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## **The Economic Impact of the 2009 Athens Classic Marathon Runners on the City of Athens**

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### **Background**

**In 2010 the 28<sup>th</sup> Athens Classic Marathon will celebrate the 2500 years anniversary of the Battle of Marathon in 490 BC. The event is going to attract international interest and 12,000 runners for the classic marathon route (2009: 4,629 runners). Including the 5km and 10km races, the total number of competitors will reach 20,000.**

**Governments fund sports events, as part of their sporting policies, for social, political, cultural and economic reasons. Sporting legacy benefits, tourism and city image benefits, celebration, urban regeneration, social, cultural and economic benefits have been associated with sports events (Wilson, 2006). Economic impact is defined as the net change in the local economy which can be directly attributable to the staging of a particular event (Turco & Kelsey, 1992) and involves estimating the additional expenditure from outside sources generated in the local economy as the result of the event. Numerous studies have shown the positive economic impact of sports events (LIRC, 2001; Wilson, 2006; Shibli & Coleman, 2005), while, on the other hand, researchers caution on the overestimation of economic benefits and possible misapplications of economic impact analysis on sports events (Crompton, 1995). Identification of expenditure switching within the economy, careful selection of the portion of organizational spend that is not financed by locals, avoidance of double counting and careful application of multipliers are issues to consider in the process (Burgan & Mules, 1992).**

### **Objectives**

**While our study included all visitor categories, this paper's objective is limited to: a) identify the type and amount of expenditures of the runners, who travelled from outside of Greece, b) calculate the economic impact of above runners on the local economy. Our objectives were formulated in accordance to the availability of official data by the organizing committee.**

### **Methods**

Based on primary research, using the LIRC methodology, 798 self-completion questionnaires with questions on the nature of visit, nationality, duration of stay, nature and amount of expenditures, number of accompanying persons etc. were collected on three consecutive days (at the collection of the timing chip, conference and event day) and filled out by different types of visitors: competitors, delegates, spectators, media, sponsors, conference participants and volunteers.

## Results

Results (SPSS processed) show that 40,1% of the sample were runners who travelled from abroad for the event. 9% of the foreign runners used non-commercial accommodation and spent 170,67€/day for 5,17 days on average. 83,75% stayed in hotels and spent 171,68€/day for 4,95 days. They all provided breakdown of their expenses on accommodation, food/drink, entertainment, merchandise, travel and shopping/souvenirs. Foreign runners were accompanied on average by 1.5 persons. Using official total data, the economic contribution of the foreign runners participating in all races was 2,388,664€.

## Conclusion

The organizational budget is funded by government subsidies, sponsorships and registration fees. According to LIRC methodology, the portion of organizational spend originating from outside (here non-national) sources and spent in the Greek economy is added to the economic impact. In our case these are only the registration fees of foreign runners, i.e. 201,000€.

Without accounting for multiplier effects, the total economic contribution of the foreign runners was 2,589,664€. If we add the expenses of the accompanying persons (and regard them as spectators), this amount is more than doubled.

According to information by the organizing committee (official financial report not available at the time of writing this) the only organizational expenses that were not spent locally were the prizes of foreign top athletes, worth of 90,000€, which were exported abroad. This amount must be deducted.

The rest of the organizational spend, expenses of Greek visitors and runners, subsidies and sponsoring was expenditure switching between alternative uses. In order to calculate the opportunity cost of hosting the marathon we need to know the possible alternative uses of

public sport subsidies and sponsorships. The city image and tourism benefits associated with a historical sports event with international appeal should also be evaluated.

## References

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