Sport Tourism  Impact of the Open Golf Championship (2010-2016)

Richard Coleman, Sheffield Hallam University  
Steve Bullough, Sheffield Hallam University

Finance/Economics - Other (Elite Sport)  
20-minute oral presentation (including questions)  
Abstract 2017-045

Thursday, June 1, 2017  
1:45 PM  
Room: Oxford

Introduction
Sport tourism is a growing area of research given the competition around the world to attract visitors to a destination. Sport tourism can take different forms such as participating in sporting activity recreationally and participating in, or spectating at, sporting events. In the UK there is a concerted effort by the national agency responsible for elite sport and major events - UK Sport - to bring international sporting events to the UK in order to (amongst other agendas) promote inbound and domestic sport tourism. The UK Government's strategy for sport identifies the impact of events supported through government and UK Sport major events programmes as a key performance indicator.

In addition to one-off events, there are a number of annual recurring events in the UK of international sporting significance such as The Open, Wimbledon and the London Marathon, all of which attract substantial crowds. Most annual events take place at the same venue each year. The Open, one of four 'Majors' on the golf calendar and the only one outside the USA, is an exception, with the event rotating around nine venues in the UK.

This paper examines sport tourism linked to one of the UK’s most prestigious events based on primary research with spectators at seven editions of The Open (2010-2016). This research is of value to local stakeholders to understand economic benefits whilst also providing useful metrics linked to regional variations and location factors. The findings add to the growing body of evidence linked to event sport tourism and in this instance golf.

Academic Context
There is substantial extant literature relating to the potential economic and social impacts that events can generate. Research in the UK by Gratton, Dobson and Shibli (2000) developed an event typology according to which The Open is classified as a major spectator event generating significant economic activity, media interest and part of an annual domestic cycle of events.

A variety of approaches have been used to estimate the economic impact of major events, for example input-output analysis (IOA) (e.g. Lee & Taylor, 2005), computable general equilibrium (CGE) modelling (e.g. Blake, 2005), social accounting matrix (SAM) (e.g. Saayman & Saayman, 2012). All have their merits but are perhaps beyond the scope of most local organizing committees and event partners; see for example Davies, Coleman and Ramchandani (2013) who make the case for pragmatism aligned to academic rigor which is proportionate to the scale of the event and the resources available. One technique utilized in the UK and to provide a cost effective solution and designed to mitigate against common errors and misapplications (see Crompton, 1995, 2006) is to assess the net direct expenditure in host economies as a result of an event being staged. The direct expenditure approach (DEA) makes up the economic strand of the national event evaluation framework in the UK (see eventimpacts.com) and assesses the additional expenditure generated in the defined host economy by non-local, event-specific, visitors that would not have occurred in the absence of an event being staged. This provides a baseline for some of the other advanced approaches to measurement to derive indirect and induced effects.

Methods
The sport tourism findings from this research are derived from the consistent application of the DEA across seven editions on The Open roster. The seven editions covered by this research include four in Scotland and three in England: 2010 - St Andrews, Fife, Scotland; 2011 - Royal St George's, Kent, England; 2012 Royal Lytham & St Annes, Lancashire, England; 2013 - Muirfield, East Lothian, Scotland; 2014 - Royal Liverpool, Wirral, England; 2015 - St Andrews, Fife, Scotland; and 2016 - Royal Troon, Ayrshire, Scotland. The analysis is based on responses to an intercept survey of at least 1,000 spectators at each edition. Across the seven editions some 13,330 responses were
achieved. For spending to be eligible for inclusion in the direct expenditure estimates, respondents must have resided outside, and be visiting the defined host economy, specifically to attend The Open. Spectators were asked to state where they lived, how long they were staying/visiting and how much they were spending on accommodation and other items in connection with their visit (excluding tickets). The host economies across the seven editions were regional/sub-regional in nature; linked to council areas in Scotland and counties in England. In order to facilitate like for like comparison expenditure estimates were adjusted to account for inflation and analysed at constant 2016 prices.

Results
In real terms the direct expenditure by event-specific non-local ('eligible') spectators in Fife for the two St Andrews editions (£20.4m in 2010 and £21.5m in 2015) exceeded the corresponding estimates at the other editions in Scotland and England which ranged from £6.9m - £15.2m. Admissions for the two editions at St Andrews (201,000 and 225,000) exceeded those at other Scottish venues and those in England which ranged from 142,000-200,000. Similarly, multiple-day viewing was greatest at St Andrews (2.4 days) compared with other venues (1.8-2.2 days). Moreover, the proportion of eligible spectators was greatest at St Andrews (92.6%) compared with other editions, which was as low as 74% in some cases.

The analyses also revealed location-specific variations in the proportion of overnight stayers (21.5%-54.8%) and day visitors (45.2%-79.5%). Day visitors typically accounted for the majority of eligible spectators, but commercial stayers were the main drivers of the sport tourism impact (46%-80%), because they had longer dwell-times in the host area (2.9-4.9 nights) compared with non-commercial stayers (1.8-4.1 nights) and day visitors (1.2-1.9 days). In real terms, commercial stayers (£95-£150) also spent more than non-commercial stayers per day (£47-£60) and day visitors (£33-£70).

We found strong positive correlations between the overall value of the sport tourism impact (in real terms) and: the average daily expenditure of eligible spectators (r=0.87); the trip duration of eligible spectators (r=0.76); and, total spectator admissions (r=0.73). Furthermore, there were moderately strong correlations between the sport tourism impact and: the proportion of eligible spectators (r=0.56); and, the proportion of eligible commercial stayers (r=0.55).

Conclusion
The findings illustrate that there are key regional variations worthy of consideration when predicting the likely sport tourism impacts on a regional host economy. There appears to be a ‘home of golf’ premium for St Andrews. Moreover, there is likely to be sufficient data available from the last seven editions of The Open to undertake further analysis to help local authorities and golf clubs on the rota to plan for future editions.