

## **Are the public and private sectors missing economic opportunities with local sport events? A case study analysis of the economic impacts of 4 swimming events**

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### **Context**

This study presents the findings of an extensive programme of research designed to evaluate the economic impact of four, small-scale swimming events on host cities (i.e. the place where an event is staged) in the United Kingdom. In this context economic impact is defined as 'the net change in a host community that results from spending attributed to a sports event or facility' (Turco and Kelsey, 1992, pg 9). A study of this nature can help define the potential economic benefits of staging a relatively small, competitor-led event on a host city (Gratton and Taylor, 2000). Furthermore, such a study can complement and potentially reinforce the growing body of research concerning economic impact and the projects commissioned by Sports Councils, governing bodies and Local Authorities in the United Kingdom. This new data can help to achieve a better understanding of the economic benefits associated with staging sport events.

Due to the changing nature of the global markets since 1970, sport has been utilised to promote potential tourism and to stimulate local economic growth through the staging of international sporting events (Dobson, 2000). It is now a widely held view that sports events can act as a 'catalyst' for economic development and urban regeneration (Department for Culture, Media and Sport (DCMS), 2002). Much has been made of the potential economic benefits of hosting major sport events. Indeed, much research has focussed on the economic impacts of sport events such as the First Cornhill Test Match; England versus Australia (1997), 2000 Flora London Marathon, 2001 World Snooker Championships, 2001 World Half Marathon (Leisure Industries Research Centre [LIRC], 1998, 1999, 2000, 2001)

The research suggests that sport events which take place in communities all over the UK during weekends can themselves generate some sort of economic impact. However, these impacts are significantly lower than those of the previous studies conducted by LIRC. This study will illustrate these impacts through the discussion of the missed opportunities made by the public and private sectors. Do the sectors really maximise the potential economic effects?

### **Methodology**

The four studies are based on primary research, namely self-completion questionnaires and the same questions were used at each of the events. These questions included; how many visitors (competitors, spectators, officials, media and VIP) will come to the event from outside the local area? How long they will stay in the local area? How much they will spend? And what will this expenditure be on? (UK Sport, 1999).

UK Sport (1999) suggests that events where the majority of visitors are competitors are the easiest to forecast as population surveys can be carried out. Although this was partly true, due to the number of competitors under 16 it was necessary to question a large number of spectators as well as only competitors over 16 were surveyed. This provided a potential problem from a theoretical perspective as UK Sport (1999) suggest that for events where the major source of economic activity is from spectators it is more difficult to measure the additional expenditure as there are uncertainties as to the number of spectators and their visiting patterns (overnight stays/ day visits). However, this problem was alleviated by the cooperation of the event organisers who provided accurate numbers of spectators.

The primary data collection instrument used was a short 4-5 minute questionnaire. Different versions of the generic questionnaire were required for different respondent groups and for different information requirements in order to satisfy the objectives of the study. An overall sample of 67% was achieved at the events, offering reliable results.

## Results

Table 1 illustrates the overall economic impacts attributable to the events studied alongside the number of attendees at the event. It highlights a clear trend which suggests that as the number of attendees reduces so does the economic impact. However, the main concern with this information is the difference in relationship between the events.

*Table 1: Summary of Economic Impacts for Type D Swimming Events*

Event	Economic Impact (£)	Number of Attendees
City of Sheffield Designated Open Meet	58,875	508
Western Counties Swimming Championships	15,124	396
Middlesbrough Open Meet	6,585	185
Satellite Open Meet	3,644	233

The main reasons behind this trend are summarised below;

- Relationship between the drivers of the event i.e. competitor/ spectator driven
- Location of the facility
- Timing of the event
- Potential for secondary expenditure

The fourth and final point determines the focus for the remainder of this paper as it suggests that there needs to be a healthy provision of secondary spending opportunities to generate a significant level of additional expenditure. Indeed, the level of secondary spending opportunities was lower at each of the four events, thus each event recorded lower economic impacts.

As a result it is clear to see that the provision of secondary spending opportunities can be improved by a better relationship between the public and private sectors. If the sectors can now realise that a small scale swimming event has the potential to generate significant economic impact then perhaps they can be more proactive in achieving this impact at more events. Furthermore, if they cooperate at the small scale event level, the infrastructure will be in place to exploit the potential economic opportunities at major events.

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