

Chapter 55

Public Perception of Costs Associated with Major Sporting Events

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ABSTRACT

Sporting events have become first-order promotional tools of large cities, allowing them to reach levels of dissemination economically unaffordable as conventional advertising. The social impact of the event on residents is very important, given their role as main actors. Perceptions of the residents of the cities that host sporting events have been extensively studied, although in this case a singular point of comparison to study the perception of the costs of organizing and holding the sporting event is provided. The purpose of this chapter is to assess the perception of the citizens of Valencia (Spain) on specific aspects of three sports events held in the city in 2012: European Grand Prix Formula 1, the Tennis Open 500, and Valencia Marathon. The results show significant differences in the perception of the costs of organizing the events related, and demonstrate the impact of the type of activity in the perception of residents.

1. INTRODUCTION

The Valencia Region, and more specifically the city of Valencia, Spain, has in recent years become an international leader in hosting major sporting events. Throughout the last two decades, the city of Valencia has hosted a total of 64 sporting events, the majority of which (49) are classified as “international level” and, in the case of 19, as having a “great international impact” (Valencia, 2010. Pp. 136-137).

Sporting events have become key promotional tools for large cities, allowing outreach levels that would be economically unaffordable with conventional advertising. Furthermore, they have drawn the attention of managers and researchers because they are a uniquely important potential niche of economic intervention and exploitation. Not surprisingly, there is a large body of work aiming to rigorously determine the economic impact of holding major sporting events in cities (Preuss, 2004 and 2005), and economic as-

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assessment models have even been developed, such as TEIM: Travel Economic Impact Model (Frechtling, 1994), RIMS: Regional Input/Output Modelling System (Donnelly, Vaske, DeRuiter, & Loomis, 1998; Wang, 1997), TDSM: Tourism Development Simulation Model (Donnelly et al., 1998), RIMS II (Wang, 1997), IMPLAN: Impact Analysis for Planning (Dawson, Blahna, & Keith, 1993; Donnelly et al., 1998; Wang, 1997), and, lastly, the proposal of Dwyer, Forsyth, and Spurr (2003), CGE: Computable General Equilibrium. A large part of the work conducted is focused on economic analysis, in line with the interests of governments and organizing promoters of knowing the profitability of public and private resources invested in holding the event.

However, in the last decade, we have observed a significant increase of interest in the analysis of social, cultural, and environmental impact of sporting events in host locations. Studies that analyze the social impact of sporting events provide insight into how residents perceive such events, their degree of identification, and their willingness to accept them. Citizens are stakeholders who play an essential role in this type of events, as they will ultimately approve their management and dedicate additional funds for their financing (Preuss & Solberg, 2006). Likewise, a high level of citizen satisfaction will enhance their hospitality and solidarity towards the tourists who come to the city for the event (Gursoy & Kendall, 2006).

One of the features of major sporting events is that a celebratory mood is generated that includes both the residents and tourists, as it is the joint participation and urban life that allow for the creation of this festive mood in the host city (Preuss & Solberg, 2006). In this sense, the analysis of citizen's perceptions of sporting events organized in their city is imperative because although many events attract a significant number of tourists to the organizing city or region, the great majority of participants are local citizens, making it crucial for the events to be consistent with the needs of the local community (Fredline, Jago, and Deery,

2002). The ability to understand, control, and measure social impact is vital for the long-term viability of the event. Therefore, residents' direct or indirect participation in hosting these events is essential to allow continuity (Ntloko & Swart, 2008).

2. RESIDENTS' PERCEPTIONS OF MAJOR SPORTING EVENTS

According to Preuss and Solberg (2006), citizens usually formulate their perception of sporting events based on three information sources. The first source is the information provided by the organizing committee, political authorities, the media, and lobby or interest groups (including groups opposed to the event). The second source is information received from the experience of hosting similar events in other locations, through the media or other people. The third source is their personal experiences of events held in the same location or other locations. This fact is of paramount importance as a base for developing a communication strategy for the event.

Moreover, many authors have put forward diverse theories to try to understand and explain changes in residents' perceptions of sporting events. First of all, it is important to note that the initial application of these theories has been conducted in the area of tourism research, based on the analysis of reactions, attitudes, or perceptions of local communities of the impact on tourism (Deery & Jago, 2010). The most used explanatory theories in the areas of residents' perceptions of sporting events are the Theory of Social Representations and the Social Exchange Theory.

The first theory states that citizens have a set of representations about tourism and sporting events, which define their perceptions regarding the impact generated, these representations being determined by their direct experiences, social interactions, and other factors such as the media. This theory has been used in various studies to

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