

THE ECONOMIC IMPACT OF SPORT EVENTS: CRITIQUING THE UK SPORT TYPOLOGY

Robert Wilson, Sheffield Hallam University, UK

The staging of major sport events in the UK is not new. World events have been staged in the UK for decades (Elias and Dunning, 1986; Gratton, 1989). Moreover, the UK has become recognised as the home to some of the world's most famous events (Dobson, 2000). The AXA sponsored FA Cup Final, the Wimbledon Tennis Championships, the British Open Golf, the Henley Regatta, the Martel Grand National, the University Boat Race, the Fosters British Grand Prix, Royal Ascot and the Flora London Marathon are all examples of major annual events staged in the UK (Dobson, 2000; Coleman, 2002). These events have the stature to attract thousands of spectators and global television audiences.

Research, predominantly carried out by the Leisure Industries Research Centre (1997-2004, see UK Sport, 2004), has illustrated the economic benefits of staging major events on a host city. This research has shown that major events can have far reaching benefits and that such events can impact on five key areas, these being; improvements in infrastructure; inward investment; environmental improvements; raised visitor numbers; and a heightened city profile (DCMS, 2002). This research has led to the development of a Typology of events, designed to place events into an economic context (see Table 1).

Table 1: UK Sport Typology of events (LIRC, 1997)

| | |
|---------------|--|
| Type A | Irregular, one-off, major international events generating significant economic activity and media interest (e.g. Olympic Games, Football World Cup, and European Football Championships). |
| Type B | Major spectator events, generating significant economic activity, media interest and part of an annual domestic cycle of sport events (e.g. FA Cup Final, Six Nations Rugby Union Internationals, Test Match Cricket, Open Golf, Wimbledon). |
| Type C | Irregular, one-off, major international spectator / competitor events generating limited economic activity (e.g. World and European Championships in all sports unless previously stated). |
| Type D | Major competitor events generating limited economic activity and part of an annual domestic cycle of sport events (e.g. National Championships in most sports). |

The use of the word 'major' is used to signify the importance of sporting outcomes rather than the economic importance. The Typology is used to indicate that not all events, which are classed as 'major' in sporting terms, are important in economic terms. Essentially this means that the event can be either 'major' in terms of spectators, therefore generating significant economic activity, or 'major' in terms of competitors, therefore generating limited economic activity. UK Sport (2000) indicates that the Typology is founded on six economic impact studies. As a result Wilson (2001) suggested that it was important if not essential that the Typology of events is continually updated and refined. As the body of knowledge continues to grow it would be sensible to highlight any potential changes or discrepancies. The purpose of this paper therefore is to assess the recent development of knowledge in the field and to critique the current Typology.

Methodology

Secondary data has been used in this study. This was conducted via the analysis of previous economic impact studies, mainly available from UK Sport (see UK Sport 2000 and UK Sport 2004) to establish whether or not events fit into the Typology (see Table 1). A simple grid system was used to note how each study was represented in the Typology. For example, the key elements of each type were used as a heading and following the analysis of an event the appropriate data was included. This enabled a picture to be established as to whether or not the Typology was accurate. The data was easy to analyse and interpret as similar methodologies had been used in each of the studies.

Results/ Discussion

Detailed results are beyond the scope of this abstract. Consequently, a brief summary is outlined below.

- Of the 20 events examined, 16 can be placed into the current typology
- The remaining 4 events do not appear to fit as a result of scale, location and timing
- The secondary data suggested that each of the events had a larger number of competitors than spectators, although the majority of the economic benefit was generated by spectators
- The events generated limited economic activity, albeit in differing amounts
- The Typology is limited to covering 'major events' and fails to acknowledge the plethora of other events that take place across the UK each weekend, and
- A re-categorisation is required to reflect the availability of new information as the current Typology appears to misrepresent Type D events.

Conclusion

At present the Typology does not recognise the disparity (in economic terms) of small scale local events. Simply grouping all of these domestic events into a Type D category can create a false assessment of their economic worth and mislead the local authorities who stage them. This research re-defines the Typology and proposes that a new category is developed to acknowledge all of the new research in the field (see Table 2). Establishing this additional category will help local authorities and sport clubs estimate the economic impact of Type D events.

Table 2: Redefined Typology

| | |
|---------------|---|
| Type D | Major competitor events (i.e. Hosting more than 500 competitors) generating limited economic activity (i.e. more than £20,000) and part of an annual domestic cycle of sport events (e.g. National Championships in most sports). |
| Type E | Minor competitor events (i.e. Hosting 500 competitors or less) generating marginal economic activity (i.e. £20,000 or less) and part of an annual domestic cycle of sport events (e.g. Local sporting competitions). |

References

- DCMS (2002) *Game Plan: A strategy for delivering Government's sport and physical activity objectives* London: Strategy Unit, Cabinet Office
- Dobson, N. (2000) *The economic impact of major events - A case study of Sheffield* unpublished PhD thesis Sheffield: Sheffield Hallam University
- Elias, N., and Dunning, E. (1986) *Quest for excitement: Sport and leisure in the civilising process* London: Blackwell
- Leisure Industries Research Centre (1997) *A review of the economic impact of sport events in the UK*. Final report for the Sports Council Sheffield: Sheffield Hallam University
- UK Sport (2000) *The economics: Measuring success; a blueprint for success* London: UK Sport
- UK Sport (2004) *Measuring Success 2-The economic impact of major sport events* London: UK Sport
- Wilson, R. (2001) *An assessment of the economic impact of the City of Sheffield Designated open meet on Sheffield* unpublished thesis Sheffield: Sheffield Hallam University

Contact: r.j.wilson@shu.ac.uk