Long-term impacts from major sporting events – myths and facts

EASM

Holger Preuss
Fachbereich Sport, Research Team Olympia,
Johannes Gutenberg University Mainz, Germany

Harry Arne Solberg
Trondheim Business School
Sør-Trøndelag University College, Norway

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Two different views

The optimistic view:
- increased awareness of host region
- region more attractive
- new business location
- new tourism location
- new event location

Based on optimistic consultancy reports or strategic behaviour?

The pessimistic view:
- Unprofitable investments (such as overcapacity in accommodation, too many sport facilities, development of structure that is not needed ⇒ Leaving behind "white elephants")
- Over-indebtedness of the region
- Activity immediately back to normal
- Socially weak classes get affected

This presentation
• Categorising the long-term impacts – an overview and first try
• Review of long term impacts on
  – economics
  – infrastructure
  – Image as tourism destination
⇒ shows myths and facts

This is a preliminary study – to be continued

The potential long term impacts
(Ritchie 1984; Ritchie and Yangzhou 1987; Getz 1997; Spilling 2000)
• Enhanced international awareness and knowledge of the region
• Increased economic activity
• Enhanced physical facilities and infrastructure
• Increased social and cultural opportunities for local citizens

Long-term a definition

<table>
<thead>
<tr>
<th>Idea and feasibility</th>
<th>Construction and preparation for the Event</th>
<th>Event Legacy</th>
</tr>
</thead>
<tbody>
<tr>
<td>t-11 t-9 t-7</td>
<td>17</td>
<td>Post-Event</td>
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</tbody>
</table>

⇒ Kang & Perdue (1994) define short term = two months, but there is more flexibility needed

Pre-Event Event Post-Event

Time
To categorize it: There are ...

- economic (tourism & business & exports)
- cultural
- environmental
- physical
- educational
- psychological

⇒ Social Impact

Matrix of Major Sport Event Impacts

- Visible
- Invisible
- Long-term
- Short-term
- Educational effects
- Changes of image
- Legacy in structure and on environment

Structural changes in a city through sports events depend on ...

- Environment / “Festivals”
  - Myth: all “festivals” change the city
  - Example: Los Angeles 1984, Sheffield (UK) Universiade 1991

- Single or Multi Sports Events
  - Myth: also single sport events change the city
  - Example: Single Sport: European Championships, Multi Sports: Olympics, Commonwealth Games

- Development pressure
  - Myth: pressure is good for development

Discounted net benefit of Olympic Games (regional case study Frankfurt 2012)

Impact of sports events on urban structure

Structural Requirement

CITY

SPORT EVENT
Impact of sports events on urban structure

Field (A) 
on-event related city development

Field (B) 
event related city development

Field (C) 
event related structure

Myth is that you need the structure. Control and plan Field (C)

Fact One-time push of accelerated development (B)

Fact Do not stop the development of (A)

Mismatch in capacity. The “Myth” of need of sport facilities and the facts after the events:

Event capacity exceed post event needs
- World Cup 2002 arenas far above capacity needed afterwards
- Lillehammer Olympic arenas
- Several Albertville arenas torn down
- Atlanta Olympic stadium converted for professional baseball to survive financially
- Sydney Olympic swimming pool too expensive for national swimming championship
- Athens Sport infrastructure too big for follow up use as reported by IOC
### Long-term Impact of Sport Events on the Image

#### Myths
- Pre-event: When I bid my image changes!
- Pre-event: The image effect justifies to bid, ... even if we do not win.
- Post-event: The image will become better in any case and ... bring in additional tourism
- Post-event: at least the awareness will increase

#### Fact
- Pre-event: IOC forbids advertising (free riders)
- Pre-event: Benefit is image, but internal: => Politicians have one aim, one vision: unify
- The image change positive/negative: no control over media
- No post-event tourists because of event, but possibly because of changes in perception of location attributes (positive / neutral / negative)
- Additional tourism relay on pre-event strategy, structural changes and ... environment
- Environmental changes can support tourism (Barcelona) or destroy (Sydney 9/11)

### Conclusion ... Facts

#### Economic Impact of the Event (Relatively Long)
- Main question: What is Event related? The impact can be leveraged but that needs strategic planning.
- The economic impact builds up new structures for additional impacts
  - New business destination
  - New event destination
  - New tourist destination
  - New congress destination

#### Structural Impact of the Event (Long Term)
1. Wrong or too heavy investments can reduce profitability
   - E.g. Sport arenas are too big (no sustainable planning)
   - E.g. Hotel capacity increased too much
2. Improvement of infrastructure – often accelerated construction (positive), but expensive, risky.
   \[ \Rightarrow \] Investments have to fit in long term development plans!

#### Image Impact of the Event (Long Term)
1. Awareness increases are temporary
2. It is difficult to have a sustainable change of image
   \[ \Rightarrow \] Might be positive but also negative
3. No guarantee to become a new
   - Business
   - Tourist
   - Congress
   - Event location

### Salt Lake City 2002 – Temporary Stands
Athens 2004 - temporary stands

Long term Olympic tourism in Australia

Development of congress participants

Source: Boyle (2001, p. 5); McCay and Plumb (2001, p. 10)