The value of elite sporting success: an international comparison project among six nations

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Aim of abstract

The rationale behind government intervention in elite sport is that high performance success provides wide-ranging benefits with the defining characteristics of a public good (costly to exclude and non-rivalrous in consumption) (Mitchel et al., 2012). However, due to its intangibility and tendency to treat such outcomes as self-evident, not much evidence appears to be required for governments to justify their significant investments in the pursuit of medal winning capability (Grix & Carmichael, 2012). Then, in order to fill this research gap, recent studies on sport management have applied contingent valuation methodology (CVM) to estimate the monetary value of the outcomes generated through athletic success (e.g. Funahashi & Mano, 2015; Humphreys et al., 2011). By quantifying the value using a monetary scale, these researches have contributed significantly by indicating the possibility that returns on the national investment in elite sport could progress to a comparison with actual spent costs. Meanwhile, it cannot be overlooked that there is a research need to compare the value of sporting success among different countries to investigate culture and international competitiveness related differences (Wicker et al., 2012). The purpose of this research is to present an international comparison of the monetary value of elite sport success among six countries.

Theoretical background

The CVM is a technique uses survey questions to elicit people's preferences for public goods, here outcomes of medal success, by finding out what they would be willing to pay for specified improvement or fall prevention in them (Mitchell & Carson, 1989). Thus, the method is aimed at eliciting their willingness to pay (WTP) in a monetary scale. Normally, the valuation for public goods cannot be done through market prices since goods are non-market goods, but CVM circumvents the absence of markets for public goods by presenting respondents with hypothetical market in which they have the opportunity to price the good in question. WTP in this study is the amount of people's donation to avoid a performance decline caused by a large-scale reduction in funding elite sport by government. An international comparative framework among countries with diverse international competitiveness (i.e. capability to win medals) can be seen as an external scope test; different respondents are presented with the same goods on different scales, and the analyses will reveal whether the groups presented with the better alternatives also signal a higher WTP. Therefore, the principle hypothesis of this research is that there is a significant relationship between the number of Summer Olympic Games medals and the public's WTP for elite sport success.

Research design

An international comparison research project was set up in six countries: Australia, Belgium, Finland, Japan, Netherlands, and United Kingdom. These selections are based on (1) the differences in the sport policy priority (De Bosscher et al., 2015), (2) differences in the sport performances, and (3) the SPLISS 2.0 network (De Bosscher et al., 2015) for research feasibility.

The authors firstly conducted a preliminary web-based survey with about 100 randomly selected respondents in each nation, aiming to test the survey instrument and identify the bid sets for the main survey using a double bounded dichotomous choice format (Hanemann et al., 1991). The main survey (n=1,000) will be held after the Rio 2016 Summer Olympics.

Respondents were asked to state their WTP (donation), in an open-ended format, to avoid the hypothetical scenario in which a large-scale reduction in government funding for all of elite sport expenditure is implemented after the Rio 2016 and a reduction of 50% in the total number of medals won in Tokyo 2020 would occur.

Results

Results for all the six countries are not yet available but will be presented at the conference. We will report here only the preliminary results for Australia and Japan. The results revealed that the mean WTP in Japan was 1,459JPY and 15.0AU$ in Australia (about 11.8 and 10.2 €), after excluding the outliers. This indicated that monetary value of elite sport success for people in similar international competitiveness countries might be equivalent (38 and 35 medals in London 2012, respectively). Or, one can say that the results passed the scope test in that Japan who has won more medals in the London 2012 showed slightly higher WTP than Australia. Discussion will be made with all other countries' empirical results.

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