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## Impact of mega sporting event on tourism and economy with special reference to summer Olympic Games 2016

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### Abstract

Two of the key benefits which can be gained by hosting a sporting event are international exposure and consequent possibility of creating a lasting tourism legacy. Those hosting major sports events often taken for granted that their event automatically generates substantial positive legacies such as an increase in tourism and economy of the host country.

Many commentators see large economic benefits in tourism sector from mega events arising from the stimulus they give to a business particularly in the host city. Sponsorship by governments of such sporting events, even when they run at a loss is often justified by the claim that the events produce economic benefits for the region and country in which they are hosted. This paper looks into the impact of organising a mega sporting event on the tourism and economy by mainly focussing on the review of literature and the articles.

**Keywords:** mega sporting event, tourism and economy, summer olympic games

### Introduction

Over the past two decades there has been competition among cities, regions and countries to host mega sporting events. sports in this modern arena have also become the means to attain national pride, transcending the individual to become the globe Therefore, the renowned international sporting events organized from time to time not only bring the different nations of the world together, but are also seen as binoculars of tourism and economic growth and development, especially for the host nation Numerous existing works in the literature have defined mega events on the size, the reputation, the economic impact, the number of game audiences. In the 37<sup>th</sup> congress of the international association of scientific experts in tourism conference report, Witt (1988, P76) <sup>[4]</sup> concluded that mega event can be broadly defined in terms of;

1. "Values e.g value of the venue increase and certain amount of revenue generated in a locality over a period of time or minimum capital cost of constructing facilities "
2. "Volume e.g boost the tourism by increasing no of visitors from all over the world. There is increase of visitors attracted over a period of time "
3. "In terms of psychological effect e.g the world wide reputation of the event generates must see feeling in potential tourist."

Greene (2003, p.164) concluded that mega events also referred to as 'hallmark' or 'landmark' events, are large scales events intended to renew investment in the host cities, usually in tourism sector, by projecting a positive image of the city.

Sports now days is popular as ever before. The no of sports competition is increasing and are grabbing the attention of every one all ages. Some of them are known as 'Major international sports events' or 'Mega sports events' examples of such competition are Olympic games, football World Cup, common wealth games, and some other international championship. They are becoming more and more famous these days. The no of countries and cities that want to host these kind of sports competition is increasing. Mega sporting events generally referred to the growth of tourism, wide media coverage, the size of the event and how the event assists the host nation in winning a good reputation and gain tremendous tourism and economic impacts. Increasingly developing nations has begun insisting on their right to host these competition

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and there by reap the monetary rewards as tourism. Mega events, according to Roche (2000) <sup>[1]</sup> 'large scale' cultural (including commercial and supporting) events, which have a dramatic character, mass popular appeal and international significance'. These events such as the Olympic games and FIFA world cup

have not only attracted and increasingly global audience (Horne and Manzenreiter 2006) <sup>[2]</sup> but also seen to have shaped world tourism patterns highlighting new tourism destinations and creating 'lasting legacies' in the host cities or countries.

**Table 1:** Lost/ Benefit Analysis of Mega-Sporting Event

Benefits		Costs
Pre-Game phase	<ul style="list-style-type: none"> <li>▪ Tourism</li> <li>▪ Construction activity</li> </ul>	<ul style="list-style-type: none"> <li>▪ Investment expenditure</li> <li>▪ Preparatory operational costs(including bid costs)</li> <li>▪ Cost benefits from displaced projects</li> </ul>
Game phase	<ul style="list-style-type: none"> <li>▪ Tourism</li> <li>▪ Stadium and infrastructure</li> <li>▪ Jobs</li> <li>▪ Revenues from games (Tickest, TV rights, sponsorships etc.)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Operational expenditure associated with games</li> <li>▪ Congestion</li> <li>▪ Lost benefits from displaced projects</li> </ul>
Post game phase	<ul style="list-style-type: none"> <li>▪ Tourism (long-term)</li> <li>▪ Stadium and infrastructure</li> <li>▪ Human capital</li> <li>▪ Urban regeneration</li> <li>▪ International reputation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Maintenance of stadium and infrastructure</li> <li>▪ Lost benefits from displaced projects</li> </ul>

Sporting events encourage investments into various sectors of the economy including construction, hotels, telecommunications, hospitality, food chains and tourism. Following are some intangible benefits of a mega sporting event:

**Social legacy**

1. Community revitalization
2. Education and culture
3. Work force skills
4. National pride and unity

**Environmental legacy**

1. Beautification
2. Going for green
3. Pollution free environment

**Sports legacy**

1. Participation
2. Competitive skills
3. Commercialization
4. Patriotism

Following are some primary postive impact of the mega sporting events

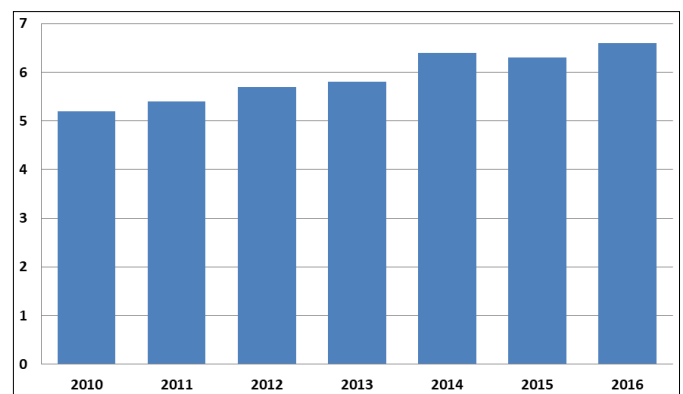
- Infrastructure
- Generation of employment
- Investment in the region
- Improve transport and road network
- Sporting legacy
- Volunteering culture
- Boost to tourism industry
- Creation of business opportunities
- Knowledge, skill development and education
- Improved image of the country
- A Cultural legacy
- National Fervour and unification: hosting an event of this magnitude and stature can engender and a feeling of local identification, vision and motivation

**Impact of summer Olympic Games on Brazil economy**

Summer Olympic Games 2016 also known as Rio 2016 are the first mega global athletic supporting competition hosted

by the Brazil. A number of concerns and controversies surfaced before 2016 Rio Olympic Games which received wide spread media coverage in Brazil and internationally. But game related project generated thousand of jobs during one of the worst global recessions in more than 80 years, and economist expect continued economic benefits long after the games.

1. Rio 2016 created 70 new hotels and residences in Rio and invested BRL5 billion in the tourism industry.
2. The construction of hotels and other infrastructure for the games was estimated to require some 16,000 staff to work in the new building residences, creating training and employment opportunities.
3. The Olympic Games helped the country to achieve record tourism figures in 2016 over the 12 month. Brazil welcomed 6.6 million foreign tourists, which represents a 4.8% increase on the previous year. In terms of revenue generated by tourism in 2016, the total was US \$ 6.2 billion and increase of 6.2 % on the previous year.



**Fig 1:** The 2016 record represent an increase of 4.8% over 2015 equivalent of about 300,000 more foreign visitors

4. Job creation accounted for 82% of Rio's local economic growth. The bare of the social pyramid in Rio mostly benefited from the increase in labour income during the pre-olympic period.

The income of the poorest 5% grew 29.3% against 19.96% of the richest 5%

The conclusion was that the seven years prior to the game brought more progress than the previous period in such as tourism, public services, education, health and social development. However the Rio Olympic add value to the struggling economy and take Brazil out of its deep economic recession. 2016 Rio Olympic was the richest games in 120 years the amount that the Rio Olympics generated in revenue was still unknown even after the close of the games.

### **Conclusion**

It has been a foregone conclusion that organization of such mega sports events like Olympic Games do bring in both cost and benefits. In the long term the media coverage of the Olympic Games, the increased supply of hotels, new and upgrade infrastructure and additional tourist attractions include a quantitative rise in the no of visitors. The overall economic impact of organising such a mega event can be visualised in a long term perspective which is both quantitative and qualitatively the economic impact of the mega sporting event is likely to be inherent i.e cannot be seen apparently also the fact, money, of course, is not every thing that benefits are always tangible or cannot expressed in financial terms such as the increased confidence and pride of the population of the host country that organising the mega sports events. Taking into the consideration the findings of this paper we conclude that the Olympic legacy on tourism depends on the way that the Olympic host takes advantages of the opportunities afforded as to what extent the host cities further leverage their tourism industry depends on their ability to exploit the opportunities provided by the Olympic Games.

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