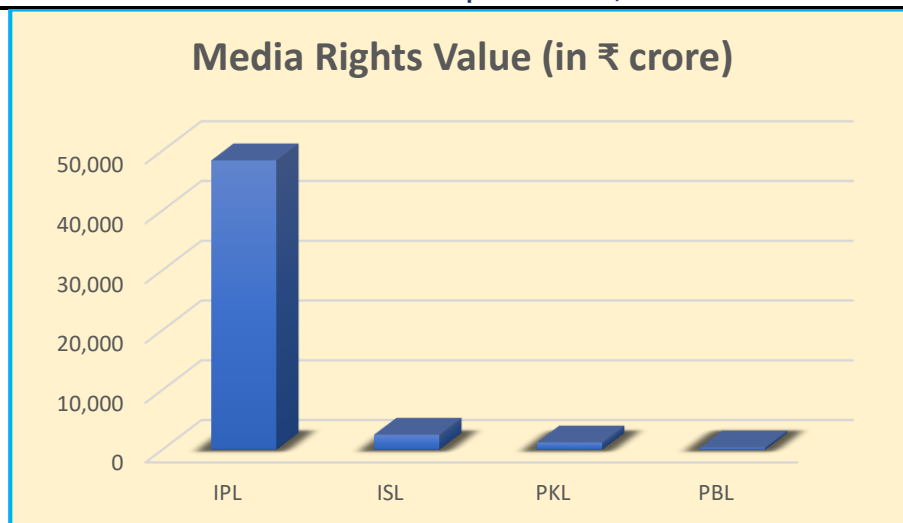


Figure 1: Media Rights Comparison of Indian Sports Leagues (2023)

(Bar graph showing IPL, ISL, PKL, and PBL media rights values.)

2.Sponsorships and Brand Endorsements

Corporate sponsorships play a crucial role in sports financing. The IPL attracts major brands like **Dream11**, **Tata**, and **Jio**, with title sponsorship deals worth **₹500-1,000 crore per season**.

3.Role of Media and Broadcasting

Media rights constitute **45% of total sports revenue** in India (KPMG, 2023). The shift from traditional TV to OTT platforms has increased accessibility.

Table 2: Broadcasting Revenue Growth (2015-2023)

Year	Cricket (₹ Cr)	Football (₹ Cr)	Kabaddi (₹ Cr)
2015	3,200	300	150
2020	12,500	1,200	800
2023	25,000	2,500	1,200

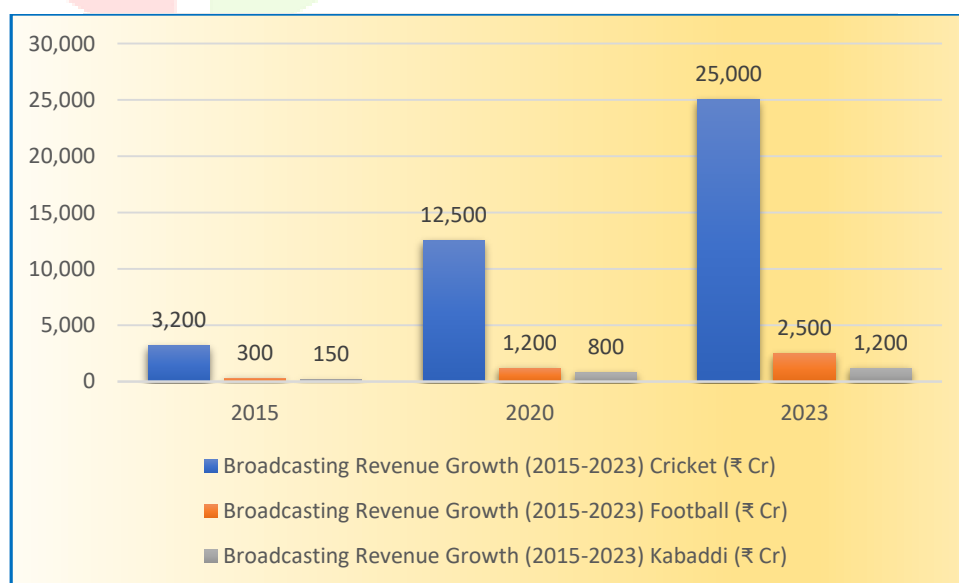


Figure 2: Growth in Broadcasting Rights Revenue (2015-2023)

Table 3: Top Sports Sponsors in India (2023)

Brand	League/Team	Estimated Sponsorship (₹ crore/year)
Dream11	IPL	450
Tata	IPL	400
Jio	ISL	150
Vivo	PKL	100

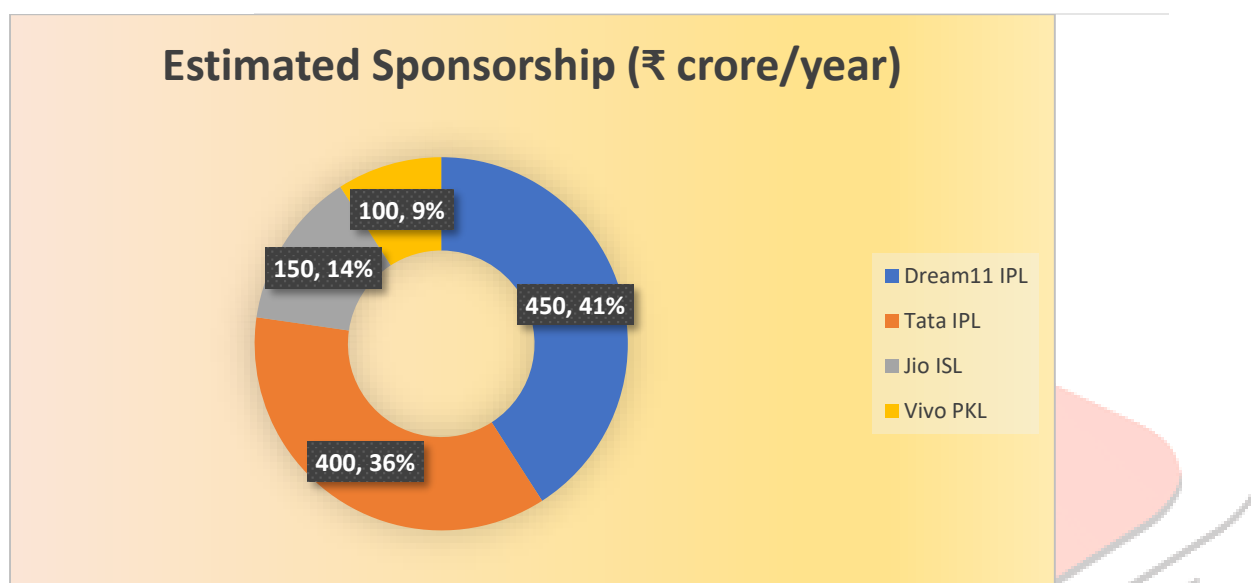


Figure 3: Sponsorship Revenue in Indian Sports (2023)

(Pie chart showing the distribution of sponsorships across IPL, ISL, PKL, and PBL.)

4.Sponsorships and Corporate Investments

Corporate sponsorship in Indian sports grew by **18% annually** (GroupM, 2023). Key trends include:

- **IPL Sponsorships:** ₹1,500 crore/year (Vivo, Tata, Dream11).
- **ISL Sponsorships:** ₹300 crore/year (Hero MotoCorp).
- **Non-Cricket Sports:** Badminton (PBL) and Kabaddi (PKL) attract ₹200-500 crore/year.

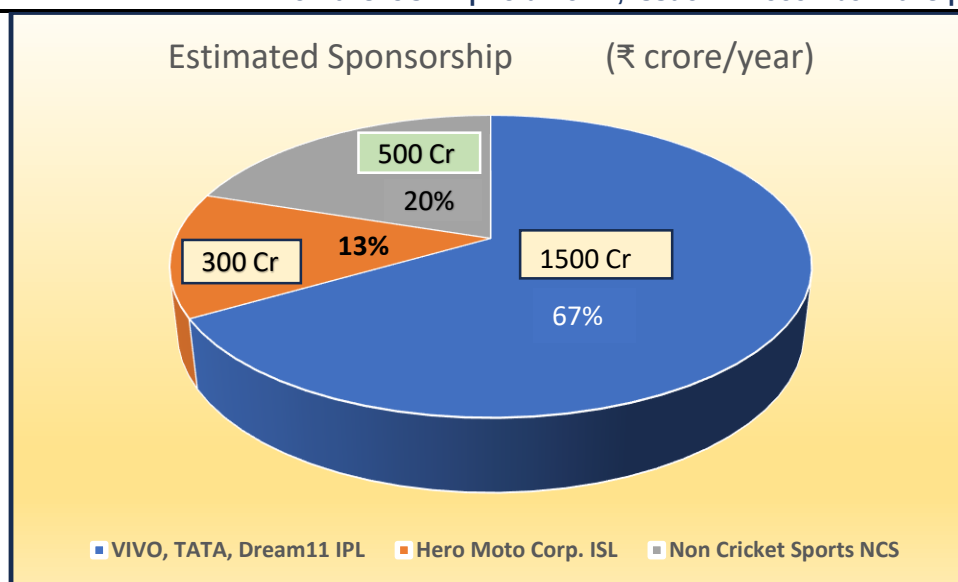


Figure 4: Sponsorship Breakdown by Sport (2023)

5. Franchise-Based Leagues and Private Investments

The franchise model has attracted business tycoons, Bollywood stars, and international investors. For example:

- **Mumbai Indians (IPL):** Owned by Reliance Industries.
- **Bengaluru FC (ISL):** Backed by JSW Group.
- **Dabang Delhi (PKL):** Owned by DoIT Sports.

Table 3: Valuation of Top IPL Franchises (2023)

Team	Valuation (₹ crore)
Mumbai Indians	12,000
Chennai Super Kings	10,500
Kolkata Knight Riders	9,800
Royal Challengers Bangalore	9,500

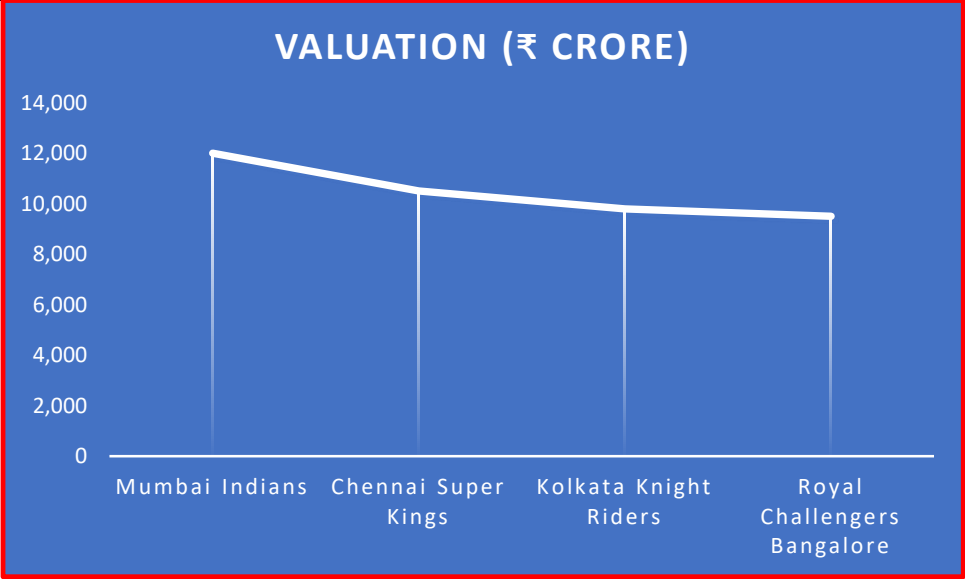


Figure 5: IPL Franchise Valuation Growth (2010-2023)
(Line graph showing the increase in franchise valuations over time.)

Financial Impact of Private Leagues

Table 4-Revenue Comparison of Major Leagues (2023)

League	Revenue (₹ Cr)	Primary Revenue Source
IPL	12,000	Media Rights (60%)
ISL	1,200	Sponsorships (50%)
PKL	800	Broadcasting (40%)

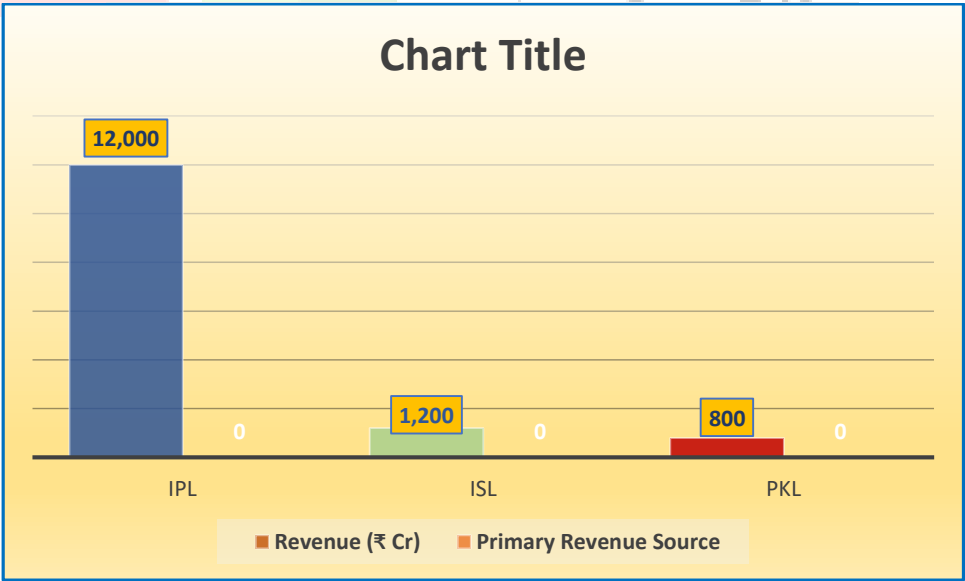


Figure 6: League-wise Revenue Distribution

Economic Impact of Sports Commercialization: the economy of the country has been positively impacted with this rise of commercialization of sports as it has contributed to major sectors of economy such as:

1.Revenue Generation

The Indian sports industry was valued at **₹14,000 crore (\$1.8 billion) in 2023**, with cricket contributing over **80%** of the revenue.

2.Employment Opportunities

Sports commercialization has created jobs in:

- **Athlete Management**
- **Sports Marketing**
- **Event Management**
- **Broadcasting & Journalism**

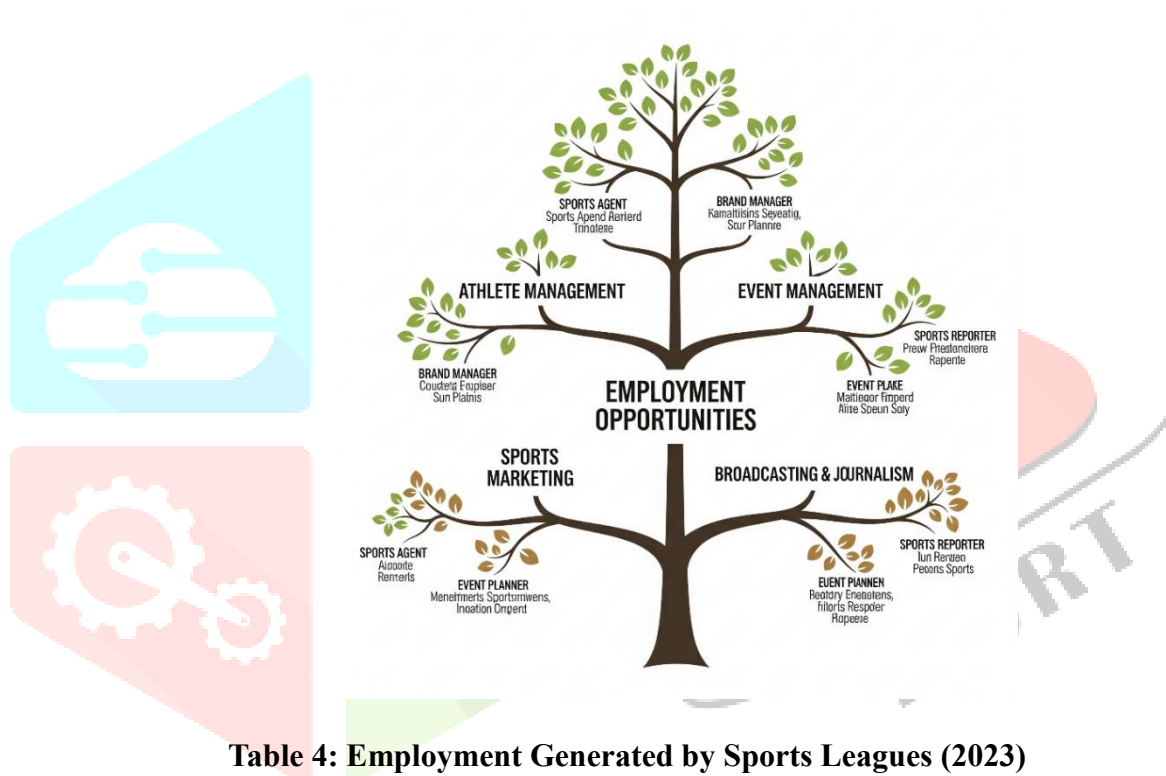


Table 4: Employment Generated by Sports Leagues (2023)

League	Direct Jobs Created	Indirect Jobs
IPL	50,000	2,00,000
ISL	15,000	75,000
PKL	10,000	50,000

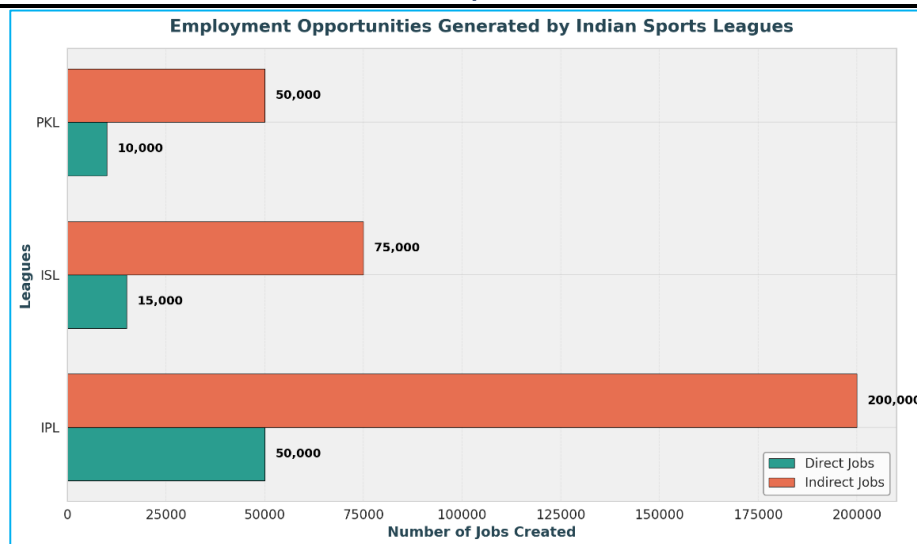
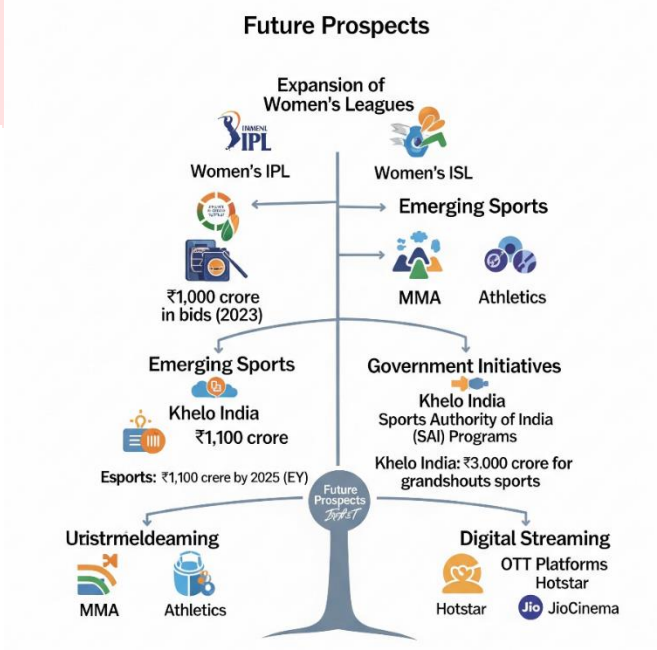


Figure 6: Employment Opportunities Generated by Indian Sports League

Challenges in Sports Commercialization: Every change comes along with certain challenges too this field too has not been an exception,

- 1. Overdependence on Cricket:** 80% of sports revenue comes from cricket (EY, 2023). Other sports struggle for funding.
- 2. Neglect of Olympic Sports:** Only 5% of sponsorship goes to non-cricket sports.
- 3. Ethical Concerns:** Match-fixing, gambling, and athlete burnout.
- 4. Lack of Infrastructure:** Poor facilities in rural areas.
- 5. Corruption and Mismanagement:** Issues in sports federations.
- 6. Uneven Growth:** Urban-centric development.

Future Prospects: It holds great opportunities in the view of financial growth as well as growth of associated sectors.



- **Expansion of Women's Leagues:** Women's IPL, Women's ISL.
- **Emerging Sports:** E-sports, MMA, and athletics gaining traction.
- **Government Initiatives:** Khelo India, Sports Authority of India (SAI) programs.
- **Digital Streaming:** OTT platforms like Hotstar, JioCinema boosting accessibility.
- **Expansion of Women's Sports: Women's IPL (WIPL)** attracted **₹1,000 crore** in bids (2023).
- **Esports Growth:** Expected to reach **₹1,100 crore by 2025 (EY)**.
- **Government Initiatives: Khelo India** allocates **₹3,000 crore** for grassroots sports.

7. Conclusion

The commercialization of sports in India has transformed the business and industry, enabling the sector to be more sustainable. Cricket is a relatively mature sport in India but several other sports are beginning to experience growth momentum. With a little more strategic investment, compliant infrastructure, and sound policy support, we can surely develop a more robust sports ecosystem in India, positioning India as a global sports hub. The shift toward commercialization of sport provides businesses and athletes with opportunities to support themselves. Cricket is dominant in India, but the question is whether we are headed for another dynamics shift focused on cricket, or if there will be a more vibrant network of sports that can be focused on. While sports in India are now becoming more commercially viable, we still need to determine profit-sharing models between the sport stakeholders, such as media properties, sponsorships, and government, so that there aren't areas of growth that aren't satisfied completely.

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