Recalibrating the Global Sport Impact (GSI) Index: A Scalable Framework for Measuring the Impact of Sporting Events on Their Host

Michael Linley, Victoria University
Eric Schwarz (Advisor), Victoria University
Hans Westerbeek (Advisor), Victoria University

Management/leadership Saturday, June 4, 2016 20-minute oral presentation (including questions)
Abstract 2016-335 4:00 PM (Forum West 1)

In 2012, the Global Sport Impact (GSI) Project was introduced by Sportcal, one of the world leaders in providing sports market intelligence to the industry in the form of news, data, and market analysis.

While the original GSI model's purpose was to establish a simple index of event hosting, the purpose of revisiting the GSI methodology in 2015 was "to create an internationally accepted methodology for measuring the impact of sports events across the globe" (Sportcal, 2015) through the analysis of the impacts of sport on the event host across an expanded set of six dimensions, namely: economic, environmental, brand, media, social, and sport.

Hence in 2015, the Institute of Sport, Exercise and Active Living (ISEAL) at Victoria University (Australia) and Sportcal partnered to develop a more robust index of sporting events and the associate host cities and nations. The 2015 GSI project was designed to establish a comprehensive and consistent model for assessing event impact across multiple dimensions, across events of different scale, and over time. The goal was to provide a clearer view on how events differ in impact, so prospective hosts could be more selective in their bids through more carefully evaluating events for their alignment with the host’s strategic development plans and their financial resources.

Whilst there is no agreement on the precise value of the global sport industry, sources that the scale of industry is measured in multiples of $100bn USD. PricewaterhouseCoopers (PwC) reports that global sporting revenue for 2015 is projected to be $145.3 billion USD and is growing at 3.7% annually (PricewaterhouseCoopers, 2011). AT Kearney in the same year reported that the global sports industry—including teams, infrastructure, sporting goods, licensed products, and business operations— is valued at somewhere between $480-$620 billion USD (AT Kearney, 2011). Plunkett Research Limited published reports in 2015 stating that the United States market alone is valued at nearly $500 billion USD, with the global sport market at $1.5 trillion USD (Plunkett Research Limited, 2015).

As much as there is a disparity in the valuation of the global sport industry, so too is there inconsistencies in many of the valuations—both in dollars and impact—at many level of sport…with sport events being at the forefront. Attempts to measure the impact of sporting events to date have focussed on measuring their economic value, with unsupported claims of their promotional value often used to close gaps between economic benefits calculated and taxpayer funds invested.

The GSI Project seeks to reduce those discrepancies through the development of a comprehensive model that benchmarks the wider benefits from events, establishing and empirical and consistent score for those impacts. This research will develop the framework for assessing the relative importance of the 240+ measures associated with event legacies found in academic research, how they correlate and which can be captured reliably and consistently across events.

Given that much of the media’s attention, government reports and academic research has been directed to assessing the legacy of mega-events, a core deliverable will be a model that enables events of differing scale to be comparatively and consistently assessed, as well as assessment of the same event across different hosts.

The purpose of this presentation is to present a holistic overview of the study undertaken to develop a comprehensive framework that empirically determines the relative importance of different areas of event impact, and enables events of differing scales and types to be assessed on a consistent and comparative basis. This will be analysed through the lens of the aforementioned pillars, the drivers influencing those pillars, and the indicators that directly measure impact.
This will be followed with an articulation of the systematic process used to explain event impact in a knowledge context, and how that research drove the creation of impact scoring and validation of the model. The data was collected through a research survey that followed the Delphi process and used multiple rounds to establish a consensus by providing each respondent with opportunities to review and change responses in light of the group’s responses.

Data were analysed using standard statistical distribution analyses; a factor analysis of Likert scale ratings of importance; and discrete choice modelling of MaxDiff scores.

The presentation will conclude with the presentation of a model from which the relative impact of an event can be calculated and compared to other events using a consistent set of measures with an agreed weighting of their importance.