

Monetary Valuation Of Elite Sport Success: An International Comparison

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Background

Public investment in elite sport is often described as a “gamble” since, unlike funding for infrastructure, the returns on investment (medals) highly depend on athletes’ performance and the outcome is uncertain (Mitchel et al., 2012). Therefore, there are recurring public debates about the increased funding for elite sport throughout the world. Exploring the outcome of public investment on elite sport policy provided through athletic success is a meaningful research topic in sport management.

Theoretical framework

How, then, can we visualise the value of elite sport policy? Many of the benefits of international sporting success (e.g. improved national morale) are such that nobody can be prevented from feeling them (non-excludable), and everyone can enjoy these benefits together with no congestion in consumption (non-rivalrous). In other words, international sporting success is a pure form of public goods (Gratton & Taylor, 2012). Normally, the valuation for public goods cannot be done through market prices, but contingent valuation method (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. This is achieved by framing the willingness to pay (WTP) question in the context of a hypothetical market for the goods.

Incorporating the CVM, research to estimate the value of elite sport success in a monetary scale has gradually been advanced in the field of sport management (e.g. Funahashi & Mano, 2015; Humphreys, Johnson, Mason, & Whitehead, 2016). 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, Hallmann, Breuer, & Feiler, 2012). The purpose of this research is to present an international comparison of the monetary value of elite sport success and identify the factors associated with the WTP.

Research design

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

Each country has conducted an Internet-based population survey of approximately 1,500 adults. The respondents were stratified by gender and age group, proportional to those in the national census. The hypothetical scenario was based on the assumption that a large-scale reduction in government funding for all of elite sport expenditure is implemented and a reduction of 50% in the total number of medals won in Tokyo 2020 would occur, and to compensate for the reduction in government funding, a group of elite athletes proposes to establish a ‘high-performance sport fund’. Then the WTP was asked through the following question:

Assume that the ‘high-performance sport fund’ is set up with funds consisting of donations from the public. In the event that the total amount of donations is not sufficient to implement the project, these donations will be returned to each donor. If you were asked to contribute, would you agree to make a donation?

The mean WTP was calculated after excluding the warm-glow and protest zero responses. The trimmed analysis value was selected because the outliers were excluded from the analysis (Mitchell & Carson, 2005). The relationship between stated values and factors such as the use of the good (i.e. frequency of watching Rio 2016 on TV (*Watchtv_2016*), being an avid sports fan (*Avid_fans*)), reported attitudes regarding a good (i.e. perceived benefits of elite sport success (*Benefit*)), concern regarding a good (i.e. perceived risks associated with elite sport (*Risk*)), membership of interest groups (i.e. being an athlete (*Athlete*)), being involved with an elite sport related organisation (*Organisation*)), and the socio-economic characteristics (i.e. gender, age, marital status, employment status, highest educational qualification, and household income) was analysed using Tobit regression technique (Bateman et al., 2002).

Results

Results for all the six countries are not yet available but will be presented at the conference. We will report here only the results for Belgium, Finland, Japan, and the UK. The results revealed that the 5% trimmed mean WTP was US\$3.8 (PPP) in Belgium, US\$6.5 (PPP) in Finland, US\$5.3 (PPP) in Japan, and US\$10.7 (PPP) in the UK. The Tobit regression showed that the WTP was related to *Watchtv_2016*, *Avid_fans*, *Athlete*, *Organisation*, *Benefit*, *Risk*, and *Income*, but the empirical result was slightly different for each country. Discussion will be made with all other countries' empirical results.

References

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