

ECONOMIC IMPACT AND TRICKLE DOWN EFFECT OF THE 2012 UCI ROAD WORLD CHAMPIONSHIPS

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Aim of the study

Frequently, public investments in major sport events are justified by policy makers who have a tendency to argue that economic and social benefits arise from those events. This was also the case with the Dutch region of Limburg, investing 6,8 million euro in the organisation of the 2012 UCI Road World Championships which were held from 15-23 September. More specifically, the political objective was to generate local economic impact, to contribute to the development of physical activity and sport participation and to use the event as a catalyst for place marketing. Competitive cycling is deeply rooted in the culture of Limburg, which also is a popular touristic region. The objective of this study is twofold. Firstly, to define the economic impact of the event for the southern part of Limburg. Secondly, to specify to which extent the event has led to a trickle down effect among event visitors, concerning sport participation. The project was commissioned by the region of Limburg and was a coproduction of two universities for applied sciences - Zuyd and NHTV Breda - and the Mulier Institute. This study makes a contribution to the knowledge development regarding economic and social benefits which can arise from the organisation of sport events. It aims to make public organisations more aware of the effects which can result from a major sport event in order to stimulate optimal investment of tax payers' money in the future.

Theoretical background

The definition of economic impact used in this study refers to direct additional expenditures, flowing into the local economy in the short run (Oldenboom, 2006). Effects which have a longer time frame, for example, possible positive effects of cycling tourism, are not taken into consideration. The determination of a crowding out effect – any reduction in private consumption that occurs because of an increased demand based on the staging of the event (Preuss, 2011) - was not a main objective of the study. However, additional analysis led to relevant findings related to this phenomenon.

The trickle-down effect or demonstration effect (Weed et al., 2009) refers to the effect of passive consumption of a sport event on physical activity and sport participation. Especially in the case of elite sport this effect should not be overestimated because event visitors might experience a competence gap. As Girginov & Hills (2010) showed, using the 2012 Olympics as an example, the realisation of a trickle-down effect is a big challenge, since it has to address not only people's behaviour but also deeply rooted social structures and relations.

Methodology

In order to determine the economic impact the research guideline of the Dutch Working Group Sport Events was implemented. This method focusses on the direct economic impact, which is the total amount of additional expenditure within a specific region, which can be directly attributed to staging the event. Public investments are not considered as additional. The following groups were taken into account: 'regular visitors', VIP's, members of the cycling teams, technicians, press, volunteers and the LOC. In order to generate a representative sample of event visitors, semi-structured face to face interviews with event visitors were held, spread out over varied locations and seven days. 2,045 questionnaires were completed. In depth interviews were held with representatives from the LOC and from the region of Limburg. Furthermore, secondary analysis on data from Statistics Netherlands had led to insights in bed occupancy rates in reference periods. This is valuable information for gaining insight in the possible degree of crowding out.

Results, discussion and conclusions

Analysis of the data revealed that 46 per cent of the event visitors was additional, supplementary to ordinary tourism. The average additional visitor visited the event three days and spent 33 euro per day, excluding costs for staying in a hotel or other accommodation. The estimated overall economic impact - when all groups are taken into account - is 29 million euros. However, one should be cautious to legitimize the spending of taxpayers' money only by referring to this impact. For example, opportunity costs and intangible benefits (Wicker et al., 2012) should be taken into account.

We found less support for a trickle down effect. 87 per cent of the visitors who do not participate in sports said they were not inspired to become physically active as a result of visiting the event. The possible experience of a competence gap might have influenced this result, but confirms that visiting an elite sport event does not automatically inspire inactive people to participate in sports themselves. The results show that the event has more to do with economic impact than with an inspirational effect. The latter seems to be persistent sports policy rhetoric and learns that the effects of sport events should not be overestimated.

References

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