

MEASURING THE ECONOMIC IMPACT OF SWIMMING SPORT EVENTS: COMPARISON OF TWO STUDY CASES

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Abstract

Background

Sport events involve economic and social impact in the areas where they take place. There are different instruments in order to measure the economic impact. On one hand, we have macroeconomics instruments such as Input-output Analysis or Computable General Equilibrium. On the other hand, it is possible to apply microeconomics tools as the Cost-benefit Analysis.

There is also a growing literature about this topic: Matheson (2002), Preuss (2004), Baade (2006), Baade et al (2008), Rodríguez Guerrero (2008) or Gibson et al (2009). However problems arise when we intend to measure the economic impact of sport events not considered as mega-events. Macroeconomics instruments are not suitable for this purpose and the microeconomics ones need several adaptations for small-scale events.

In the field of swimming events can be quoted the following works: Sport England, (1999), Wilson, R. (2006), Parent, M.M & Seguin, B. (2007) and Ipsos MORI North (2008).

Objectives

The most common methods used for economic impact studies of mega events need an adaptation when we focus in events held in small cities. Even from one event to another some changes need to be done.

Thus, this work has several objectives: using a cost-benefit analysis (CBA), we look for the relevant information to gather when you performance a study of this nature. We have analysed the differences that can arise in a study a small-scale sport event when some features change. We have tested our adapted model applying it to two particular cases. Namely we conducted two research related to two different Swimming Championships. The first one was the

Junior Spanish Championship hold in Ourense in July 2009 and the second one was the Open Spanish Master Championship hold in Pontevedra in January 2011.

Methods

Once the cost-benefit analysis was selected, the benefits and costs of the event (focus mainly in tangible) were identified.

Some direct and indirect estimation, namely, the expenses and the number of spectators that allowed us to calculate the net impact, have to be done.

These two studies are focused on the tangible benefits and costs. These are the following:

- expenses of the organization, spectators and participants in the city
- investments of the sponsors (only from outside the city)
- expenses realised by the organization outside the city (negative effect).

Two surveys were conducted.

Date 16th-17th July 2009

Place: Os Remedios / Sample 146

Date 28th-18th February 2011

Place: Pontevedra Swimming Pool / Sample 275

The final calculation of the economic impact for the city (net benefit) was determined by the difference between the income or positive effects except the costs or negative effects for the city. That is to say, the objective was to measure the income coming from outside the city that financed expenses inside of it.

Results

Both events have quite similar patterns of behaviour even when there are some relevant differences in their features. The Junior Championship, as participants are children or teenagers, has a high number of spectators. There were on average 2 spectators for each participant, The Master Championship is mainly for the participants who are the spectators.

The introduction of three possibilities for answering the economic related questions in the questionnaire, has allowed us to get a 97.8% of response. This is really relevant. We have checked that the results among the different sources are consistent.

The economic impact of the Spanish Junior Championship in the city of Ourense was of 269,964 euro. In the Master Championship the economic impact raised until 373,721 euro in Pontevedra.

We have also obtained the ratio that relates the net impact of the event with to the total investment (including the income of all the sponsors). Thus, it can be stated that for the Master Championship by each inverted Euro there is a positive effect of 15.53 Euro.

Conclusions

Both events have a strong positive economic impact in the cities where are hold. This benefit is possible because both cities had the necessary infrastructure already built. The use of this method will provide a valuable help to decide, on the basis of economic criteria, about the relevancy (or not) of celebrating sports events in a locality. It is important to state that in a medium-size city such as Ourense or Pontevedra there are no other events which are able to generate similar economic profits.

Master Championships have the ability of gathering an important number of persons with good purchasing power that give some advantages in order to obtain a positive economic impact in the city.

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