

# Sport Business: A Combined Tourism Strategy

Ask five different cities bidding to host the world's major sports events the principal reason for putting their hands up, and the chances are you will receive five different answers. Generating sports tourism is unlikely to be among them.

Sport's mega events are both too powerful and too costly to justify staging for reasons of generating sports tourism alone. Visitor expenditure is very welcome to help pay the spiralling bills, but most hosts have bigger fish to fry. As the world's most-visited city, London is not hosting the 2012 Olympic Games to add another string to its tourism bow; rather it is using the event to regenerate its blighted East End.



And although South Africa has at least one eye on tourism in hosting the 2010 FIFA World Cup, this is only in the general sense through the improved transport infrastructure and heightened international profile the football showcase will bring, as well as the opportunity it presents to dispel negative perceptions of the country's security standards.

Even for destinations that have set out to develop a strong event economy, hosting strategies are about much more than putting tourists' bums on stadium seats.

In Melbourne, voted SportBusiness's Ultimate Sports City for 2008, Victorian Major Events Company chief executive Brendan McClements explains: "When assessing a particular event opportunity, in addition to assessing its potential economic impact, we look at its ability to raise

Melbourne and Victoria's international profile on a global scale, the prestige of the event, potential for use of existing facilities, Victorian community involvement and interest, opportunity to promote sports participation and whether there is an opportunity to showcase regional Victoria by hosting an event in one of our large regional cities.”

In Singapore, the development of the city state’s impressive Sports Hub is as much about improving recreational opportunities for its population as it is about becoming a major destination for sports tourism. And in Manchester, a city launched into the event game’s major leagues by its hosting of the 2002 Commonwealth Games, sport is just one of several strands of an overall tourism strategy working in tandem to give the city its appeal.

Marketing Manchester’s deputy chief executive, Paul Simpson, says: “Sport is one facet of what makes Manchester and being able to show the world we stage events enhances the appeal of Manchester, particularly from the international visitor perspective.

“Our target markets tend to be thematic: US visitors will come from the business visit perspective, but the gay and lesbian niche market is also quite prevalent. In Europe, for the Irish market the appeal is shopping and football, for Germany it is shopping and industrial heritage, for Scandinavia its football and shopping and for Spain it is culture and football.”

If major spectator events are as much about profile and prestige as they are about profits, the reverse is true for participation events, which for smaller destinations in particular have a far greater impact on tourist revenues than on reputations beyond the city limits. In the US, a huge domestic market combined with the internal focus fostered by a private sector bid funding model that handicaps its cities in the competitive international bidding arena has seen the participation sector become the backbone of the sports tourism market.

Don Schumacher, the Executive Director of the National Association of Sports Commissions, says: “When I go to international sports conferences I find people are so hung up on the Olympic Games and world championship events they completely forget the basis of this industry is participants.”

But he adds: “Europe at least is now increasingly focused on what we have been focused on for a long time, which is that 90-95 per cent of the many thousands of events that drive visitor spending are participation events, where there are no direct ticket sales except perhaps to the parents and friends of the competitors.”



So where now for the spectator event in the 21st century sports tourism strategy? Clearly event hosting still has significant direct value in areas such as generating room nights and resort income in low season, but the event strategies of sophisticated sports tourism planners are increasingly focused on creating on a micro-scale the sort of whole-economy benefits sought by bidders for the mega events that are largely now beyond their reach.

For the economic regeneration, infrastructure development and place branding benefits an Olympics or World Cup can bring to a host city or nation, read revived reputations, new facilities and higher market visibility for participation destinations staging related spectator events on a smaller scale.

For the Colorado ski resort of Aspen/Snowmass, hosting the ESPN Winter X Games in high season on its Buttermilk mountain is not adding an avalanche of revenue to its bottom line during the event weekend itself, but has added hugely to its overall success as a snow sports destination throughout its now eight-year association.

Aspen Skiing Company vice president of sales and events John Rigney credits the X Games with rejuvenating the resort by giving it a fresh new image, while investments made to stage the event – such as the building of an Olympic-size, 22-foot half-pipe – have added the credibility needed to turn the Games' promotional power into new business on the slopes.

He says: "Buttermilk is arguably the greatest teaching mountain in the world but in 2001 it was seen as somewhere young kids and old folks came to learn, and numbers were not growing. Hosting the Winter X Games opened up a whole new market for us and gave us an unmatched credibility in it.

"Our first X Games coincided with the opening of Aspen Mountain to snowboarding, so it was a great opportunity to announce that. We already had three mountains open to snowboarding but the story

had got muddled and was that this resort didn't allow snowboarding at all. The X Games showed that we embraced it and now we have this whole new 'pipes and parks' dimension and a new generation that only knows one home of the Winter X Games - and that's Aspen."



The event now attracts 70-80,000 spectators across its four days and has evolved a day-night schedule that enables spectators to sample the slopes as well as see the show. Rigney says: "We have plenty of data showing we have the best return rate in the industry - all we have to do is get people to try this place, and events like the X Games are a means of persuading them to do that."

Meshing spectator events and sports participation for the mutual benefit of both is becoming an increasingly popular tourism strategy from the snow of the Rockies to the sunshine of Dubai, where the developers of Dubai Sports City (DSC) are expecting the two branches to feed off each other through crossover interest between players and spectators visiting its wide range of facilities.

Malcolm Thorpe, DSC's marketing director, sports business, says: "When we have got our academies going, we would like to have people coming in for a cricket event and be able to say to them, while you are here why don't you come down and take a course at the ICC Global Cricket Academy? We want to have the systems and the capability to specifically offer relevant participation to people buying event tickets, and vice versa."

Date: 2009-06-29

Article link:

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