

Sport Tourism - The Scale of Opportunity from hosting a Mega Event



Introduction

The following paper discusses the scale of opportunity presented to nations or cities when hosting a mega event such as the Olympic or Commonwealth Games. With particular focus London 2012 and Glasgow 2014, this paper will analyse the key pros and cons of hosting a mega event and what effects they have on the host.

Definition

Mega events can be described as events, which are so large in scale they have the ability to affect the host city or nations whole economies and reverberate throughout the global media. Events such as these are usually identified as global sporting events for examples; FIFA World Cup and the Olympic Games. The very nature of these mega events draw upon a global audience due to the participating nations. This draws great attention to the host as it is put under the media spotlight, allowing the host to develop and transform its infrastructure, not only to handle the massive influx of visitors, but to create an attractive destination which will provide a lasting legacy for future generations.

The 'circus' of mega events can be identified as a key catalyst for creating both positive and negative legacies for host cities and surrounding communities. The potential gain from hosting events such as the Olympics or World Cup can transform cities to bustling tourism hot spots and impact the local community for many generations to come. Mega events affect not just the local economy, but produce international interest for the host nation, allowing for many direct and indirect impacts.

Defining Legacies

A legacy is seen as the impact which occurs from hosting a mega event and is more generally viewed positively by the host population. Common legacies from events are usually tangible benefits which benefit both local and national economies such as employment or physical infrastructure.

What is Sport Tourism Legacy?

When a city or nation is awarded the privilege of hosting a mega event, they are almost always required to enhance or develop their infrastructure in order to accommodate the high volume of visitors, which attend these events. The developments which are created from these events are known as legacies. The intention of a legacy is to enhance the host city or nation by providing an amenity for the populations benefit. However, legacies can come in many forms such as economic, tourism or sporting legacies, which will be explored.

Pro's of hosting a Mega Event

The privilege of hosting a mega event such as the Olympics or Commonwealth Games allows the host to transform their city physically, socially and economically by providing the necessary tools to support the increased media exposure, which in turn may lead to increased tourism to the destination.

Regeneration

A city or nations image is integral for promotion, as a desirable destination for tourists both domestically and internationally. By hosting a hallmark or mega event, local authorities are able to promote and regenerate the destination due to the vast investment which is made available. Hosts must prepare by evaluating their infrastructure and identify areas for development or redevelopment to meet the needs of the mass tourism and media circus.

A current example of city reimaging and regeneration from Sport Tourism is the Olympic Park for London 2012. The site which has been chosen was formally a 'Brownfield' site covering 2.5sq km, will now not only generate employment through its construction, but will also include a retail area. The introduction of many species of animals and plant life are also being introduced to the park to create a perfect eco village within a bustling city, thus creating a positive environmental impact to a bustling metropolis (www.londonlegacy.co.uk).

These steps have been made by London to ensure a positive visual legacy can be left to mark the games success as well as hopefully producing many other legacies such as employment and social well being through healthy living and fitness provided within the park.

City reimaging does not only occur before and event takes place. The high return on investment which can be generated from a well organised event allows local authorities to redevelop parts of their community which in turn can create both media and tourism interest for the city. One of the most famous examples of city reimaging from a sporting event is the Barcelona Olympic games of 1992.

Barcelona 1992

Noted as being the 'model' Olympic Games, Barcelona 1992 transformed the city into one of the most vibrant and popular tourist destinations in Europe. The event created many long term employment opportunities and greatly enhanced the city's infrastructure.

The impact of the Olympic Games to Barcelona was evident 6 years before the event had taken place. Unemployment figures dramatically fell as opportunities within construction and many other industries opened up at a local, regional and national level. The promise of the games injected confidence in to the housing market also, creating a more attractive city to both national and international visitors (www.etoa.org).

Unemployment figures fell from an all time high of 127,774 between November 1986 and July 1992 to 60,885. The period between games itself generated a decrease in unemployment levels from 18.4% to 9.6% regionally and 20.9% to 15.5% nationally. Although the aftermath of the games did see a rise in unemployment by 21,000 persons, it fell significantly between 1992 and 1995 as jobs created via Olympic investment, creating sustainable futures for the local community (www.etoa.org).

Another example of the Olympic effect to Barcelona was the housing market. The success of the games generated demand for new housing to an already exploited area, not only creating sustainable futures for the construction industry, it allowed the city to build upon the positive global media attention from the games to further fulfil its potential as a vibrant destination(www.etoa.org).

A study by the European Tour Operator Association further analysed the impact the games on the city and found that tourism now accounts for 12% of the city's GDP, compared to 1-2% before the Olympics (www.etoa.org).

Overnight stays (000²)

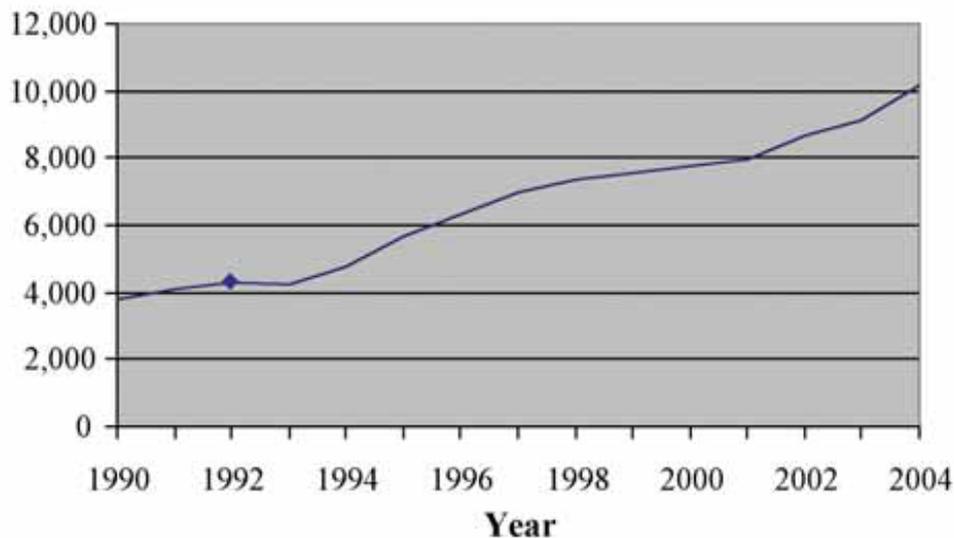


Figure 1. Overnight stays in Barcelona

In the build up to the games, the city increased its hotel bed capacity by 34.9%, which has continued many years after the event. The ETOA found that between 1992 and 2002, 75 additional hotels were built in the city, which resulted in a further bed space expansion of 47%. This provided the city with a platform to increase overnight stay in the city by 110% between 1990 and 2001. The table above indicates a slight stagnation in overnight stays between 1992 and 1993. However, this could be explained by the massive hotel capacity influx brought about by the games (www.etoa.org).

The impact of the games has been phenomenal to Barcelona, as it paved the way for urban development, investment in infrastructure, increased capital and created an attractive destination for both domestic and international visitors. The effect of the games, are still prevalent today as the city has been able to evolve and continue urban transformation to maintain the identity of a vibrant and attractive destination.

Urban Regeneration

Sports Tourism mega events are a catalyst for urban renewal, which in turn allow for development of both capacity and destination attraction for tourism. The subject of urban regeneration can become a focal point of sport tourism legacy as it enables the host city to develop or enhance both amenities and social needs for the benefit of the community and the surrounding population. Legacy is now seen as the most integral part of a hosts bid for a mega event as it has the ability to transform a destination into a favoured tourism destination and create many opportunities for both the local and wider population. Host cities often decide to bid for mega events as it presents an opportunity to not only promote the city or nation for tourism but also address urban decline. Many past host cities of mega events are often established developed cities which suffer from urban decline and decay, brought about by the erosion of traditional industries such as manufacturing etc. Mega events enable the host to address these areas of decay and supply the host population with a social and economic legacy to benefit future generations and also transform the area into a desirable tourism destination.

Evidence of urban regeneration being implemented after an event is the 'City of Manchester' stadium, where Manchester City FC was given the 2002 Commonwealth Games venue as their new home venue. Recently, a £1billion development plan was announced to regenerate the surrounding 200-acre site, which will transform one of Manchester's poorest areas with the promise of thousands of new jobs and the construction of a world class sporting complex (www.bbc.co.uk).

Con's of hosting a Mega Event

The Olympics have the ability to produce legacies such as regenerated urban areas, inspire the youth to participate in sport and create employment both pre and post event. However, the success of these events, are dependent on the needs of the host community. It is crucial that when mega events are staged, a framework is in place to ensure that only positive legacies are produced to benefit the host community. Unfortunately, the Olympics bring great expense which is normally utilised by the many benefits that come from in the form of short term economic gain and legacies. However, there have been examples of failure to achieve positive legacies from mega events, namely Montreal 1976 and Athens 2004

Montreal 1976

Noted as being one of the most disastrous Olympic Games in history, Montreal stands as a warning to future hosts of the pitfalls of hosting a mega event. With an overall debt of CAD\$1.5 billion generated from the event, Montreal did not meet the potential which was promised to the local community. The games were financed almost solely by public funding, which the majority of which were spent on a small area of the city, improving sport facilities and infrastructure. This ultimately, did not allow the games legacies to reach their full potential at creating sustainable futures for the local community.

One of the key factors in spiralling debt of the games was the construction of the Olympic Stadium (infamously known as 'The Big Owe'), which was seen as the centrepiece for the event. After overruns on construction costs and continuous maintenance, the venue has not been able to meet its original potential at providing a sustainable legacy for future generations. It has also been without a permanent tenant since 2004, leaving it dormant and not creating any major sustainable benefit for the local community. The debt was finally paid off in 2006 some 30 years after the event took place (www.cnn.com).

Athens 2004

Since the economic collapse of Greece occurred in 2011 due to the troubles of the Euro Zone, much of the responsibility fell upon the failure of the Athens Olympic Games in 2004. Although the games were delivered to a high standard with state of the art facilities, Greece have not been able to capitalise and provide social and economic benefits to their population. Greece used the games as a catalyst to achieve four main goals of improving infrastructure, increase tourism, increase industrial and commercial space and create significant numbers of both temporary and permanent jobs. Athens was successful in increasing tourism to the whole of Greece, creating industrial and commercial spaces and improving their infrastructure in particular their transport systems. Employment however, suffered greatly after the event, with 70,000 jobs being lost within 3 months after hosting the event. A study by London Assembly found that the sharp decline in employment opportunities after the games had a significant effect on business confidence in the Greek community in the months after the games. This lack of confidence could be attributed to the lack of use of many of the facilities by local communities. Ultimately, Athens stands as an example of social legacy failings as organisers were unable to capitalise on the events facilities to provide opportunities for the local communities (www.uel.ac.uk).

Tourism Displacement

One of the main pros of hosting a mega event such as the Olympics or Commonwealth Games is that it attracts new visitors who normally wouldn't travel to the destination. This in theory should open the destination up to a brand new demographic of visitor and increase tourism related revenue. However, this is not always the case. During a mega event, bed occupancy is at capacity with officials, athletes, press and spectators who are there for sporting reasons. Spending patterns are difficult to measure as these guests are not attracted to the destination for tourism purposes.

Mega events also have the ability to deter regular tourists from visiting a destination due to the high volume of traffic generated from new visitors and the increased pricing that comes with the event.

Although the immediate impact of mega events often leave local businesses out of pocket, the legacy of tourism is measured on a long term scale. This is often dependent on how successful the event has been viewed by the media and spectators, who will feel drawn to visit to the destination based on positive experiences from the event.

Displacement is a common occurrence for many mega sporting event host destinations, as normal leisure visitors usually deter from visiting due to overcrowding, overpricing, safety and general disruption. Although the host will benefit from the influx of new visitors, they may run the risk of losing their core market for a period of time. Displacement is estimated to cost London around £375 million, which £160m will come from foregone inbound tourism, £124 million from domestic visitors and £91m from additional International spend (www.visitbritain.org).

London 2012 Olympics

From the 27th July to the 12th August 2012, London hosted the 30th Summer Olympic and Paralympic Games for the 3rd time. This event has given the City of London the opportunity to regenerate many suburbs as well as attempt to produce sustainable legacies for the local community.

The Value of the games to UK tourism

A study by VisitBritain and Visit London measured the potential value the games for both London and the UK from 2007 to 2017. This was achieved by analysing past sporting mega events to identify variables and patterns of visitor figures.

The games have been forecasted to generate around £2.34bn in tourism expenditure between 2007 and 2017 for the UK. However, the effect of displacement will decrease the overall expenditure to around £2.09bn. London alone is estimated to generate around £1.47bn alone after displacement is taken into consideration, leaving £620 million to be spent around the UK over a ten year period. It is estimated that 15% of this figure for the UK will be generated during the pre-games period. The games themselves will account for 31% and the remaining 54% become a legacy effect after the games (www.visitbritain.org).

The forecast of 54% generated after the event equates to around £1.27bn in tourism expenditure for the UK and £0.88bn for London. It is estimated that this expenditure will be largely generated by emerging markets such as Russia, China and India. This will be a consequence of the media exposure brought about by hosting the games (www.visitbritain.org).

It is also estimated that the games will generate £2bn in temporary employment of a range of staff, which include security. This will create many employment opportunities for the local community and tackle some issues of social deprivation (www.visitbritain.org).

Legacy

The legacy of London 2012 is strongly based around the idea of 'social regeneration', creating opportunities for the local and wider communities by providing education, facilities and increased tourism. Five key legacy areas were created in order to create the most effective reaction for London and the rest of the UK, which are; Youth, Sport, People, Transformation and London and the UK. One of the primary goals of the 2012 Olympics is to use the games to engage with the younger generations across the globe to in an effort to connect them to sport. This will be enhanced with the transformation of 'Brownfield' sites to sporting facilities, such as the Olympic Park. Facilities such as this will help to engage the community and younger generations with healthy activities and help to develop an interest in sport (www.london2012.com).

Glasgow 2014 Commonwealth Games

The arrival of the Commonwealth Games to Glasgow in 2014 stands as a significant moment for Scotland and may act as a catalyst for increasing tourism and creating many social and economical benefits for the local and wider communities. Following on from London 2012 Olympic Games, the 2014 Games will be the finale of a number of events which make up VisitScotland's 'Winning Years' campaign, which is seen as a once in a life time opportunity to change the face of tourism in Scotland. The Commonwealth Games will be a pinnacle point in the campaign, with 1 million tickets available for the event and 60,000 nights available in Glasgow and the surrounding area during the competition period. This will create a number of opportunities for Glasgow and Scotland to prosper on both a social and economic level.

Legacy

The Commonwealth Games legacy for Glasgow is based around the development of social and economic benefits for the local and wider communities of the host city. The legacies have been categorised in to 4 sections which are; Active, Connected, Sustainable and Flourishing.

Active is geared towards engaging Scotland's youth with sporting activity and investing interest in the number of sporting facilities, which will be left behind many years after the games have gone. This will improve life expectancy in the local and wider communities and encourage healthier lifestyles. This will be achieved by opening 150 community sports hubs around Scotland by 2016 and around £2.7m will be circulated around schools to invest in sport related activities for children to help encourage sporting activity (www.scotland.gov.uk).

The legacy of Connected is aiming to connect learning and culture through the Games by integrating local and wider communities with the events, educating on the many diverse cultures that will be competing. This in turn will hopefully bring communities together and help to achieve a positive outlook for Glasgow and Scotland. To enforce the connection, 196 Scottish schools will be establishing links with other Commonwealth countries in order to develop understanding and relationships, educating local communities (www.scotland.gov.uk).

Sustainable looks at the number of regeneration projects, which will take place from the Games. These projects will look to introduce a number of social and economic benefits such as sporting facilities and increased tourism expenditure to Glasgow and Scotland. These projects aim to inspire the population in to connecting with other cultures and taking part in physical activity influenced from the Games. Regeneration programmes are already in place and use such as the M74 motorway extension, improving access to Glasgow and the surrounding areas. Further to this, around £1billion has been invested infrastructure improvement projects around Glasgow and Scotland (www.scotland.gov.uk).

Finally, the Flourishing legacy will utilise Scottish businesses and resources to improve Scottish business levels, and promote Scotland as a positive tourist destination through improvements to life quality in the area. Projects will also be in place to encourage volunteering for the events and improvements will be made to work in line with Scottish businesses to boost youth skill levels, which will educate the younger generations for employment (www.scotland.gov.uk).

Business Recommendations

The 2014 Commonwealth Games will have the ability to bring about significant change and benefit to the host city and nation, with a number of high profile developments to support local and national businesses. The legacy plan for Glasgow will allow businesses to flourish via a number of developments, such as the M74 motorway extension. Infrastructure strengthening and expansion will allow for greater communication links to the city and surrounding area, ultimately creating more business opportunities through the city becoming more attractive to investors. This will increase business potential by allowing businesses to expand, invest and thrive through the games.

Businesses based within and around Glasgow will ultimately be a part of the rejuvenation of the city, allowing for positive growth, as the attraction of investment will ultimately bring in more competition, leading to greater interest from consumers. This will hopefully allow for local businesses to flourish, by embracing the games and allowing the city to expand, becoming a vibrant hub for business activity.

This increase in investment and global attraction will heighten tourism interest, benefitting Scotland as a whole. Although immediate changes are not expected, a successful games and positive portrayal by the global media may boost tourism opportunities. With a number of high profile events throughout 2014 in Scotland, local and national economies should witness a positive boost. However, it is important that perseverance is preserved throughout this period.

Final Thoughts

It is clear from previous events that in order to achieve the most positive outcome from hosting a mega event such as the Olympics or Commonwealth Games, a legacy plan is essential to providing long term benefits for the local and wider communities. The scale of opportunity that will be generated for both London 2012 and Glasgow 2014 can be enormous for the tourism industry, providing that social and economical legacies are executed correctly by governing bodies.

Although displacement may force regular tourists away from host cities during mega events, the positive performance that may be generated from the event may lead to an increase in tourism trips, nights and expenditure to the destination many years after the event, creating a positive long term legacy. This in turn will support the local and wider economy, generating more employment opportunities for local communities and help to boost living standards within and around the destination.

Matthew Quinn - Insight Analyst
matthew.quinn@visitscotland.com

Sources/Further Information

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Links

VisitBritain Market Profiles

www.visitbritain.org/insightsandstatistics/markets/index.aspx

OECD

www.oecd.org

Sources

ONS International Passenger Survey

VisitBritain

VisitScotland Research

Reiseanalyse 2011

Images

VisitBritain Images

International Passenger Survey - Sample Sizes

Information is taken from the Office for National Statistics, International Passenger Survey data.

Figures for a number of regions are based on small sample sizes. It is not recommended to use data where the sample size is less than 30 - these small sample sizes have been highlighted in the above summary. For further information on these sample sizes, please refer to the Pivot Tables which are made available via the VisitBritain website www.visitbritain.org (Insights & Statistics section).

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Contact Us Details

www.visitscotland.org

research@visitscotland.com

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