



Rucks, Mauls and Money

Are large sporting events about more than just the players and the game?

By Calvin Jones

Jonny Wilkinson's right boot did more than propel England to victory: it will have significantly boosted Sydney's visitor earnings, and given a spur for those cities looking to host sporting events, suggests Calvin Jones.

Even after one has translated from Ozzy dollars to UK pounds, the status of the 2003 Rugby World Cup as an economic event is impressive, worth around £400m in direct benefits alone. Indeed this economic bonanza has, for a number of years been a prime justification for public authorities investing considerable time and resources in attracting such events. Increasingly, major event strategies, usually stressing sport, are an integral weapon in the economic armoury of any self respecting national or regional development agency.

It was not always so. Prior to the 1984 Los Angeles Olympics, sporting events lost money. The Munich and Montreal Olympics cost substantial amounts to host, and the pay off was viewed purely in terms of kudos and recognition. Nearly 30 years on, Montreal is still servicing the debt on the 1976 Olympics. But following Mayor Tom Bradley's astute 'selling' of the '84 games, and driven by the increasing commercialisation of sport, sporting events are now where its at for the city or country

craving international recognition, increased tourism and integration into global 'business networks'.

When it works, it works well. Around 100,000 visitors went to Australia for the Cup, and hotel occupancy rates were far higher than usual for most States. But beyond these, very visible phenomena, it is more difficult to trace impacts which might have an important influence upon longer-term economic prospects.

The most widely cited economic impact of a major event is its impact on expenditure. However, from an economic development perspective, this is largely irrelevant. A failing business buoyed by a major event in one year will probably still go bust the following year. The extra income which came to Wales during the 1999 World Cup is long-spent and long forgotten. The 'trick' is to ensure that either visitors come back in future years, or that media coverage of the event entices those who've never visited the region to make such a journey.

This is more problematic. Firstly, the propensity of sport-tourists to revisit a region is open to question. In the case of rugby, many attendees at the 1999 World Cup in Wales would have also been at the 2003 event, but, for international visitors the likelihood of them returning to Wales in the meantime may be low. Secondly, media coverage of sporting events, particularly stadium-based events, leaves little opportunity to 'sell' a region



Image courtesy of Tourism New South Wales.

with additional TV time dedicated to sport or team related items, and with major sponsors also to be serviced.

There are, of course exceptions to this rule. The sight of Cardiff City Centre on a (hopefully) sunny Saturday in May is beamed around the world, and that publicity is impossible to buy. Meanwhile, the Rally of Great Britain sells Welsh countryside with coverage of its rural tourism offer a necessary by-product of sporting coverage. These examples, however, are the exception, not the rule, and it is incumbent upon local agencies to consider innovative ways to sell their region to remote spectators on the back of a very focussed and time limited media package.

Another issue for the region hosting major events is how to lever the fullest involvement of local business in the event. Major event planning is usually extremely time-limited, with major commercial contracts for event marketing, corporate hosting and other high value activities allocated long before the event hits local shores. There is often little left for local businesses apart from supplying beer, vittles and beds; important to be sure, but not high value activities which can help companies learn how to attack global markets. 'One off', itinerant events simply do not encourage event organisers and sport governing bodies to interact fully with the local business community.

Almost as an after-thought – but still to their credit – One North East and the North East Sports Board realised that Newcastle United's pre-season tour of the Far East was a golden opportunity to open networks for local companies in Asian markets. A trade delegation was hastily put together and sent to Malaysia armed with business cards, brochures and complimentary tickets to dish out on potential clients and customers. It's too soon to tell what the effect might be, but the principle is right. More than economic impact, events produce an economic opportunity – it is up to the region or country to grab it.

Another route to sustaining economic impact is to focus on repeat events. For example, the placement of the Rally of Great Britain in Wales for a number of years has led to far better partnerships with local agencies, the development of a new engineering course at a local higher education institute and the full involvement of the Welsh Automotive sector.

Such repeat events also provide the opportunity to 'hammer home' the tourism/marketing message whilst building on expenditure impacts in the medium term. In this respect, Montreal has extracted far more benefit out of its annual slot in the Formula 1 calendar than it ever did out of its Olympics, with the annual race now accompanied by a clutch of festivals and free outdoor concerts that are successful in their own right.

Whilst the winning of a major sporting event may be a significant milestone, it should be only the first step in a programme aimed at maximising the benefit of that event. This programme should investigate how to maximise the effort of local agencies such that the best opportunities are levered for regional (or national) tourism and investment marketing. The involvement of local businesses should be encouraged, particularly in 'higher value' activities. The very bidding for major events should be part of a well developed and sophisticated economic strategy, which emphasises the pushing of impacts from the short into the long term rather than, as is usually the case, because a 'once in a generation' never-to-be-repeated opportunity appears at the last minute. Or because the French are bidding for it.

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