Estimation of The Non-market Value of Sport Events: A Case Study of the Civic Pride Generated by 2009 Shanghai ATP1000

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As sports events have distinctive external and public features, the accompanied non-market values are obvious. Due to an absence of relevant price benchmarks, there are only sporadic descriptions of the non-market values of sports events at present. However, with the development of economic research, some methods have laid quantitative foundation for the non-market values of sports events, such as the Contingent Valuation Method, the Travel Cost Method and the Asset Value Method.

In recent years, economists employ the Contingent Valuation Method (CVM) to assess the values of public products in sports activities (the non-market values) for the identification of the factors that determine the individual willingness to pay for the sports products. Johnson & Whitehead and some others are the first to use this method. In 2000, they employed the Contingent Valuation Method respectively to investigate and compare the residents’ willingness to pay for a basketball stadium built for NCAA in a large city, and a baseball stadium built for a minor baseball league in a small city; in 2001, they made an assessment of the non-market values created by the American Hockey League; and recently, they made investigations of the residents’ willingness to spend money in two cases. In addition, some other scholars conducted similar researches: Carlos Pestana Barros investigated the residents’ willingness to pay for the 2004 European Football Championship in Portugal, and made an analysis of the findings via the Tobit regression model; Harry Walton and others investigated the potential the non-market values of the 2012 London Olympic Games. And still others, such as Fenn & Crooker (2003), Rappaport & Wilkerson (2001), Siegfried & Zimbalist (2000) conduct relevant researches.

The social influence of holding sports events is mainly represented by non-market values, which has always been a focus of China in its development of sports undertakings, building of city images, constructing of the residents’ cultural life and so on. At present, except for the sporadic descriptions of the social influence of sports events, there is a general lack of in-depth analysis and research on specific sports subjects. A case analysis of the civic pride valuation is carried out here with the Contingent Valuation Method for the 2009 Shanghai ATP Masters 1000.

The design of the questionnaire borrowed the major CVM components summarized by Mitchell and others. To increase the CVM reliability, we made improvements through several pre-investigations. The questionnaire research consisted of three parts: (a) the investigation of the residents’ recognition of the social influences of 2009 Shanghai ATP Masters 1000; (b) the investigation of the civic pride valuation and WTP for 2009 Shanghai ATP Masters 1000; (c) the investigation of the respondents’ social and economic situations.

After the completion of the questionnaire design, a short-term training was held for the investigators. Other measures included making preliminary investigations of the target groups, conducting pretests about the questionnaire quality, and making corresponding amendments to the questionnaire.

Face to face investigation was used according to the 25 principles of NOAA. The street investigations were made in crowded places such as subway stations, entrances to the supermarkets and the residential quarters. Random sampling was adopted in the districts of Pudong, Xuhui, Baoshan, Jing’an, Yangpu, Zhabei, Jiading, Hongkou, Minhang and Changning. As a result, this questionnaire research met the broad representative requirement of the CVM research.

The investigation was held during May and June in 2009. The total sample size was 1800. Among the 1,732 recovery copies, there were 1,630 valid ones, excluding 102 copies with a very low answer rate. It made a collect ratio of 90.5%. High reliability was achieved due to a total error range of 2.06% here. A significant increase of sample size would be required for a higher statistical accuracy, which would have cost gigantic labor and material resources. This was rather unnecessary. Therefore, the sample size was decided according to the 95% veracity for the research.

Several factors have influence on the civic pride and WTP for the 2009 Shanghai ATP Masters 1000, including gender, education qualification, annual family income, aggregative indicator of product of annual family income and education qualification. When other conditions are kept constant, the male WTP is higher than the female WTP; the residents with higher education qualification have higher WTP; the residents with higher annual income level have higher WTP; the residents with both higher education qualification and annual income level have much higher WTP. The average WTP value for the 2009 Shanghai ATP
Masters 1000 is 24.2 yuan; and then the civic pride valuation for this sports event is between 84,157,900 yuan and 337 million yuan.