

**World Conference on Sport and Tourism
Barcelona, 22 and 23 February 2001**



Introductory Report

Author: Prof. Peter Keller, Ecole des HEC, University of Lausanne

With contributions of:

Michael Breiter, Noelle Duc and Fred Salamin,
Ecole des HEC, University of Lausanne

Copyright © 2002 World Tourism Organization

Introductory Report

ISBN: 92-844-0417-7

Published by the World Tourism Organization

All rights reserved. No part of this book may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording or by any information storage and retrieval system without permission from the World Tourism Organization.

The designations employed and the presentation of material in this publication do not imply the expression of any opinions whatsoever on the part of the Secretariat of the World Tourism Organization concerning the legal status of any country, territory, city or area, or of its authorities or concerning the delimitation of its frontiers or boundaries.

Printed by the World Tourism Organization
Madrid, Spain

Acknowledgements

This report has been commissioned to Professor Peter Keller, University of Lausanne, for presentation at the first World Conference on Sport and Tourism, jointly organized by the International Olympic Committee (IOC) and the World Tourism Organization (WTO) on 22-23 February 2001 in Barcelona, Spain. The report was drafted under the supervision of WTO's Market Intelligence and Promotion Section.

Table of Contents

I	Challenges.....	5
1.	Areas to be covered: joint analysis of the challenges which both sport and tourism face at the dawn of a new millennium	5
	1.1. Objectives of the world conference	5
	1.2. Looking for areas of common interest.....	7
	1.3. The great challenges	8
2.	The system of sport and tourism: defining similarities and analysing differences	9
	2.1. The different rationale of the world of sport.....	9
	2.2. Tourism that includes a sports component and sports tourism.....	11
	2.3. The specific links between sport and tourism.....	14
3.	The future of sport and of sports tourism: major demand-side trends	16
	3.1. Competitive sports versus freestyle sports.....	16
	3.2. Sports-related tourism and the experience society	17
	3.3. Need for synergies between sport and tourism	18
II	Socio-economic impacts	21
4.	Sport and tourism in modern societies: recognising the importance of both these phenomena for the development of individuals and communities.....	21
	4.1. Tourism and sport as psychosocial necessities	21
	4.2. The psychosocial and economic functions of tourism	22
	4.3. Public interest in sport and tourism	23
5.	The economic significance of tourism and sport: discovering the impact on households, the economy and the state	24
	5.1. Macroeconomic questions	24
	5.2. Value added clusters	26
	5.3. A convincing performance	28
6.	Mega events in sports and tourism: creating opportunities for sustainable development	30

61	The multiplier effect of sports events	30
62	Direct tourism benefits from mega sports events.....	31
63	Management of events portfolios.....	34
III	Managing Change.....	36
7.	Externalities: defining the public-private partnership	36
7.1.	Investments, financing problems and the role of the state.....	36
7.2	Positive and negative effects of investments	37
7.3.	Cost-benefit analysis	39
8.	The innovation creation mechanisms: guaranteeing continuous development.....	41
8.1.	The tourism environment as a source of innovation	41
8.2.	The innovation process	43
8.3.	Innovation management.....	45
9.	Marketing management: making use of the synergies between sport and tourism	46
9.1.	Sports and destination marketing	46
9.2.	Sponsoring and merchandising	48
9.3.	Institutional aspects.....	49
IV	Conclusions.....	52
10.	Final remarks and proposed measures	52
10.1.	Reflecting together	52
10.2.	Institutionalised co-operation	57
10.3.	Joint research agenda	58
	References	59
	Tables	61

I Challenges

1. Areas to be covered: joint analysis of the challenges which both sport and tourism face at the dawn of a new millennium

1.1. Objectives of the world conference

1. Tourism and sport are very much like Siamese twins. Both are key **components of an emerging new world culture** (Keller, 2000). Travel and sporting events are both helping to make the world a smaller place. Tourism is busy opening up the last few relatively unexplored areas of the world. Visitors make very similar demands on tourism facilities and services no matter where they find themselves on this planet. Today's sports events and competitions can be organised anywhere, regardless of national boundaries. No matter how remote the venue the mass media is able to bring it into the comfort of the home, for the benefit of potential spectators around the globe. **Tourism and sport are two forces that are helping to accelerate the rate at which the world is becoming smaller.** As they shrink the distances between us they make the often talked about "global village" more and more of an everyday reality (Table 1). But tourism and sport also promote the **development** of societies at the local level. They encourage growth and improved all-round performance.

Table 1

**Sport and tourism:
in the service of development and understanding between peoples**



Prof. Peter Keller, HEC/UNIL, Lausanne

2. The World Tourism Organisation (WTO) and the International Olympic Committee (IOC) promote **growth and development** on a world-wide scale in their respective fields. Their efforts ensure that such development takes place with as little disruption as possible. Their **rules and statutes** make it binding on both organisations **to work for greater understanding and peace among the peoples of the world**. Sport brings people together, in the words of Baron Pierre de Coubertin. In the statutory article outlining the purpose of the organisation, the WTO expressly states that it must promote tourism in the pursuit of metaeconomic goals and in the interest of **development, international understanding and peace** (WTO, 1975). In adopting the “**Global Code of Ethics for tourism**” the WTO clearly reaffirmed this humanitarian strategic orientation (WTO, 1999).

3. Today's tourism would be unthinkable without sport. Sporting activities are not only an essential part of our daily routines and leisure time. **Sports tourism** is increasingly fashionable. It would be erroneous to think that sport has not also obtained many benefits from tourism. Sporting events often involve travel and spending time away from the work-a-day world. Moreover **sports events generally do not take place without some kind of touristic support**. They often depend to a great extent on a tourism destination. Even so, tourism and sport are increasingly developing in different directions. **Autonomous sport and tourism systems are being created** as a result of **growing specialisation and professionalisation**. Not enough use is made of the synergies that exist between the two systems. Thanks to this **First World Conference on Sport and Tourism** an effort is at last being made to harness the potential for co-operation more efficiently, and to work together to solve problems that are common to both types of endeavour. We shall thus be making a substantial contribution to world development.

1.2. Looking for areas of common interest

4. Before the mutual interests of sport and tourism can be explored however we need to understand both the **differences** and the **similarities** between these two phenomena. In this context we must first acknowledge that there are very different **rationales** behind sport and tourism. Sport on the other hand depends greatly on **physical movement, performance and competition**. Tourism is based on a **variety of motivations of a non-material nature**. Both sectors have seen the formation of their own different networks and demand groups. The questions that needs to be asked are how these two different systems can interact and share the things they have in common, and in what specific areas (Table 2).

Table 2

The search for common ground: a theme of the conference

Conference objectives	What are the objectives of the IOC/WTO conference?
Systems	What are the similarities between sport and tourism?
Trends	Are both likely to face the same challenges in the future?
Public interest	Why can we look forward to growing public interest in sport and tourism?
Economic stimuli	What economic stimuli lead to increased investment in sport and tourism?
Externalities	What negative symptoms do sport and tourism need to overcome by joining forces?
Management	How can innovation and marketing be jointly managed and financed?
Conclusions	What is the best way forward?

Prof. Peter Keller, HEC/UNIL, Lausanne

5. In our search for similarities it may help to consider the **trends** that are likely to have a major impact on the future of tourism and sport. In each we find developments that are pointing in the same direction. Sport and the related phenomena of exercise and physical performance play an ever greater role in tourism. Sport is changing from a highly organised form of exercise to one adaptable to the different behaviours that are common to leisure time activities. Tourism

and sport are both of increasing **importance** to society and to the economy. Their social and economic **benefits** are recognised. At the same time however certain **negative phenomena that accompany** tourism and sport are also attracting increasing attention.

6. In today's tourism **mega-events** are more and more important in the context of market communications and marketing. Foremost among these events are the Olympic Games. The Games are increasingly dependent on tourism locations, and on **a positive transfer of the location's touristic image** (Glaesser, 2000). And of course the Olympics are also an increasingly crucial factor for tourism, capable of significantly improving international awareness of a given location, region or country. Such mega-events are also **a major source of revenues and a great multiplier**. It is only possible to take advantage of these benefits however when events have been carefully planned, right down to the last detail, and when they are staged in the most sustainable way possible. This calls for co-operation at the level of the **sports and tourism management teams**. And when these two complementary phenomena interact, one must not lose sight of the need for constant innovation, and for developing a brand new range of sports and tourism products and services that can be marketed together. This kind of management requires taking into consideration a great many actors at all levels.

1.3. The great challenges

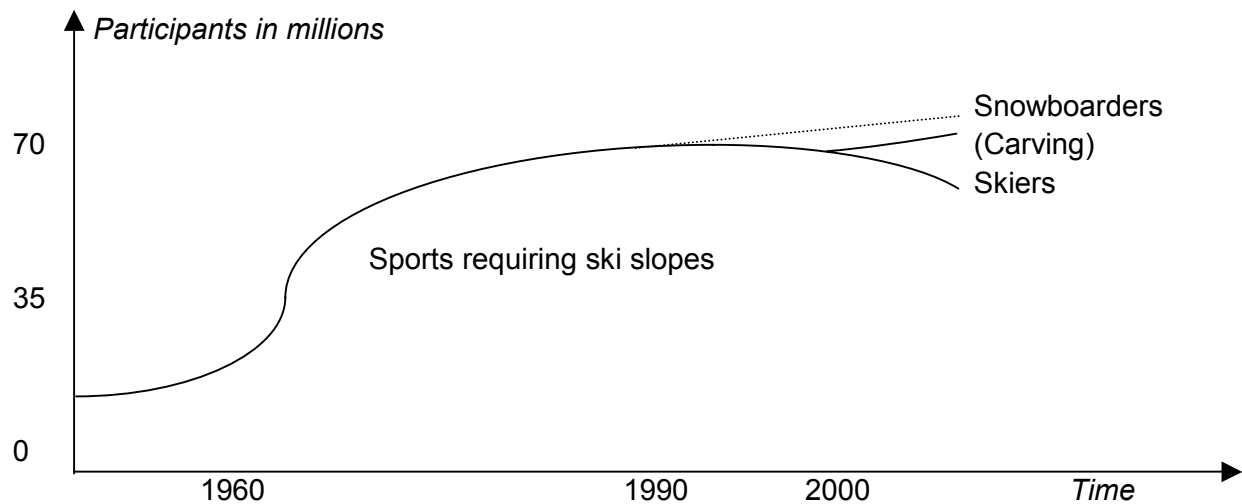
7. Tourism and sport have very good growth and development possibilities. Success however is not guaranteed in either. Individual tourism companies and destinations face tough competition of a global nature, involving a great many other suppliers. The **supply of tourism products and services must constantly be upgraded to meet the changing needs of the market**. Moreover selling products and destinations on the tourism world market requires expensive efforts in the areas of communication and marketing. Sport is a **potential source for the development of new strategic products**. Sports events are ideal vehicles for tourism-related advertising messages. They are above all eminently suited for positioning or repositioning a destination.

8. Sport too must be constantly ready to adapt to new developments. Like tourism products, individual sports, sports disciplines and sporting events have their own **life cycles** (Table 3). They too go "out of fashion". And they increasingly find themselves having to compete against other leisure activities and events. In this context the **performance orientation and increasing commercialisation** in the world of sport constitutes a problem. It is an open question whether the global leisure society of the future will be dominated by performance-oriented sports as well as sports which are highly commercialised at the elite level, or on the contrary by activities and events of a more cultural nature. In sport too there is a

constant need for the adaptation of individual sports and events to the changing requirements of sportsmen and sportswomen, as well as spectators.

Table 3

**The life cycle of tourism-related sports disciplines:
fewer conventional downhill skiers, a growing number of snowboarders**



Source: WTO, 1st World Congress on Snow and Winter Sports, Andorra 1998

9. Sport and tourism are thus **constantly having to adapt** to increasingly difficult competitive conditions. A purely sector-oriented approach would not be enough to ensure survival. There is the ever greater danger that a purely insider's point of view would result in the wrong path being taken. It could prove a fatal move if sport were to seek to increasingly limit itself to its own system of athletes, associations, media and the sporting goods industry. In tourism suppliers have grown accustomed to the fact that they need to seek **co-operation with other sectors** as part of efforts to strengthen the destination.

2. The system of sport and tourism: defining similarities and analysing differences

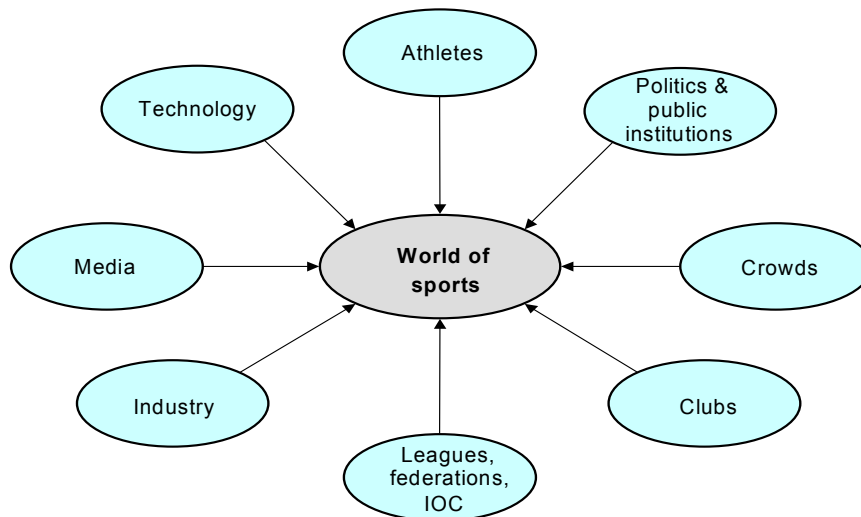
2.1. The different rationale of the world of sport

10. Sport has today established itself in the industrialised nations as an undisputed and self-supporting phenomenon in its own right. Its appeal lies in its ability to satisfy man's basic desire for **competition and exercise**. For many people life without it would be inconceivable. Sport

today is an **autonomous system**, which includes as "**stakeholders**" athletes, active sportsmen of all kinds, associations and clubs, manufacturers of technology, the sporting goods industry, the mass media, various economic sectors and the world of politics (Table 4). Such systems are often self-sufficient. Sport has a direct relationship with tourism when it comes to finding solutions to the travel and accommodation problems which athletes, trainers, media representatives and spectators alike face at a sports destination. Regular sport competition e.g. a national football championship is always linked with travelling. And sport is dependent on the availability of attractive destinations with sufficient tourism infrastructure and suprastructure, providing board and lodging as well as other services.

Table 4

Sport as an autonomous system: the key "stakeholders"

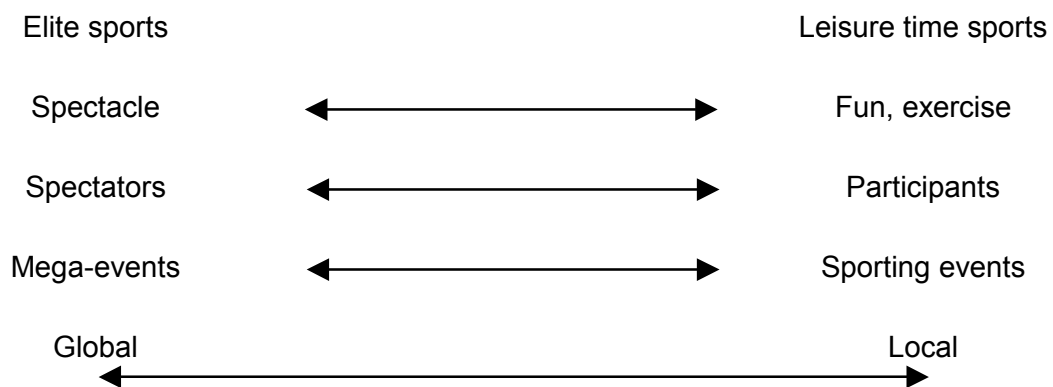


Prof. Peter Keller, HEC/UNIL, Lausanne

11. The difference between **elite or professional sports** and **general or leisure time sport** is of great importance when it comes to understanding the system (Table 5). Each of these categories interacts with tourism in its own way. The highly **specialised field of professional elite sport** relies on competition between the best athletes, who in the vast majority of cases make their living from sport. The financing of professional sports is mainly taken care of by the **sporting goods industry** and the **mass media**. The former spends US\$107,000 million each year providing the necessary sporting goods. Only the top athletes are recruited to wear the corporate logo, **in efforts to sell the company's products to the many who practise the sport as a leisure activity**. These leisure time sportsmen and women include the vast majority of day-trippers and tourists. Since the performances of top athletes have great value as a "**show**" and as **entertainment**, elite sports events ensure good ratings for the mass media.

Table 5

Two different worlds: elite sports and leisure time sports



Prof. Peter Keller, HEC/UNIL, Lausanne

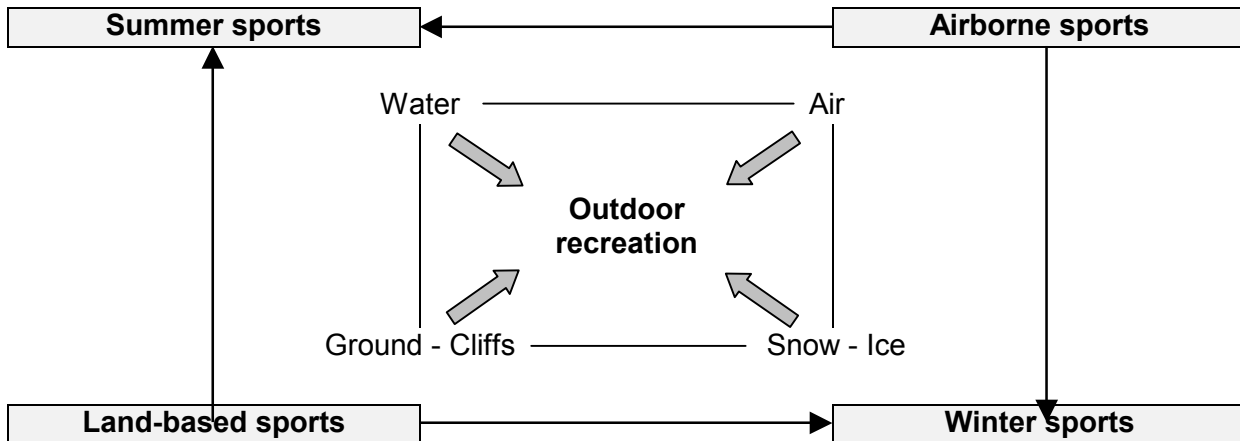
12. Much top-level sport is passively consumed by the spectator as an "event". In this context the market share of the mass media is greater than that of tourism. Major sports events are increasingly **media events**. It is no longer necessary to travel in order to experience an event. The passive consumption of sporting events can help to increase the number of practitioners of leisure-time sports. Elite sports are economically dependent on sports for the masses. A great many imitators in the ranks of leisure-time sports practitioners buy the goods and services offered by equipment manufacturers. The ranks of leisure-time sports practitioners are a fertile soil from which emerge a number of highly motivated athletes dedicated to their particular sport, hoping to turn professional and join the elite. The sport system is thus not entirely autonomous or self-sufficient. It depends on social impulses, which above all come from tourism and leisure time activities.

2.2. Tourism that includes a sports component and sports tourism

13. Tourism is today **one of the most popular forms of individual enjoyment**. Travelling is one way of realising one's dreams. There are a great many different types of motivation that influence the decision to travel. The most traditional motive for tourism is **to take a break** from the stress and pressures of everyday life. This kind of regenerative recreation typically included all forms of **movement** within the space and landscape of the destination. Today, the general types of individual exercise such as rambling, swimming and skiing count as the **most important forms of leisure time tourism**. In recent years **sport-related exercise as a component of active recreation** has grown in importance. **Customised Sports Tourism is an important niche market**.

Table 6

**Natural elements for tourism leisure time sports:
water, snow-ice, ground-cliffs, air**



Prof. Peter Keller, HEC/UNIL, Lausanne

3. **General sporting activities**, which are integrated in leisure time tourism activities, depend greatly on the **geographical and seasonal conditions at a destination** (Table 6). They make use of the elements water-snow and earth-air. Water sports on beaches around the world, skiing, skating and similar activities in the mountains are examples of exercise-related tourism leisure activities that can be practised in virtually all parts of the globe. They constitute more than 90 per cent of sports-related tourism in the widest sense in virtually every nation. Genuine **sports tourism**, as the principal motivation for the decision to travel and the mainspring of the visitor's behaviour is a **secondary category of tourism leisure time activities**, and is of considerably less importance in terms of pure numbers. A survey on summer tourism in the province of Quebec showed that about **60 per cent** of the package tourism products were based on **hiking** while experiencing the majestic landscapes and exceptional variety and scale of nature (Table 7). The demand for sports tourism has in this region the **characteristics of a niche market** and breaks down into a number of special disciplines.

Table 7

Sport components integrated in the tourism leisure time area, and sports tourism: sports tourism as a niche market activity

Tourism leisure time sports	
Rambling	61 %
Safaris	25 %
Sports tourism	
Cycling	11 %
Canoeing	11 %
Horse riding	11 %
Rafting	8 %
Dogsledding	6 %
etc.	

Source: survey on packaged holidays, destination Quebec, UQAM 1999

15. **Substantial cultural differences exist between individual countries at the source of sports-related tourism.** A market research study commissioned by the WTO and the IOC shows considerable differences in the level of interest in the practice of a sport during the holidays between Germany, France and the Netherlands (Table 8). Whereas in Germany and in the Netherlands between 45% and 48% of respondents do not practise a sport when holidaying abroad, the corresponding proportion in France is as high as 77%. As for those who do practise a sport, in the Netherlands 43% describe themselves as "very active", compared to 34% in Germany and just 15% in France. As for the sport concerned, in the winter it is mainly alpine skiing in all three countries studied. In the summer the preference of the Germans and Dutch goes to rambling or hiking, while the French prefer diving (IPK, 2000).

Table 8

Sports practice during holidays in foreign countries: Importance and cultural differences

	<u> Germans </u>	French	Dutch
<u>Number of trips</u>	58 million	15 million	13 million
No sports	45 %	77 %	48 %
Holidays with more or less Sport	55 %	23 %	52 %
• More Sport-oriented	34 %	15 %	43 %
• Less Sport-oriented	66 %	85 %	57 %
<u>Sport disciplines</u>			
Summer	Hiking	Diving	Hiking
Winter	Skiing	Skiing	Skiing

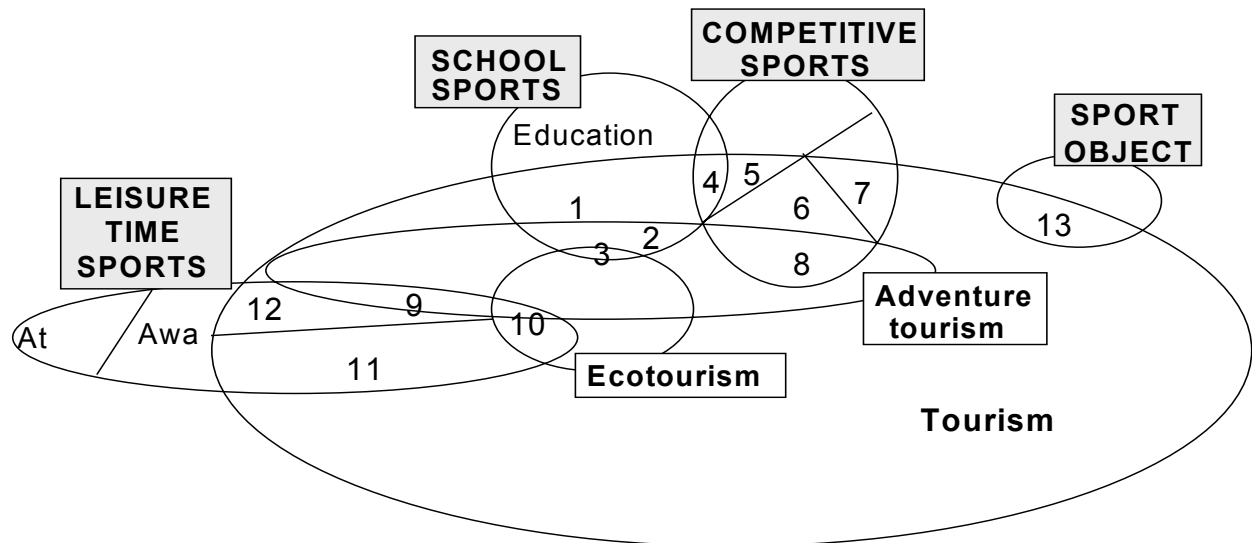
Source: IPK International, Sports Activities during Outbound Holidays, IOC-WTO Conference, Munich 2000

16. From the point of view of the supplier, tourism is above all a **business**, which translates the exercise and sports-related motivations of the visitor into a specific package of services and products. The many different kinds of sports offer unique opportunities **to develop and market tourism products**. Major sporting events such as the Summer Olympics, the Winter Olympics and World Championship events in various areas of sport, as well as similar large events, are in many cases the real pearls in the **portfolio of tourism-related events**. They certainly make greater use of the positioning of destinations and attract more local spectators than foreign visitors.

2.3. The specific links between sport and tourism

17. Tourism and sport are to a great extent **leisure time phenomena**. They do however have **different rationales on the demand side**. Tourism relies on the need for recreation and movement, sport on the desire for competition and performance. On the **supply side**, tourism has been fairly well defined. It covers all services necessary for travel and a stopover. These services include sports-related exercise as well as tourism-related entertainment and sports tourism. Thanks to tourism satellite accounts **sport-related services** provided to visitors are credited to the “tourism industry” and are thus reflected as such in the economic statistics. It is not so easy to define sport as a supply-side system, for there is a great variety of sports products. In principle these include **competitive sports** and **sporting events** as well as **leisure time sports**, with **school sports** as yet another category. All sports products have links to tourism (Table 9).

Sports and tourism: a multitude of links



Tourism aspects

1. School skiing holiday	7. Top-level training: long duration
2. American programme of <i>health, physical education, recreation</i>	8. High-risk sports: short or long duration
3. School nature holiday, autumn break, ...	9. High-risk sports of itinerant nature
4. Competitive school sports (trials, training sessions)	10. Non-motorised sports of itinerant nature
5. Competitive sports (trials, training sessions)	11. Leisure time sports with clubs
6. Top-level sports trials: short or long duration	12. Leisure time sports of itinerant nature
	13. Visitors to sports museums

Source: Plagnol, G., *Tourisme sportif et secteur marchand, cahier Espaces 52*

18. Such formal demarcations make the varied relations that exist between sport and tourism more clear. But they do not explain the dynamics of these relationships. The fact is that both sport and tourism are undergoing constant change. Tourism is influenced by new cultural and economic developments. Demand in tourism is dynamic. As with sport, tourism is subject to **constantly changing customer requirements, amplified by the mass media**. In this context sport seems to be the socially constant variable, with a strong influence on tourism. Vice versa tourism leisure time situations are a laboratory for the development of new types of sport. Needs that are latent or fostered by the suppliers cause interested parties to engage in sporting activities or to participate in sports events, which often require travelling and making a stopover, getting away from the daily routine.

19. A good example of the interdependent nature of tourism and sport is the introduction of the snowboard, which both in the Rocky Mountains and in the Alps has been a key factor in reviving moribund ski resorts and has stimulated the innovative renewal of winter sports products and services. **Snowboarding**, which is today an Olympic discipline, was invented by practitioners of the water sport surfboarding. They were looking for something they could do in the winter that would provide a similar experience in terms of movement, speed and fun. The

innovative process was inspired by **a time-related change (season)** as well as **a change in geographical location (destination)**, both factors which are important to tourism and sport. A similar thing happened with **beach volleyball**, which for a long time was a purely touristic leisure pastime and not an organised event. Today this kind of volleyball is an Olympic discipline. It is played in the heart of the big cities, on sand imported or manufactured for the occasion.

Summary: differences and similarities

Sport with its emphasis on competition and performance, and tourism which is about emotional experience and fun, are two increasingly specialised systems, which are nonetheless mutually dependent. Tourism needs sport for the development and marketing of products. And sport would have a hard time without tourism, for it is tourism that helps to develop entirely new types of sport, and a great many tourists remain devoted to existing sports disciplines.

3. The future of sport and of sports tourism: major demand-side trends

3.1. Competitive sports versus freestyle sports

20. The fact that structures in both tourism and sport are constantly evolving makes it imperative to come to terms with the upcoming major development trends which are likely to impact on both these forms of human recreation. Let us consider the case of sport first, which is clearly seen as **a particularly stable social activity**. A more precise analysis of the main development trends in sport shows however that social stability does not really exist in sport. Despite the favourable growth prospects there are many questions concerning the whole field of sports.

21. It is a fact that new kinds of sport and sporting goods are emerging all the time. Many of these new sports inevitably have a short life cycle. Another new phenomenon is the increasing availability of high-tech sports equipment. New segments of the population are discovering the world of sport, which **offers an ever greater number of disciplines and is constantly diversifying**. Many of these new types of sport are essentially leisure time sports however. **They no longer have any relationship with organised sports of the type that involve clubs**

and associations. The membership for organised types of sport is on the decline, as are the proving grounds from which top-level sports traditionally draw new blood. The new generation is a "**sliding, gliding and rolling generation**". Their sports are freestyle events like "**inline skating**", "**street basketball**" and "**snowboarding**", which in many cases are associated with a youthful subculture. Performance and rankings no longer play any role. What counts are the **aesthetic, "feel-good", atmospheric** effects.

22. As for organised sports, these are increasingly in the realm of "**show business**", although it is mainly a handful of the major sports like football and tennis that profit from this **entertainment** approach. But they face the ever present risk of falling audience ratings. Indeed without sports it would be difficult for the mass media. When ratings fall **so does the price of the transmission rights, and the sponsoring falls away**. Attendance at sports events also seems to fall with increasing levels of development and the transformation of industrial societies into service societies. These trends affect "niche" sports in particular, which become more and more difficult to finance. They may however find a certain relief thanks to the "online" services, since peripheral sports may be more attractive for certain types of sponsor. Finally, there is real substitution competition between sport as an organised form of competition with an entertainment function and other kinds of leisure time activity and rival events.

3.2. Sports-related tourism and the experience society

23. Sports tourism functions in accordance with criteria which differ from those of organised competitive sports. There is a strong leaning towards **outdoor recreation**. The types of sporting activity accessible to large sections of the population such as rambling, swimming, skiing and cycling will remain the most important leisure time activities as in the past. Some of these leisure activity fields such as bike touring are currently enjoying a boom (Table 10). The new Swiss "National Cycle Net" had an immediate success in terms of nights spending and receipts after its launching in 1998. Young people today have a preference for a different kind of sport known as **adventure sport**. This involves taking calculated risks that bring with them emotional stimulation and get the adrenalin flowing. These adepts of leisure time tourism are strange creatures - both fish and fowl with a bit of kangaroo thrown in - who by means of snorkelling, deep-sea diving, hanggliding, paragliding, free climbing, canyoning, skydiving and skysurfing, not to mention bungy jumping outdo nature and defy its laws (Dreyer et al., 1995).

**Popularity of tourism-related leisure time sports:
success of the Swiss network of cycling trails (Veloland Schweiz)**

1999	Travel with overnights	Excursions	Total
No. of journeys	92,000	3.2m	3.3m
Total kilometres	25m/km	115m/km	140m/km
Expenditures	95m US\$	133m US	227m US
Overnights	330,000		330,000

Results just one year after the launch!

Prof. Peter Keller, HEC/UNIL, Lausanne

24. Adventure sport in a touristic context takes the form of a search for **emotional experiences and fun**. This yearning impacts on all forms of tourism activity and sport is no exception. Suppliers of tourism products and services take these new requirements into consideration. They thus tend to offer more and more **artificial worlds of sport-related experience**. Sports-oriented theme parks are all the rage with free climbing, water slides, hydrospeeding, golf training or skateboarding. In the United Kingdom and the Netherlands there are ski domes where beginners can test their ability at skiing, and experienced skiers can get into shape before the season starts. In Japan there is now a giant seaside building containing a tropical paradise with innumerable bathing-related sports. As a rule these parks always include fitness areas.

25. Generally speaking leisure parks and theme parks do not rely on any landscape. They are in fact **genuine industrial zones** for sport-related enjoyment. And they are more often found near a large metropolis rather than in a remote tourism destination. Such parks thus turn on its head the logic of traditional tourism mobility according to which visitors from the cities are transported to distant tourism regions. The emergence of these tourism-related "hydroponic" productions is only partly due to the **higher "experience value" of sports tourism and other activities**. To a much greater extent it reflects the increasing limitations on the practice of outdoor sports in a natural setting, which people usually prefer. More and more regions are being placed off limits, with a reduction in the overall capacity, due to multiple use and excessive demand on "the great outdoors" for an ever growing number of sports.

3.3. Need for synergies between sport and tourism

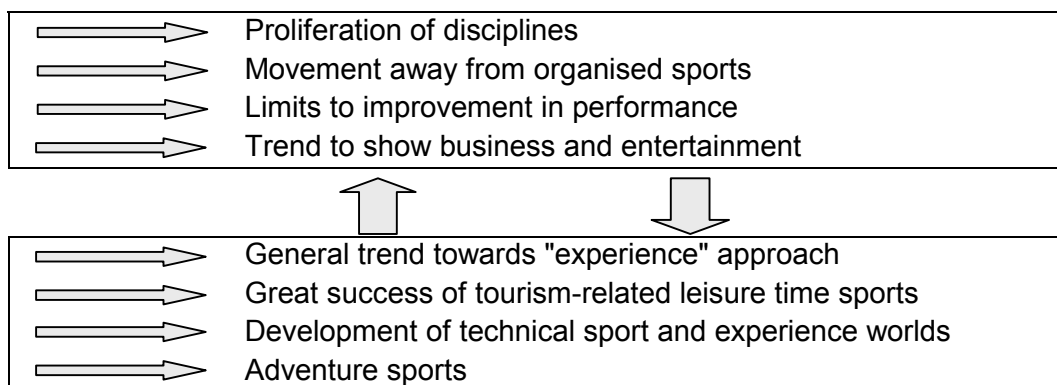
26. Development is on-going in both sport and tourism. Sport will however eventually **come up against limits to the enhancement of performance, competitiveness and**

commercialisation. The first signs that this may already be happening have appeared. Sports associations are being forced to address the problem of performance-enhancing substances and doping. They must also deal at the level of the associations and the civil courts with the problems of fairness and proper application of the rules. Many sports are having to fight against falling attendance figures and disappointing audience ratings. These phenomena are preventing leisure time sportsmen from engaging actively in their sports and from taking part as active spectators. Today's organised competitive sports definitely have an image problem.

27. The suppliers of tourism products and services and the destinations have problems of their own. The traditional tourism regions are suffering from **saturation**. Many destinations have failed to come to terms with the excessive concentration of tourism demand in both space and time, at the expense of the landscape and the environment. **Substitution competition** from leisure, theme and sports parks is on the increase. The pressure to improve the products and services offered to potential visitors is constantly on the increase. But the ceaseless efforts to upgrade installations and services has limits in terms of both financing and profitability.

Table 11

Trends in sport and tourism: positive feedback



Prof. Peter Keller, HEC/UNIL, Lausanne

28. In the face of problems like these, greater co-operation between sport and tourism certainly makes sense. The world of leisure and tourism serves as a laboratory for new kinds of sport. Suppliers of tourism products and services are in a position to package and stage-manage these to provide a complete experience. Tourism is about more than just sleeping, eating, drinking and having fun. It is a branch of the experience economy. It develops **socio-psychological skills** of a kind that is going to be increasingly in demand in the rather unimaginative world of sports. And indeed the organisation of sports events in destinations brings about a **positive image transfer**. Sport benefits from the attractiveness of tourism resorts. But tourism also benefits considerably from the development of sport and the hosting of sports events. Better use must be made of these synergies in future (Table 11).

Summary: major challenges in the new millennium

Sport

Practice of a sport outside organised sports

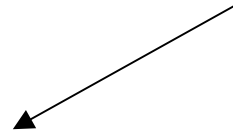
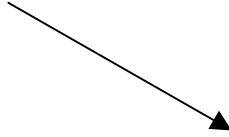
Shorter life cycles for individual sports, limits of performance enhancement

Tourism

Rival leisure time sports, substitution

Less room for the practice of open-air sports, saturation

Body feeling, aesthetics, emotional experience, adrenaline kick



II Socio-economic impacts

4. Sport and tourism in modern societies: recognising the importance of both these phenomena for the development of individuals and communities

4.1. Tourism and sport as psychosocial necessities

29. Few today dispute the importance of sport in social development. Sport and exercise have also become **the most important determining factors for health and the quality of life**. The quantitative effects of a rational dose of sports are well known. They range from the prevention of heart and circulation-related illnesses to greater independence in old age. The chronic lack of exercise of today's car-dependent urban populations is also a well-known fact. Only rough estimates are available at present as to exactly how much this physical inactivity costs society in terms of extra health system costs.

30. There is no doubting the fact that practising a sport improves the individual's chance of survival in an extremely competitive society. **Physical strength and fitness** make it so much easier to cope with life in general. The world of business also has a preference for men and women who are fit and healthy. In this context top athletes have an important function as role models. So we may safely conclude that performance in sport is far more important than simply for the purpose of exercise and fitness. Sport and exercise contribute a great deal to the **general education of the individual as well as to social integration**. Sport teaches values such as fairness in competition, and it helps to create meaning. It also makes it easier for minority groups to integrate better into society. And it leads to greater social cohesion for the population as a whole.

31. Sport also creates **many jobs and generates substantial revenues** in a variety of branches, the most obvious being the sporting goods industry, but also in other areas including the organisation of sporting events, and construction of the required facilities and infrastructure. Sport is increasingly a professional matter. Being a top athlete is becoming accepted as a new category of employment in university and vocational training circles. And sport management is now recognised as a discipline by the economics faculties.

4.2. The psychosocial and economic functions of tourism

32. Travelling to and staying in a location also brings society a number of benefits. There are many parallels with the world of sport, but also many differences. **Recreation is an absolute psychosomatic necessity for the individual human being**, even if it has nothing to do with exercise or with the practice of a sport. It would be difficult for most people to carry on without being able to "switch off" from time to time, to relax and engage in nothing more strenuous than "dolce far niente". And in particular it becomes difficult to live in the company of others without some such release.

33. Like sport, tourism also contributes to **self-realisation** and to the **widening of people's horizons**. Travel enables people to **learn new things about the world**. And it makes them more aware of the aesthetic values intrinsic in the landscape and in culture. In the exceptional circumstances of an annual holiday it is possible to cultivate a new lifestyle, which in all likelihood will involve some kind of sporting activity. Indeed holidays make it possible to catch up on activities for which there may be little or no time in everyday life. This fact explains the recent success of **wellness and exercise in tourism**, which is to a great extent based on sport-related exercise. Tourism countries are currently making **massive investments in wellness and general sports facilities**. Virtually every hotel at the quality end of the market today offers its clients expensive facilities of this type. And after a lengthy period of stagnation, thermal spas and health resorts are again enjoying a boom.

34. Day-trippers and tourists put additional income into general local circulation. Local jobs are created and bring wages to local homes. Moreover the development of tourism products and services results in the creation of **infrastructure**, which is also beneficial for local people. In particular this means **sports facilities**. **Without tourists and excursionists many cities and especially many rural communities would not have a swimming pool, or at best would have a rather modest one**. The same is true of sports centres and golf ranges. Only with the help of tourism is it possible in most cases to build and above all to make economic use of such facilities.

4.3. Public interest in sport and tourism

35. The social and economic benefits of sport and tourism are increasingly recognised by the **general public**. Many countries have an **explicit sports policy**, encouraging ever larger numbers to engage in sport and thus promoting sports in general and competition sports in particular. Widely accessible sports facilities tend to be financed from public funds in the context of **infrastructure policy**. Moreover, the state tends to make funds available for the planning and promotion of sports facilities as part of its **regional development policy**. Tourism often plays a major role in the context of the promotion of the places, and given the shared interests between sport and tourism this tends to benefit sport promotion at the same time.

36. Most countries also have a tourism policy. Tourism is promoted primarily because of the **important contribution it makes to economic growth and employment**. At the same time it is widely felt that tourism is above all the concern of the operational sector, rather than of the government. Be that as it may, the fact is that without a **"public-private partnership"** tourism would not be a viable economic proposition. The state makes available a great many public goods and facilities such as airports and roads on the one hand, protected landscapes and public safety on the other, and in doing so it is a tourism **"co-producer"**. And through planning measures the state ensures **orderly tourism-related area development**. It also tries to provide the most **tourism-friendly framework conditions** possible, including the unrestricted export of foreign currency and favourable value added tax rates for export-oriented tourism services.

37. It is increasingly accepted in the community of nations that **tourism promotion** is a necessity. The state must provide incentives that will ensure the development and marketing of tourism products. Innovative changes are required, and this means above all greater co-operation among the many small-business suppliers, which in turn leads to higher transaction costs. Only in this way is it possible to fully exploit a given country's tourism potential. The state must keep its efforts at promotion within the bounds of market economy principles however, intervening only when **market failures** make this strictly necessary (Keller, Smeral, 1998). Such market failures, which apply equally to sport, above all concern the area of public goods, which the private sector is not in a position to provide. This includes not only complementary marketing for tourism destinations, but also the additional financing needed by tourism's many small-to-medium-sized enterprises, which unlike other sectors of the economy are unable to raise the necessary investment capital in the capital market, on relatively favourable terms.

38. The considerable social and economic benefits derived from sport and from the tourism economy does not justify state intervention in all cases. Furthermore the interpretation of market failure depends on the **political and economic priorities** in each country. Finally, it is a

country's **state of development** that to a large extent determines whether or not it is in a position to promote sport and tourism. A precise idea of the economic impact of both phenomena, an appreciation of the costs and benefits of major sports events and the impact that sport and tourism promotion can have on society, on the economy and on the environment are key factors when it comes to determining the most appropriate sport and tourism policy for a given country.

Summary: significant public interest and subsidiary state support

Sport and tourism contribute significantly to the achievement of basic state objectives in the areas of public health, the development of social cohesion, and economic growth. It is for this reason that governments provide subsidiary support. At the same time the state tries to provide sport- and tourism-friendly framework conditions. It also makes public goods and services available and provides new incentives in cases where market forces have failed.

5. The economic significance of tourism and sport: discovering the impact on households, the economy and the state

5.1. Macroeconomic questions

39. Sport and tourism are **complex and not very homogeneous phenomena**, and they are particularly difficult to understand and explain in economic terms. Making money is not what sport is all about. There are a great many externalities both on the supply side and on the demand side. Sports facilities, associations and events often operate through **a kind of militia**. Sports people in many cases work as voluntary helpers and sponsors. It is no easy matter assessing the economic value of the services thus provided. Nonetheless it is possible to obtain economic statistics for sport, both on the demand side and on the supply side. This is not the case in tourism. Tourism-related phenomena can **only be defined in terms of demand**. Only clearly identified visitors at a given location define tourism in economic terms. And as in sport so in tourism there is an informal economy.

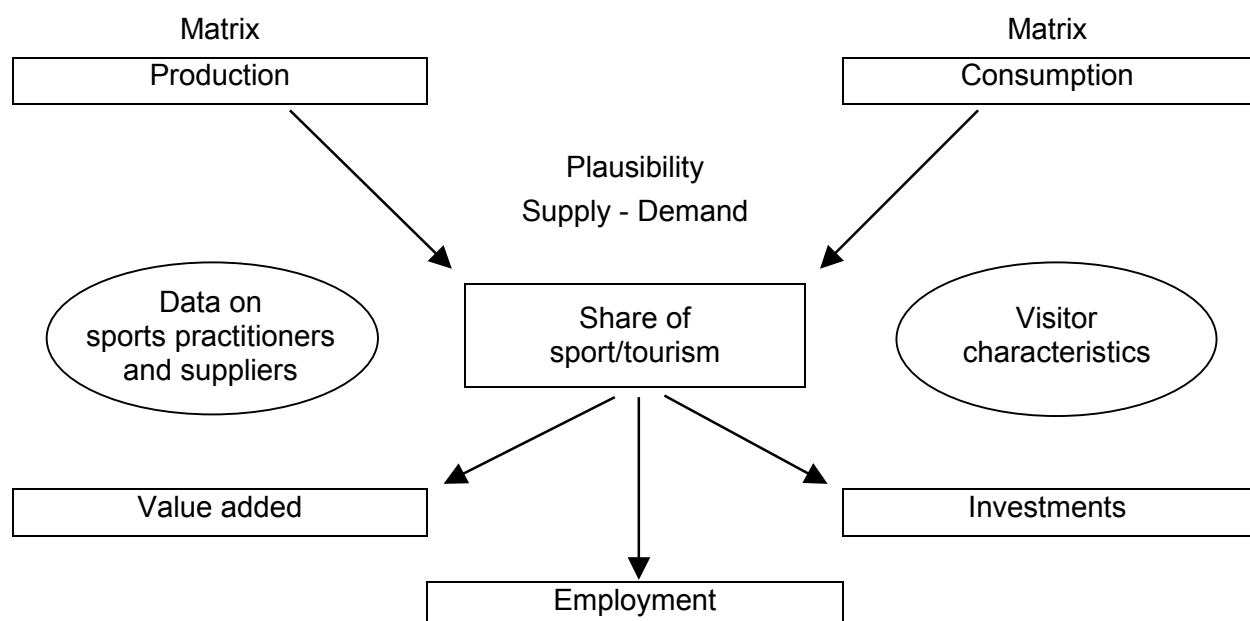
40. The fact that it is difficult to find the answers should be allowed to discourage us from asking **questions about the economic significance of sport and tourism**. It is interesting to know in macroeconomic terms just how much money **households** spend on sports articles and activities. From this we may draw certain conclusions concerning the health of the population and the long-term productivity of human resources. Long before the so-called "wellness"

business had been heard of the importance of "time off for recovery" was well known. The first specific social tourism products and services appeared after Léon Blum first introduced paid holidays in the 1930s. Most of these were created by the employers and trade unions or by governments themselves. From the macroeconomic point of view it is also important to find out the **economic** significance of investments in sport and tourism. Both can be interesting **"clusters"** for upstream and downstream economic sectors, which create jobs and revenues. It is equally important also to find out about the role that private sponsoring plays in both sport and tourism. And finally the flow of promotional **state** funds into sport and tourism is another matter of considerable interest.

41. In practical terms this would mean finding out the **aggregate demand** for goods and services in sport and tourism and comparing this to the **aggregate supply**. **Satellite accounts**, which can be obtained from the **national accounts** are the most suitable instrument for this. Satellite accounts in the areas of tourism and sport can provide valuable information on the value added, the share of gross domestic product, as well as on employment and investments (Table 12). This in turn make it possible to compare the economic importance of these two fields with other economic sectors and phenomena. It is also a way of finding out which sports disciplines and which forms of tourism are the most important from the point of view of value added and employment.

Table 12

Model satellite accounts for "sport" and "tourism" in the national accounts (SNA 93): integration in economic practices



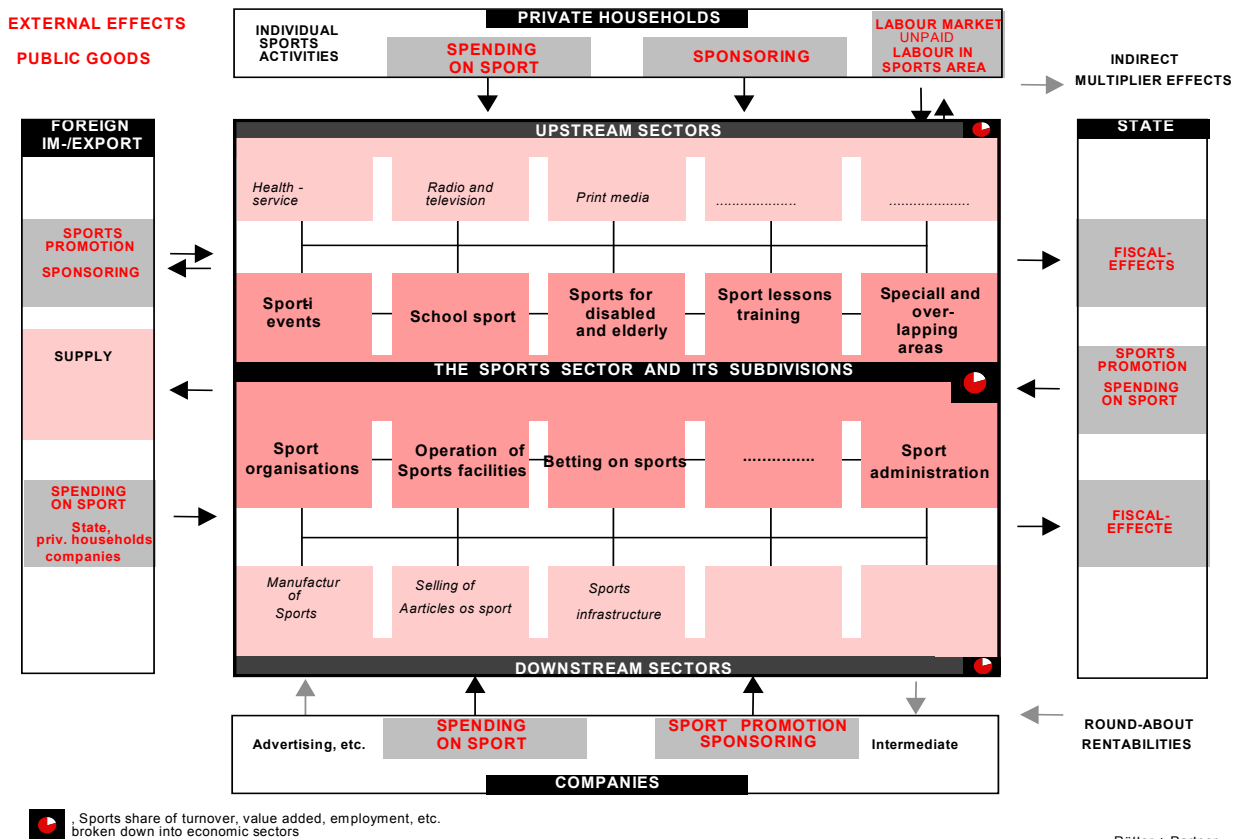
Prof. Peter Keller, HEC/UNIL, Lausanne

5.2. Value added clusters

42. Sport and tourism create **strong value added chains**. And they form so-called "clusters", which have a major impact in areas both upstream and downstream. It is possible to draw an impressive portrait of a **"sports cluster"** (Table 13). This shows what makes up the demand and the supply of sport products and services (Rütter, 2000). It also makes clear **the connection between supply and demand in sport** and the **upstream** areas of the sports goods industry and sports infrastructure, as well as the **downstream** areas of the health service and the media. The chain also shows the **impact that state promotion of sports can have**. This consists of the spending earmarked for sport in the national budget and the various income tax revenues from sports. Finally it shows the inflows and outflows between the domestic economy and abroad in the field of sports.

Table 13

Sports cluster: value added chain in sports



Rütter + Partner concert research

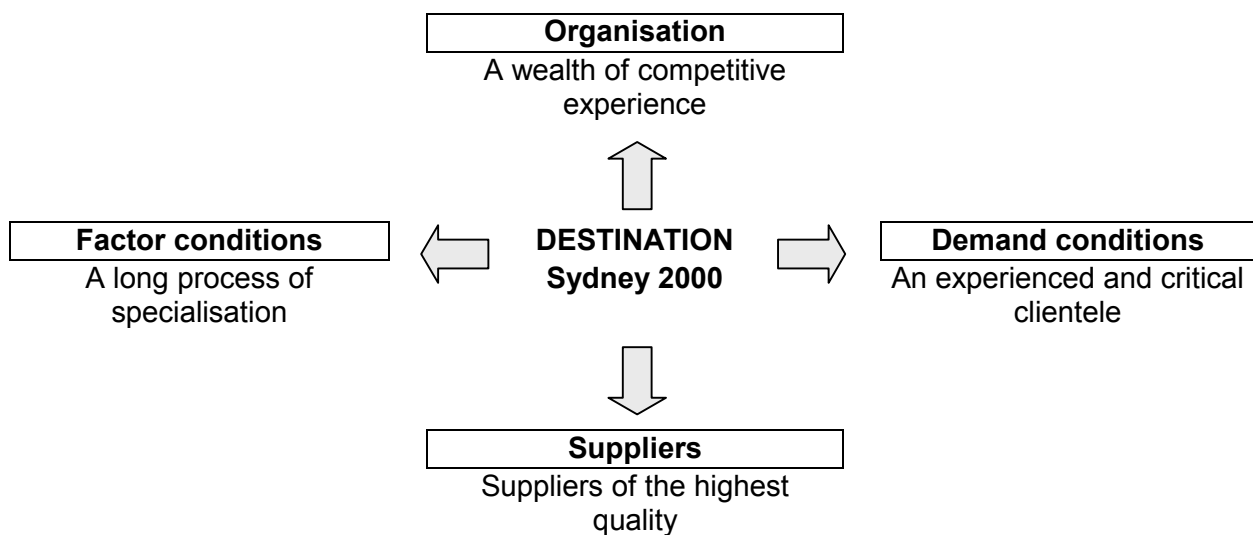
Source: Dr. Heinz Rütter, Rüschlikon, Zurich (Switzerland)

Delivered by http://www.e-univto.org
Wednesday, May 04, 2011 8:36:31 AM

43. Sport and tourism chains each have **spatial dimensions**. The economic impact on a given place, region or country are statistically recorded. In this context sport as a general social phenomenon has many more ramifications and appears less concentrated than tourism. **Sports mega-events** are an exception, which have a major impact on the local areas concerned. The equivalent in tourism of the mega-events of sport are the **destinations** (Table 14). These are unique "clusters" which can be **imitated** only at a high cost (Porter, 1990). And they are often the product of a specialisation process lasting many years. They have a great deal of competitive experience and know the requirements of their clients. Moreover they usually take care of their contacts with the best suppliers.

Table 14

An attractive tourism cluster as a prerequisite for an attractive sports event: the example of Sydney 2000



Prof. Peter Keller, HEC/UNIL, Lausanne

44. Destinations, with their exceptional infrastructures, their trained personnel and tourism attractions, installations and equipment are **excellent platforms for the organisation of sporting mega-events**, the best example being the successful Sydney Summer Olympics of the year 2000. The same can be said of the Winter Olympics which are due to take place in 2006 in Turin. When the IOC opted for the capital of Italy's Piedmont province, its attractiveness in the field of culture and tourism was certainly one of the main reasons.

5.3. A convincing performance

45. A great many **economic impact studies** have already been carried out in the fields of sport and tourism. Most of the sport studies concentrate on individual disciplines and events. In the area of tourism **the international community, under the guidance of the World Tourism Organisation**, has adopted a **common model**, inviting governments to make use of satellite accounts based on the national accounts as the best way to measure the importance of tourism (WTO, OECD, UNO, 2000). In fact there are already a few important tourism countries that make use of satellite accounts. Moreover there are also many other types of value added analysis for countries, regions and locations, either based on input-output or on other methods.

46. Most of these studies indicate that the macroeconomic importance of tourism is being underestimated. No doubt the same can be said for the impact of sport. The example of the **German Federal Republic** shows just how important sport and tourism can be for such a large economy (Table 15). The value added by sport has been estimated at about DM 44,000 billion just for the year 1993, equal to 1.4 per cent of the gross domestic product (GDP). The value added by sport is roughly equal to the value added by the hotel and catering sector of tourism. The latter's total share of Germany's GDP in the same year amounted to 5.6 per cent (Meyer, 1994; Keller, 1994).

Table 15

The economic significance of sport and tourism: estimates for the German Federal Republic 1993/94

	Sport	Tourism
Gross value added	DM 44,200 million	DM 123,200 million
Share of GDP	1.4 %	5.6 %
Jobs	600,000	1,800,000

Source: Meyer, B., *The economic significance of sport in the German Federal Republic*, Osnabrück University. Keller, P., *Tourism Labour Market*, OECD

Table 16

**Economic significance of cross-country skiing:
local and overall economic benefits in France**

		In billions of FF	
Impact On local Economy	Direct impact	<u>Investments:</u>	
		Development of cross-country ski runs	23.9
		Infrastructure and buildings	6.4
		<u>Operations:</u>	
		supplies, staff costs	87.5
	Induced flows	Stay-related consumption	820.0
		Spending on equipment	176.0
	Total 1		1,113.8
Additio- Nal impact Overall Economic Impact	Direct impact	<u>Investments:</u>	
		Ski piste vehicles	20.3
		Infrastructure and buildings	14.9
		<u>Operations:</u>	
		Taxes, interest, depreciation	70.7
		Induced flows	Spending on equipment
		Spending on transport	1,048.0
	Total 2		1,681.9
	Total 3 (1 + 2)		2,795.7

Source: SEATM, *Le ski de fond en France, 1999*

47. There have also been a number of excellent studies made in the field of tourism on the **economic importance of tourism-related sports disciplines**. These generally base their analysis on the number of practitioners of a given sport and its turnover, investments and the financing of installations and facilities, as well as the impact of the corresponding forms of tourism. A French study looks at the **development of cross-country skiing**, which has entered a period of relative stagnation when compared to downhill forms of skiing, and which in the winter season remains of great importance at medium-altitude resorts (Table 16). Studies like these are extremely valuable from the marketing management point of view (SEAMT, 1999). They are also valuable input for tourism policy and regional development policy. They provide much useful information to the authorities responsible for the well-being of locations and regions. Such impact studies also serve as a mine of information for the aggregate economic statistics at the level of the relevant satellite account.

Summary: the economic importance of sport and tourism is often underestimated

The World Tourism Organisation (WTO) has shown that international or cross-boundary tourism is growing at a significantly faster rate than the gross domestic product (GPD) of the countries concerned. With revenues of some US\$533 billion, tourism is the largest export sector of the world economy (WTO, 2000).

6. Mega events in sports and tourism: creating opportunities for sustainable development

6.1. The multiplier effect of sports events

48. Events open up new opportunities for national economies, and are an additional source of employment and revenues. Recent years have seen the introduction of event marketing in tourism. The local, regional and national authorities responsible for tourism build up event portfolios that usually include small, medium and large events. Sports events are particularly in demand. These can usually be counted on to improve the organiser's image and lead to additional demand due to the spending of visitors.

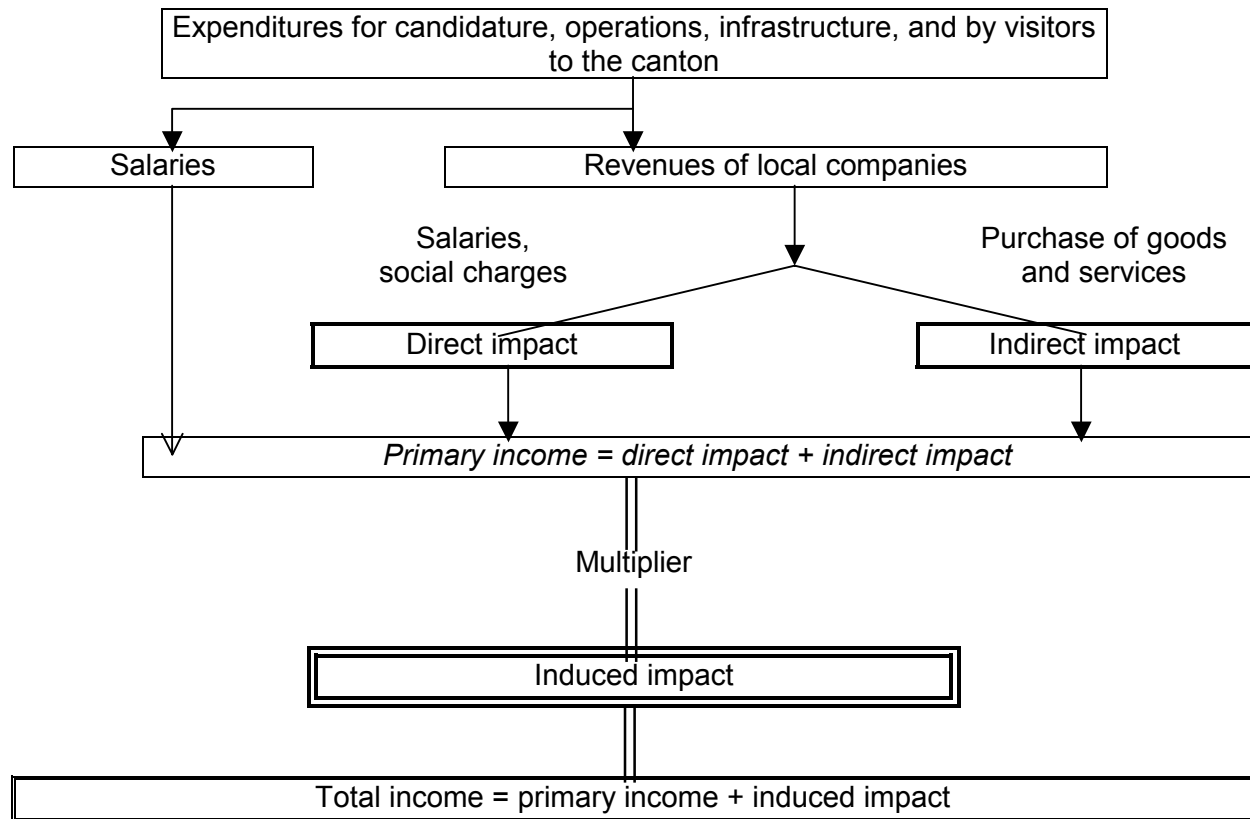
49. The most prestigious of all sports events are the Summer and Winter Olympics. These have evolved into the biggest events of any kind in the entire world. It is to the credit of the International Olympic Committee (CIO) that today's Games tend to give a boost to the economy of the host site. This phenomenon has now been scientifically evaluated, in a study entitled "Economics of the Olympic Games" (Preuss, 1999). It takes a look at the economic impact as well as the costs and the benefits for the various communities involved -- at the local, regional and national levels.

50. The Olympics are of course not the only major sporting events that have direct benefits for the economy and for tourism. Others include continental and world championships in the most popular sports, beginning with football. All such events tend to have an attractive multiplier effect. These events can be said to have a positive impact on the economy, particularly in countries and regions that are in need of a boost in terms of employment and revenues in the short-to-medium-term (Table 17). The expenditures in relation to various project tenders, for the

organisation of special events, the creation of the necessary infrastructure and the spending of visitors, all produce additional revenues in the form of wages and through the sale of goods and services.

Table 17

Economic importance of mega sports events: multiplier mechanism



Prof. Peter Keller, HEC/UNIL, Lausanne

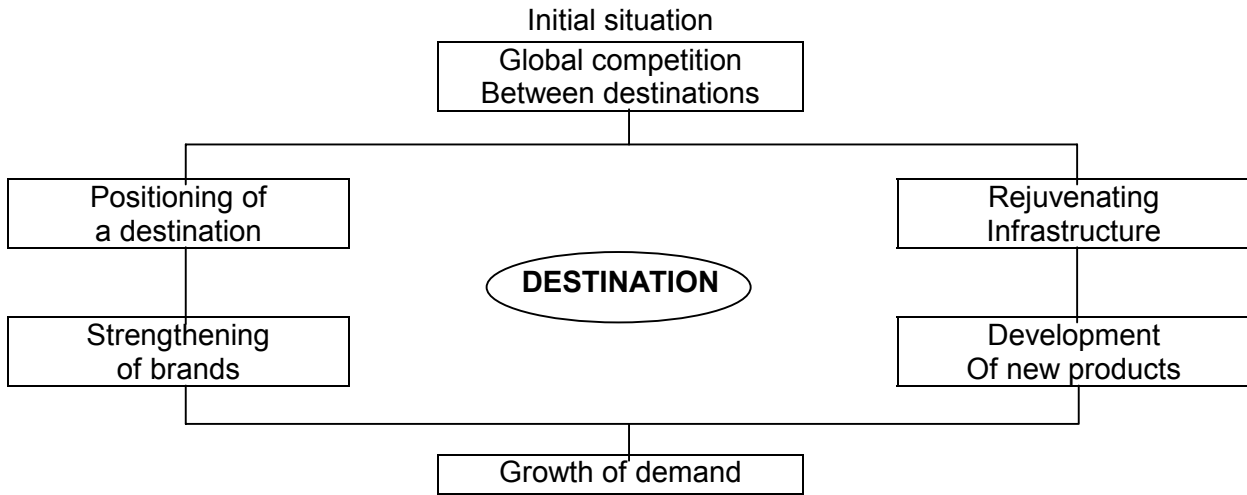
6.2. Direct tourism benefits from mega sports events

51. Tourism benefits from events in many ways. The tourism industry is in constant need of positioning or repositioning its destinations in today's hotly contested global market. Destinations that fail to undertake unrelenting promotional campaigns in their target markets risk being entirely forgotten. They are also in danger of going "out of fashion". Mega sports events are an excellent positioning instrument in the context of worldwide competition between destinations. And they force individual tourism countries and regions to develop their own brands, as happens in the consumer goods industry. In the long term brands help to strengthen the image benefits achieved with the help of special sports events of a major kind. Only major efforts to ensure continuous brand stewardship will ensure enduring image benefits from such

mega events. These brand-building efforts can be reinforced through the creation of new event-related tourism infrastructures and products (Table 18).

Table 18

**Tourism-related functions of mega sports events:
long-term image benefits and investments**

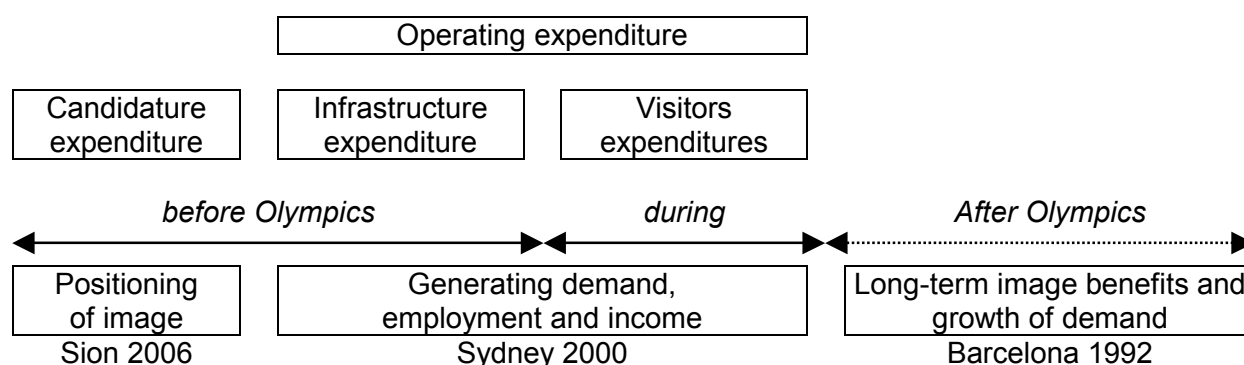


Prof. Peter Keller, HEC/UNIL, Lausanne

52. Tourism-related mega sports events have benefits before, during and after the events themselves. However they can only be truly effective if those responsible for tourism incorporate tailor-made companion measures for the promotion of tourism in the concept and business plan of the events. One has only to think of the Olympic Games to realise that this has not always been done. In many cases tourism organisations and suppliers have been used merely as suppliers and have thus been allowed to have little or no influence on the planning of the Games. There have also been some successful examples however in recent Olympics (Table 19).

Table 19

**Type of expenditure, time of impact and benefits for tourism:
the examples of the Summer and Winter Olympic Games**



Prof. Peter Keller, HEC/UNIL, Lausanne

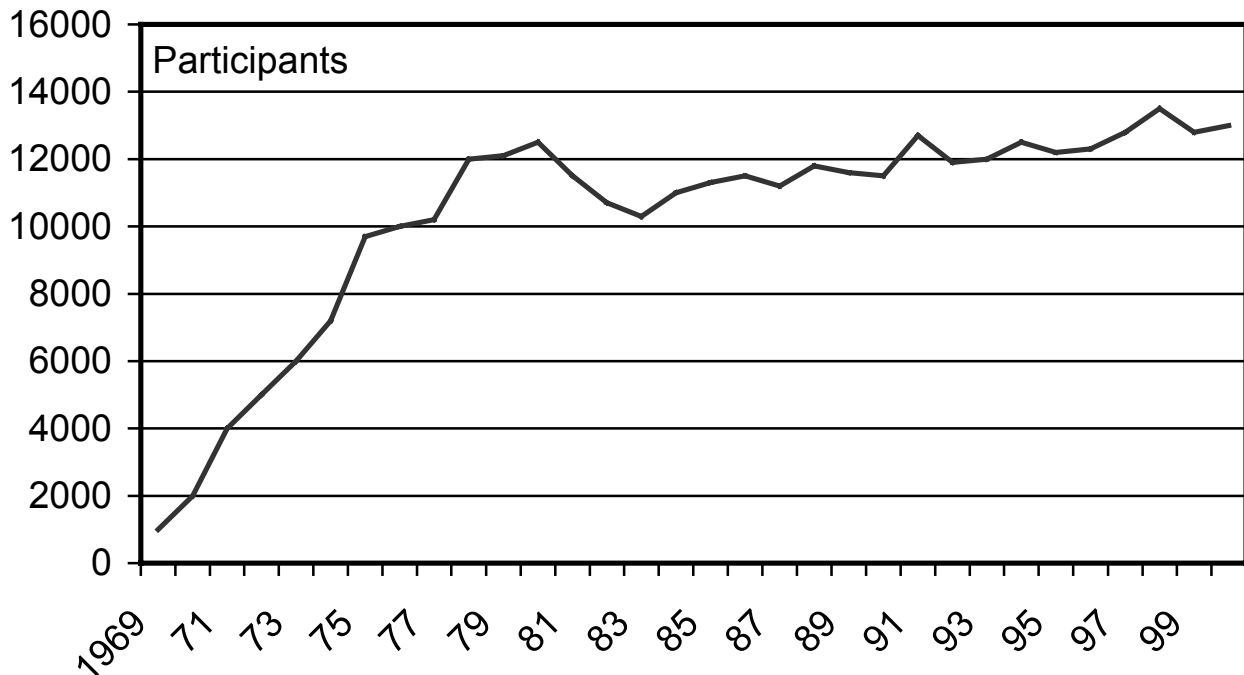
53. In the preparatory phase of events in the context of a candidature for the Olympics, which requires an ever greater investment, it is possible through advertising to achieve an impact on tourism, both internally and externally. In the case of the unsuccessful candidature of Sion for the Winter Games of 2006, the canton of Valais earned much sympathy for its brave but unavailing efforts within Switzerland, and this resulted in additional overnights. Andorra's desire to organise one of the coming Winter Olympics is currently focusing renewed worldwide attention on the Principality. During the Games, success in attracting visitors depends to a great extent on the companion measures adopted to specifically promote tourism. Sydney 2000 was the first Olympics to truly succeed in maximising the number of tourism-related visitors. And there is the example of Barcelona which managed when the Games were over to establish itself as a major new destination for "city tourism" thanks to the sizeable investments made because of the Olympics to rejuvenate its urban fabric.

6.3. Management of events portfolios

54. Mega events are perfectly able to provide sustainable benefits for the economy and tourism. Purely from the tourism point of view, events portfolio management is today one of the most important tasks of the entrepreneur. In this context it should be borne in mind that it is not just mega events that bring major benefits to tourism and to the economy as a whole. Indeed from the point of view of tourism, local and regional sports events can be just as beneficial. Although they may bring smaller benefits, such benefits are often of a more lasting and sustainable nature.

Table 20

**Marketing of events:
the Engadine cross-country ski marathon in St. Moritz (Switzerland)**



Budget: US\$ 1.3m
Economic impact: 55,000 overnights, revenues of US\$ 7.5m

Prof. Peter Keller, HEC/UNIL, Lausanne

55. One example of a successful special sports event is the Engadine Ski Marathon (Table 20). This is a cross-country ski meeting. As has been demonstrated by the SEAMT study, cross-country skiing is in a phase of stagnation. Despite this the Engadine marathon, which was launched at the beginning of the 70s, has managed to establish itself as an event of

national importance, on a par with Sweden's Vasa cross-country open race. The number of participants has, it is true, increased but slowly, being limited by the available accommodation. Even so the event attracts 50,000 overnights each year and generates US\$ 7.5 million in annual revenues. It is thus a highly profitable business for the peripheral regions of St. Moritz and Engadine. Since this annual event has been around for a quarter of a century, the turnover may be considered as enduring.

56. Optimum events portfolio management is desirable from the point of view of the tourism organisation. It can create economic benefits for a whole territory. In this context event marketing must reach out beyond sport. Indeed a diversified events portfolio would have to include special events in cultural and other fields, congresses and so on. Finally care should be taken to ensure that event marketing bears in mind the existing resources and capacities. In the medium-sized city of Basel together with its catchment area in the Regio Basiliensis, which straddles three countries and includes about 500,000 people, it is possible to organise just three major events a year, including exhibitions and trade fairs, which attract about a million visitors.

Summary: sports-related mega events give tourism and the economy in general a welcome additional boost

Caught up in a global war of competition, tourism destinations and business locations can use mega events to reposition themselves. The effectiveness of such events as multipliers of expenditure increases with the level of development. When innovative concepts are applied such events can have a lasting impact on growth.

III Managing Change

7. Externalities: defining the public-private partnership

7.1. Investments, financing problems and the role of the state

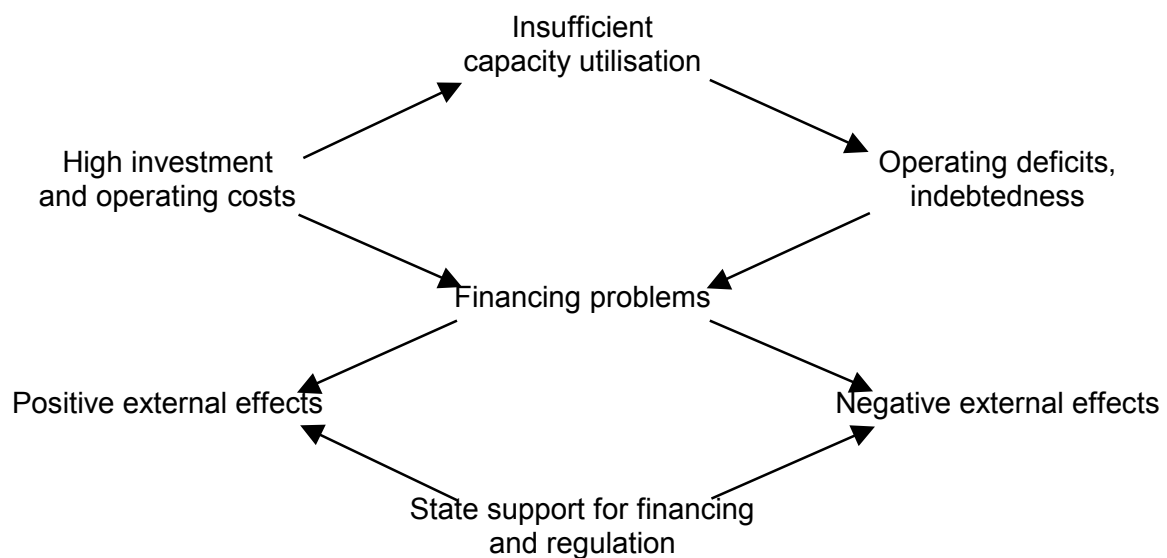
57. **Investments** in infrastructure and events generally lead to high costs in both sport and tourism. Such investments can rarely depreciate normally or pay interest. The **capacity utilisation of the installations** is frequently too low and the **number of spectators** too small to cover all the costs, or to generate sufficient return. In the case of public sector investments the main problem is that not enough is done to improve take-up of the capacity. For example the sports facilities of schools could be made available during school holidays for the use of both domestic and foreign visitors. In the absence of strategies to improve the capacity utilisation, the facilities in question are often forced to shut down because of an operating deficit, a high level of indebtedness and illiquidity. Sports and tourism events end often with deficits. In such situations the state is usually asked to help provide a solution to the financing problem (Table 21).

58. It is not always possible however for the state to provide support for sports or tourism-related activities. The **basic decision of the authorities**, whether or not to participate in the financing of infrastructure or events, will depend on the **balance of costs and benefits for the installations and events from the point of view the general interest**. The authorities may thus decide to provide financial support in order to secure certain public benefits and to keep by regulation the social costs on a low level. For example they might decide to subsidise a tourism transport installation, which is necessary for opening the Winter season in a resort. In doing so they would help to new jobs and new sources of revenue. They would at the same time have to make sure that the number of skiers on the slopes is properly regulated, and that skiers and snowboarders are suitably warned about danger zones.

59. In making the final decision as to the costs and benefits it is above all important to take into account the **opportunity costs**, which are even more important than an investment's potential impact on sport and tourism. Opportunity costs are the costs that arise when as a result of such investments it is not possible to carry out other important investments or to create any additional benefits. A basic question is the value of sport and tourism within the development process of the poorer countries. In the more prosperous nations it is more important to know whether or not such investments can bring any additional benefits.

Table 21

Investments in facilities and events: financial problems and intervention of the State



Prof. Peter Keller, HEC/UNIL, Lausanne

7.2. Positive and negative effects of investments

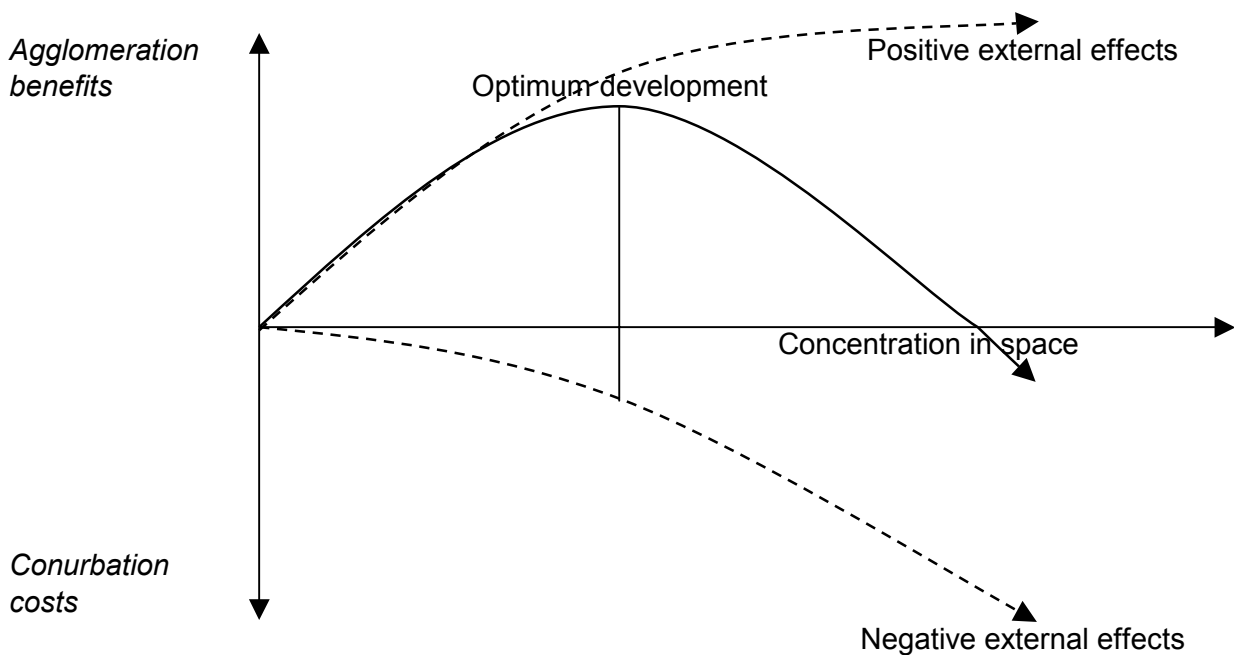
60. Initiators of projects in the areas of sport and tourism, and investors in such projects, must involve themselves with building and operating the necessary installations and amenities. It is up to the state on the other hand to assess the potential impact of such investments insofar as the public is concerned, and on that basis to decide whether or not they deserve public support. It is these two quite different functions that define the so-called "**public-private partnership**". It should be discussed fully by the two partners, since **those responsible for external effects or "externalities", and those affected by them, are not always identical**. For example, all suppliers of tourism products and services in a place chosen to host the Olympic Games stand to benefit from investments made for this event. And likewise when a

location's image suffers negative fallout due to poor planning and execution by the initiators, it is these same suppliers who bear the brunt of the damage.

61. Given that external effects are inevitable, it is essential for the authorities, when making the basic decision as to whether or not to support an investment, to determine as exactly as possible what the most important **external effects** are likely to be. They must thus determine what the benefits and/or the damage are likely to be, and who is likely to be affected in each case. The most important "**stakeholders**" are the **organisers**, the **resident population** and the **visitors** to installations and events. Each of these groups may derive advantages as well as disadvantages from the investments. For example the availability of a sports complex can help to improve the health and fitness of the resident population. If the complex is built in a residential zone however it will aggravate the problem of traffic density in the area concerned.

Table 22

**Spatial impact of investments and events:
agglomeration effects and conurbation costs**



Prof. Peter Keller, HEC/UNIL, Lausanne

62. It is because of these external effects that organisers and authorities need to take great care when **planning** investments in sport and tourism. At the planning stage efforts must be made to maximise the positive external effects and at the same time to minimise the negative effects as much as possible. A key example is the contribution sport and tourism investments make to the development of a place. Through **agglomeration effects** they can significantly

improve the attractiveness of both the infrastructure and suprastructure of a place. This attractiveness should not however lead to **conurbation costs** putting additional pressure on space and the landscape. In each case the aim must be to see that the **optimum level of development** is reached, so that the positive agglomeration effects will outweigh the conurbation costs (Table 22).

7.3. Cost-benefit analysis

63. The instrument which is used for analysis of the external effects is the cost-benefit analysis. This generally takes into consideration the totality of external effects, both positive and negative, that can be expected from an investment in sport or tourism from the point of view of the general public. This is based on the receipts and expenditure accounting plan drawn up by the initiators and investors. It is on the basis of a comparison of all the receipts and expenditures that the decision as to the feasibility of a project from the point of view of the organisers will be made. It goes without saying that the profit or loss expectations of the initiators and organisers will be of considerable importance in calculating the totality of effects. Efforts are often made therefore to integrate in the cost-benefit analysis the organisers investment and operation costs. An effort will also be made to calculate the so-called "consumer surplus" for the visitor and to integrate this into the analysis.

64. A cost-benefit analysis has monetary and tangible effects as well as effects that cannot be calculated in non monetary terms or that are non-tangible. There will be a "surplus" for society in general when the benefits significantly outweigh the costs. The economy has perfected various instruments that make it possible to calculate the non tangible and immaterial costs and benefits. The basic categories of a cost-benefit analysis are in all cases the same (Table 23). They take into consideration the various social, economic and ecological effects.

Cost benefit analysis: the impact of investments

	Costs	Benefits
monetary	Congestion	Increase of factor productivity
tangible	Pollution	Additional attractions
	Subsidies	Creation of employment and revenues
	Opportunity Costs	Taxes
non monetary	Damage to image due to poor implementation	Image enhancement
non tangible	Poor long term productivity Impact	Contribution to health, recreation and education
	Environmental costs	Improvement of overall quality of life
Result	+	-

Prof. Peter Keller, HEC/UNIL, Lausanne

65. From the general point of view of society, investments in sport and tourism always bring an increase in the value of the production factors in monetary terms, that means improvements in professional qualifications, in infrastructural installations and in economic structures. They also increase a place's attractiveness. Moreover new revenues and jobs are created and additional taxes collected. In the non-monetary domain such investments create benefits in relation to a place's image and the quality of life. On the cost side it is generally the landscape and the environment which are concerned, as well as the disturbances caused by the construction and operation of installations and by events. In the non-monetary area for example poor execution of events or insufficient activation of infrastructural investments (only non sustainable temporary investments) can result in costs.

Summary: major investments in sport and tourism installations and mega events require a careful study of the costs and benefits

Cost-benefit analysis enables the authorities to identify any additional benefits provided by projects in the areas of sport and tourism, as opposed to projects in other sectors. It also make it possible to pinpoint conflicts of interest between those enjoying the benefits and those which are concerned by potential negative impacts.

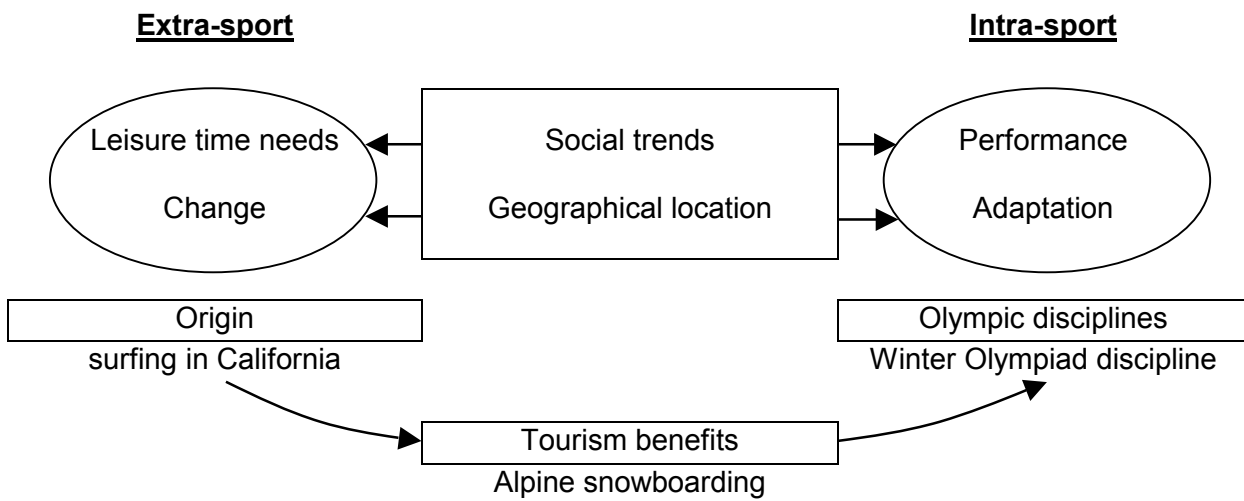
8. The innovation creation mechanisms: guaranteeing continuous development

8.1. The tourism environment as a source of innovation

66. Sports disciplines and tourism products are both subject to **life cycles**. The constantly changing needs of those who practise sports, and of tourists, cause individual sports disciplines, and tourism products, to lose their original appeal with time. There is no shortage of examples of sports that have now entered a period of stagnation, including even Olympic disciplines. If sport and tourism are to continue developing then they must **match the supply to the new requirements on the demand side, and freshen up their products**. In the area of sport one needs to differentiate between **intra-sport and extra-sport innovation**. The former occurs inside the world of sport, and usually involves improvements at the level of performance, or in the nature of the competition and the procedures involved. The idea is always to increase the number of sports adepts and their levels of ability, as well as the number of supporters. Extra-sport innovation on the other hand is a result of the particular environment in which a sport is practised. It can lead to the introduction of new kinds of sporting activity (Table 24).

Table 24

Context of innovation in sport: leisure time requirements and change of location



Prof. Peter Keller, HEC/UNIL, Lausanne

67. The tourism environment is a **special case**, characterised by a change of location and uninterrupted leisure time. Tourism is particularly ideal for trying out new lifestyles and new activities. In a relaxed holiday atmosphere the tourist finds plenty of time for leisure activities. Tourists tend to be **receptive to the idea of taking part in exercise and sport**. Sport itself however is an everyday affair for those who take it seriously, who are concerned with performance, in an atmosphere that is more hectic. However, many sports have been created in the environment of tourism. Tourism also has a **compensatory effect**. In the environment of tourism, activities that tend to be neglected in the everyday world acquire new importance.

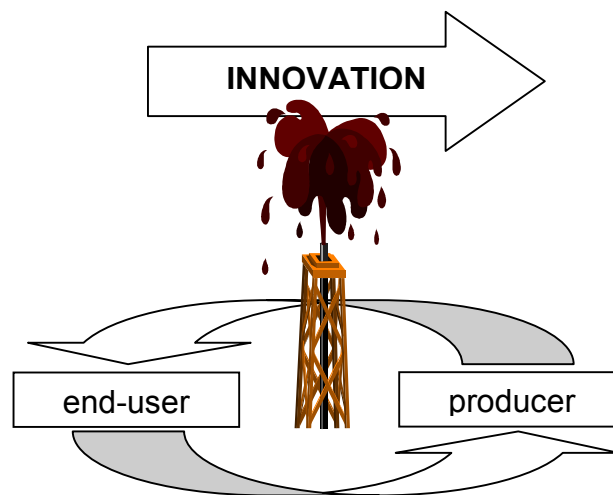
68. Tourism also has an **important function when it comes to geographic diffusion**. It helps to export types of sport that are popular in one region or continent to other regions and continents. The introduction of snowboarding as an Olympic discipline is an example of such an intercontinental diffusion process. Tourism also helps to strengthen more marginal types of sport. Skiing thus evolved into a **popular sport** in the Alps during the two decades of the Sixties and Seventies, having been reserved prior to then mainly for the military and the elite membership of various associations.

8.2. The innovation process

69. The innovation process usually begins when a supplier decides to give the customer what he wants (Table 25). Successful companies are those that have the best knowledge of their **test markets**. Their products are manufactured on the basis of prior market research. They are quick to compare their own products with those of the best producers. They systematically make use of their suppliers' and partners' market know-how in manufacturing their products. These **innovation creation mechanisms** apply equally in the realms of sport and tourism. These **innovation creation mechanisms** apply equally in the realms of sport and tourism.

Table 25

Consumer-producer relationships: a source of innovation



"The user-producer interaction is an essential part of the innovation process."

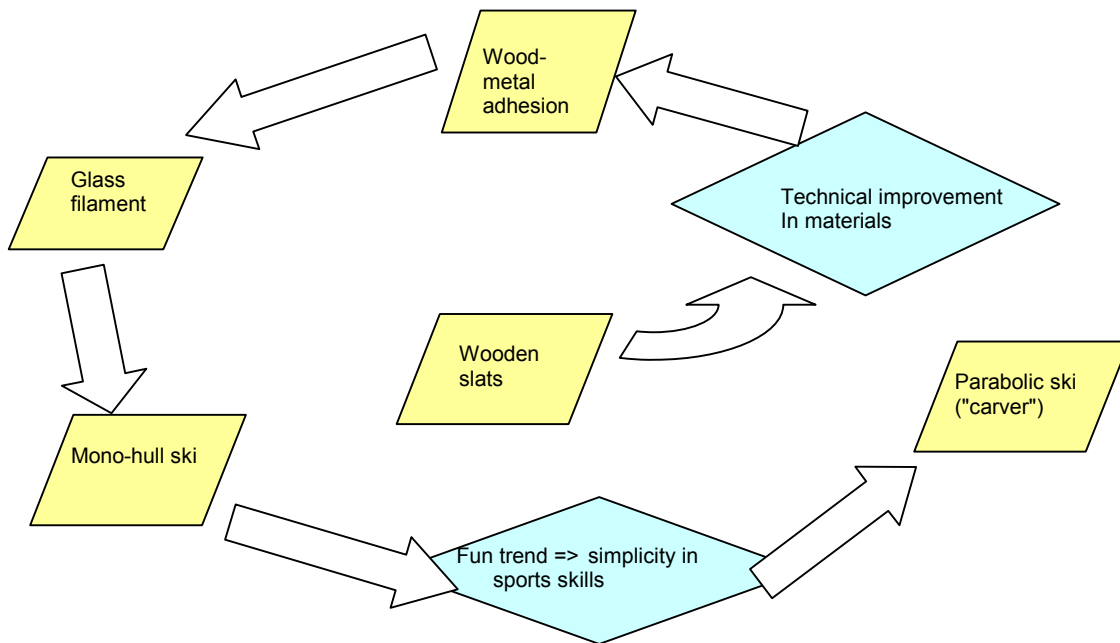
Prof. Peter Keller, HEC/UNIL, Lausanne

70. The **sports equipment industry** plays a major role in the continuous development of both sport and tourism. Equipment manufacturers try to find out what the customer wants. They link technology to communication and marketing. Their first priority is to identify the **customer benefits** and to communicate these. The configuration of the final product takes these factors into account, contributing substantially to its market success. In other words, it is demand that has the final say. An example of this process is the modern "**carving ski**", designed specifically to make skiing easier for Mr. Everyman. It thus increases the likelihood of new sports practitioners and tourists entering the skiing market, which is currently in a state of stagnation.

As **sports markets become more mature the equipment tends to become more user-friendly**. The cross-country skis of Scandinavia were originally wooden slats. They were then made of a combination of metal and wood, then with fibreglass and plastics. With each improvement the manufacturers use ever more sophisticated testing and production procedures. French ski makers called on the aerodynamic test equipment of the Airbus Industry to test their latest products (Table 26).

Table 26

Freshening up sports tourism products: technical progress in the sports equipment industry



Prof. Peter Keller, HEC/UNIL, Lausanne

71. The **destination** also plays an important role in the innovation process in both sport and tourism. To a great extent **the type of sports discipline and of exercise are determined** by the destination. You cannot go swimming in places where the sea is made inaccessible by cliffs, but you can where it is easily reached along sandy beaches. In the same way, you cannot go skiing without the slopes of mountains. These observations are just as valid in this age of increasingly popular "indoor sports" and "hydroponic" tourism production. For even the artificial indoor beaches of the kind you find in Japan and the "skidomes" of the United Kingdom are no more than imitations. They certainly do not stop people from wanting to go to real beaches and real ski resorts.

8.3. Innovation management

72. Operating in conditions of global competition suppliers of tourism products and services have long since learned to co-operate as much as possible with each other in order to **introduce new and attractive packages of services in the market**. However, in view of the industry's domination by small-to-medium-sized enterprises, there is still no innovation management worthy of the name. Centres of excellence capable of processing and analysing the available know-how and transforming it into innovative projects are lacking. The same is true in the world of sport, where often a fall in the number of persons practising a given sport, or in the number of spectators at competitions and events, is simply accepted as inevitable.

73. One of the basic requirements for the encouragement of innovation is strong **knowledge management** of the kind that has allowed the IOC to make such a success of the modern Olympic Games. The latest know-how applicable to these mega events is carefully gathered in Lausanne to serve as input for the deliberations of the International Olympic Committee. This allows the IOC to give potential candidates for the Games valuable guidance in how to proceed. Experience has proven to the IOC that it pays to carry out comprehensive evaluations and final reports, even though they cost a lot of money. It is in this way that the Olympics have constantly been able to improve over the years.

74. Greater use must be made of the knowledge available in both sport and tourism, which needs to be pooled. Above all, the organisations in both these fields need to work more closely together. **Trend and market research instruments**, which help to keep track of the latest developments in sport and tourism, must also be used in a more institutionalised way. In view of the complex institutional structures that exist in both these fields it would be best to look to the international organisations to create such an "observatory".

Summary: tourism leisure time is a laboratory for the development of new sports disciplines

Sports disciplines, like tourism products, have an ever shorter life cycle. Appropriate innovation management is therefore necessary for adapting the supply to new market requirements.

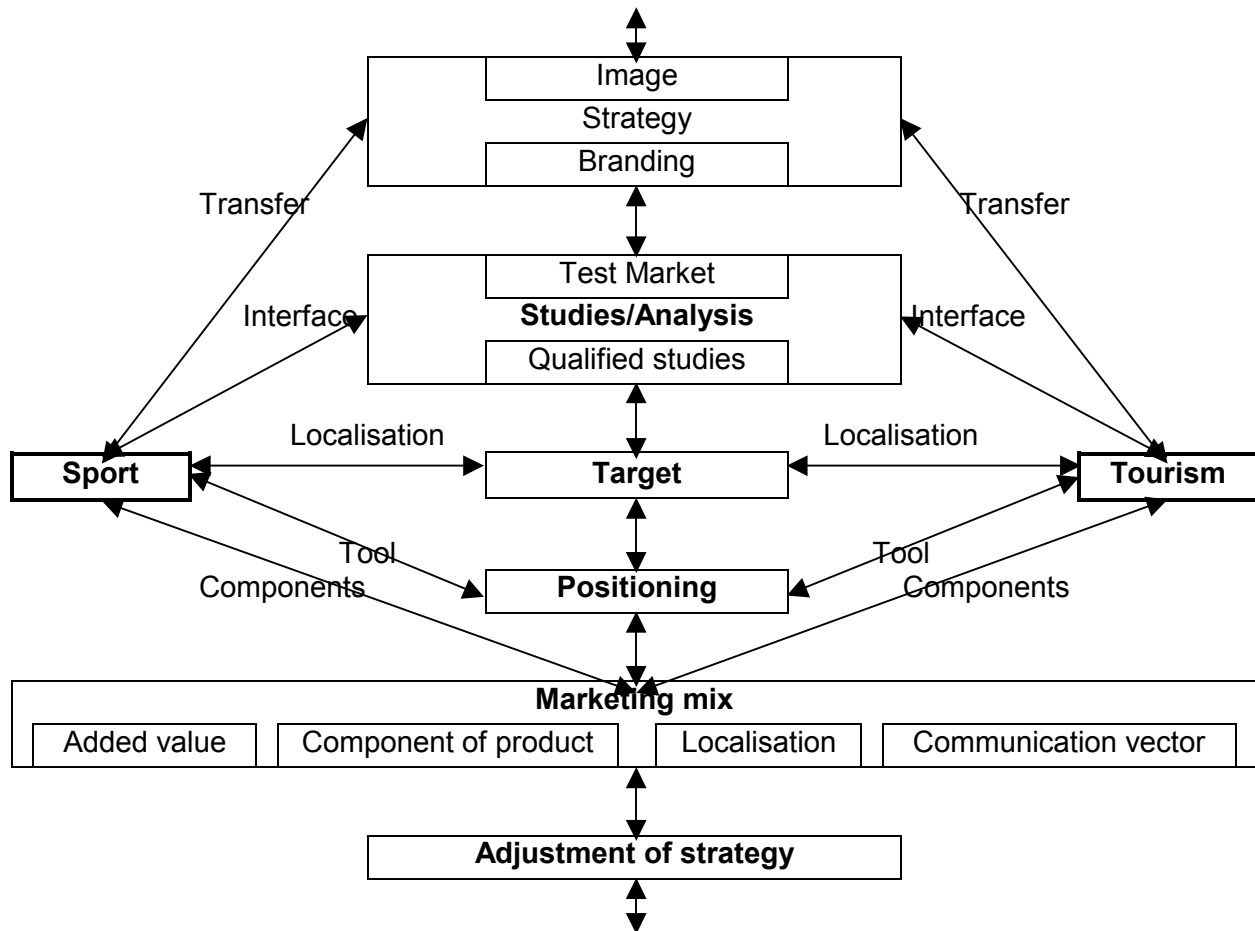
9. Marketing management: making use of the synergies between sport and tourism

9.1. Sports and destination marketing

75. From the strategic point of view sport and tourism are absolutely suited for a process of **mutual image transfer**. Strategically they are interdependent. The candidature of Turin, the capital of Piedmont and an industrial centre, for the 2006 Winter Olympics is a good example. The initiators **promoted their candidature on the basis of tourism and cultural programmes**. Had they relied on sport alone it is almost certain they would not have won the Games. Tourism is a field with a great deal of experience when it comes to image boosting (Table 27). Suppliers of tourism products and services have the knack of transforming **complex local realities into powerful communication symbols**. And they have the skill, as well as the installations and the necessary services for **stage managing** what they have to offer, in the same way as the theatre or the cinema. As the example of Sydney 2000 has made clear the Olympics undoubtedly offer great opportunities for tourism marketing. **The Australian organisers created a marketing programme specifically for the occasion** with the intention of attracting as many visitors as possible from each of the continents symbolised by the five Olympic rings (Common Wealth of Australia, 1998).

Table 27

Marketing of sport and tourism: target groups and positioning



Prof. Peter Keller, HEC/UNIL, Lausanne

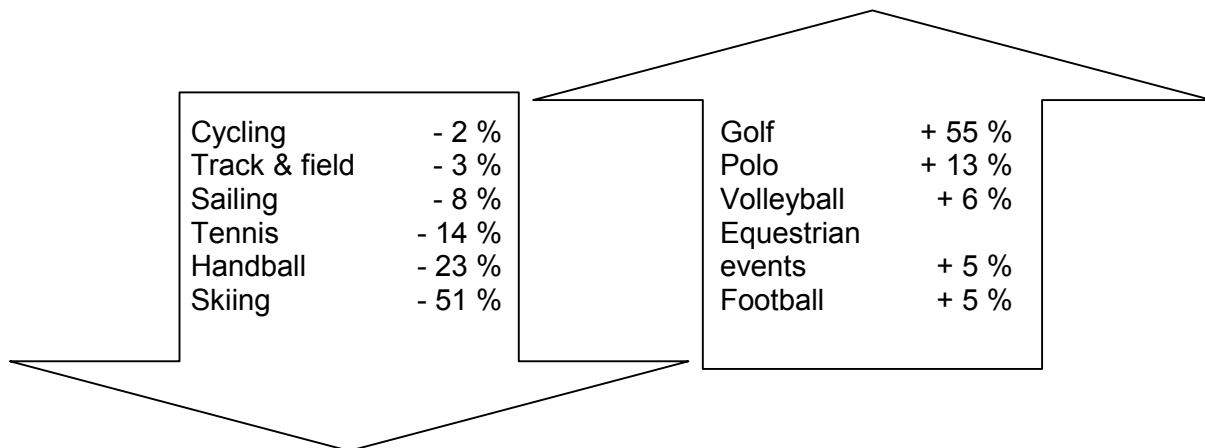
76. As a synthesis of sport and tourism, sports tourism is a uniquely fruitful area for the **analysis of relationships between guests and hosts**. The access that sports instructors and trainers have to clients is unique and very personal. Together they share many moments of both happiness and stress. Such contacts provide a **real insight into the tourism demand structure** in general and that of sports tourism in particular. On the flip side of the coin, sport also benefits considerably from tourism and particularly from leisure time activities in this context. These often provide opportunities for the creation of new forms of sport. Sport and tourism are both areas which from the point of view of marketing experts are appropriate for **segmentation and at the same time for localisation of markets**. This makes market communication easier. Sportsmen and tourists have their specific styles and **live in their particular community** of interests.

77. Tourism also has something to offer **sports clubs**, which have difficulty **positioning** and financing themselves with licences and competitions. Clubs such as those for divers, ramblers, mountaineers and aviation enthusiasts, which publish their own guides and newspapers, organise touristic jaunts and even operate their own travel agencies as shows the example of the German Touring Club ADAC. The same is true of destinations, which can use sports installations and in particular a healthy environment and natural landscapes to position themselves. Sport thus becomes part of the tourism product line destinations are able to offer. Sportsmen serve as opinion leaders in a destination, their presence in a resort gives the feeling to visitors that they will have the holidays well spent.

9.2. Sponsoring and merchandising

78. Most sports have a great deal of experience in the area of **sponsoring**. This is a market communication technique which allows a company or an organisation to give a boost to its image, regardless of what its own sector of activities may be. Sponsoring is a form of communication which allows the transfer of brands from the organisers and participants of a sports discipline or event to a company. Sponsoring is thus by no means a form of philanthropy. It only works **for competitions and events that attract lots of attention and have audience appeal**. It is for this reason that the contributions which private sector sponsors are able to make to individual types of sport and to various sporting events can never be uniform. They are indeed constantly changing (Table 28). In Switzerland for example golf has now become much more attractive to potential sponsors. The opposite is true of skiing, which seems to be losing much of its corporate appeal.

79. Sponsoring is a kind of indicator of the **social significance** that a sport currently enjoys. In recent years the budgets available for the sponsoring of sporting activities and events have been diminishing in certain Western industrial nations. At the same time **cultural, social and ecological types of sponsoring** have been gaining in importance. This trend seems to suggest that even sport has limits to its appeal, and that we are now close to reaching these, in certain countries at least. In fact sports activities that are seen as too spartan and performance-oriented are losing out to more hedonistic types of activity, and to activities seen as giving a sense of meaning to life. Tourism and sojourns that take us away from the pressures of everyday life help to create interest in a more fun- and leisure-oriented sports culture.

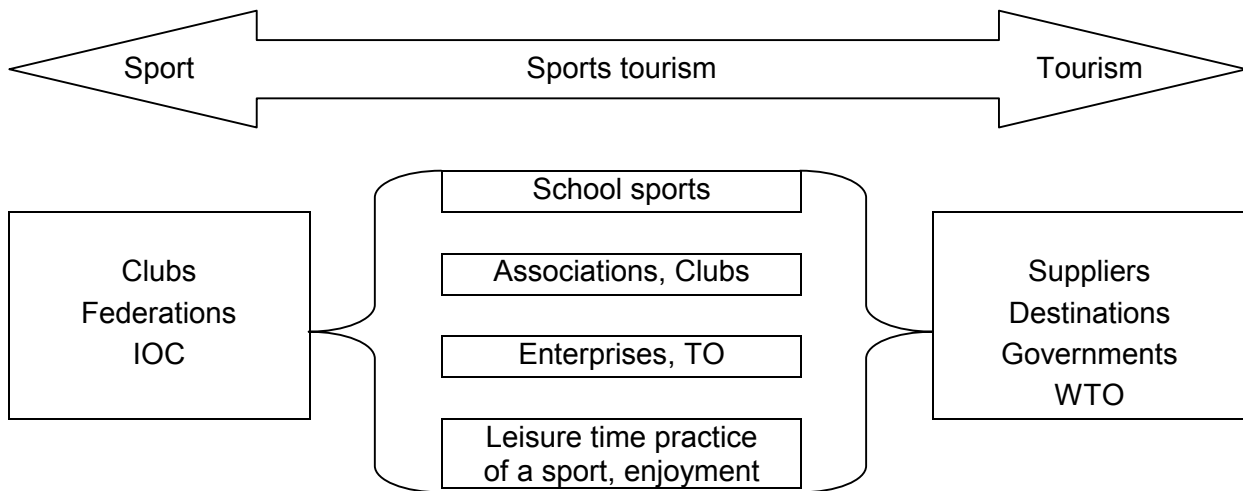
Development of sports sponsoring: trends in Switzerland, 1993 - 1996

Source: GFS Research, Zurich 1997

80. Tourism certainly has enjoyed an historical advantage in the area of **merchandising**, which is a close cousin of the **souvenir industry**. Indeed there is scarcely any difference between the souvenirs people pick up when travelling and on holiday, and the emblems of famous sportsmen and sports events. It is also true that the professionalisation and commercialisation of sport, two phenomena that go hand in hand, have led to the industrial marketing of souvenir items, which can be a very lucrative field. Tourism organisations can obtain even greater benefits from the uniqueness of various destinations and attractions.

9.3. Institutional aspects

81. Sport and tourism organisations must today be managed in the same way as private sector corporations. This fact has resulted in the creation of new areas of management training, i.e. training in **sports management** and **destination management**. The aim is to **improve the efficiency of non-profit organisations in the fields of sport and tourism, such as sports clubs and tourist offices**. In a number of cases it is a question of achieving economies of scale and synergies, making use of all management instruments available. The core business of sports and destination management is **market communication and marketing**. Other important management functions include managing change through the **active management of innovation**, learning how to use **sponsoring techniques** and planning, the construction of sports facilities and the **organisation of sporting events**.

Institutional relations: sports tourism as a link

Prof. Peter Keller, HEC/UNIL, Lausanne

82. Greater efficiency in the efforts of these two worlds of sport and tourism to co-operate is **a new, self-created management task**. As we have already noted, tourism and sports organisations today operate in ways that are parallel and autonomous. There is neither know-how transfer nor an effort to look after the interests of both sides in specific individual cases. Institutions in both these fields of activity are above all menaced by saturation. Individualisation is occurring in ever greater segments of both sport and tourism. The new trends such as adventure sports and the surfing, skate-boarding, in-line skating and so on - beloved of the so-called "Génération glisse" - have come too late. It is necessary to find **new strategic partnerships** between various players at all levels in both sport and tourism (Table 29). Sports clubs are already collaborating with destinations. Individual tourism enterprises are completely integrating sports into their product lines. School sports have remained on the sidelines, even though these dispose of sophisticated, state-supported sports facilities.

83. Finally **national and international sport and tourism organisations could make a far greater effort to co-operate**. This would do more than just improve their respective images. From a theoretical point of view they share many identical problems, as can immediately be seen from a glance at the respective contents of sport and tourism management. It is imperative that sports be included in national tourism promotion campaigns, with increased synergies in the development of state sports and tourism amenities. Such initiatives require support at the international level. The IOC and the World Tourism Organisation are in a position to prepare the ground for decision-making at a later stage by those in government and the operational sector.

The already mentioned "sport and tourism" observatory would be one way, as would the sharing of existing know-how to help candidates for the organisation and staging of sports events.

Summary: strong synergies exist between sport and tourism in the area of marketing management

By bringing together various management fields it should be possible to develop new strategic partnerships between sport and tourism. Sport managers have a great deal of experience in sponsoring and merchandising. Tourism destination managers on the other hand tend to be experts in marketing.

IV Conclusions

10. Final remarks and proposed measures

10.1. Reflecting together

84. Many **challenges** that sport and tourism can face together in the years ahead:

- Both these fields of activity are **components of a global culture that is now emerging**. They are helping to speed up economic integration. The IOC and the World Tourism Organisation are committed to making sport and tourism instruments for development, and for a better understanding between peoples in this "global village". In adopting the Global Code of Ethics for Tourism the WTO confirmed this essential metaeconomic dimension of its activities.
- The **sport movement** has developed into an autonomous system consisting of active sportsmen and sportswomen, clubs, associations, sports equipment manufacturers, the mass media and spectators. The highly **specialised and professionalised elite sports have a major entertainment value**. Financially they are dependent on the media and on the sports equipment industry, which relies on sports champions to advertise the products it hopes to sell to practitioners of **leisure time and popular sports**.
- Tourism is also a system, one that has evolved into an **industrialised and professionalised business**. Exercise by practising a sport is one basic reason for tourism, as an active form of recreation. General sports-related forms of exercise such as rambling and swimming continue to play a major role as holiday activities. In recent years sports for

the purpose of exercise have become an end in themselves, and a great many niche products are associated with them.

- Although sport and tourism have **different rationales**, one being performance-oriented and the other experience-oriented, they are increasingly interdependent. Sport in its many forms and with its various disciplines, amenities and events is an incubator or **marketing park for the development of new tourism products**. Tourism is a unique kind of activity that **encourages the development of new types of sports, and acts as a natural laboratory for alternative lifestyles**, which tourism then helps to popularise and which at the end of the development process in many cases become Olympic disciplines.
- Sport is above all **an exceptionally stable social activity**, in contrast to the **dynamic nature of demand in the field of tourism**. The established types of sport increasingly find themselves in competition however **with leisure time sports and the more individualistic forms of sporting activity**. The new "fun generation" has created its own sub-cultural lifestyle based on sports disciplines like inline skating, street basketball and snowboarding, in which what counts are aesthetic considerations, bodily sensations and the "atmosphere". These increasingly compete with organised sporting activities and thus make it less than certain that there will be sufficient of a "next generation" to carry on the the elite sports with the same level of consistent quality.
- Tourism, as a key area of the new experience-hungry society, is better positioned to take advantage of this new trend. Certain **leisure time tourism sports** like cycling are currently enjoying a veritable **boom** in the industrial nations. Moreover **new adventure type sports** are being created within the holiday-making tourism environment. The **new artificial experience-based worlds of sport** that are sprouting up everywhere, such as aquaparks and skidomes, represent a threat to traditional tourism based on "outdoor recreation". They make leisure time tourism consumption possible without any need to travel.
- At the elite level sport is increasingly running into **limits to possible improvements in performance, and also faces increasing competitiveness and commercialisation**. Examples include the permanent struggle over products and procedures, which stimulates the performance of athletes, and the way sponsors concentrate on the handful of sports disciplines that offer the requisite public impact. Like tourism, which in traditional areas is confronted with **what appears to be saturation**, sport is being challenged by substitution competition from other leisure time and cultural activities.

85. Sport and tourism have a major **socio-economic impact**, appreciated in most civilian societies and increasingly recognised by governments:

- Exercise and sport are today considered the most important of the controllable things that determine **health and the quality of life**. Careful doses of sport are a good way of preventing problems with the heart and blood circulation, and they tend to prolong life in general. Sport promotes efficient performance and the very ability to perform, making it easier to stay in control of one's life and to **survive in a competitive environment**. A great many jobs in a wide variety of sectors, beginning with the **sports equipment industry and construction, but above all in tourism**, depend on sport, which is today increasingly a **profession** in its own right in the elite and other disciplines.
- Tourism, as the most important form of **relief from psychosomatic wear and tear is an absolute necessity for individual members of our post-modern societies**. It is a way to self-realisation and also a way to widen one's horizons. When there is insufficient time in our everyday life for certain "good things", we can catch up on them in the holidays. This fact has contributed to the establishment of so-called **wellness tourism as a new growth sector** and is also the reason for extensive investments in sports installations. Without tourism indeed there would be a lack of the necessary sports facilities in many places, and particularly in the outlying areas. Moreover they would be much less well utilised.
- It is because of these social benefits that a great many countries have adopted an **explicit policy for sport**, a policy which tries to increase the number of sports practitioners and which therefore contributes to the further development of elite sports as well as sports in general. Sports amenities are created by the public authorities in the context of **infrastructure policy** for public health reasons. And in the context of **location policy** governments are increasing the funds they make available for the planning, promotion and staging of sports events.
- Tourism is also promoted by the state as a way of creating **additional growth and new jobs**. It is however considered to be mainly the responsibility of the private sector, although the state in fact acts as a sort of **tourism co-producer**, making available a number of public goods that include airports, nature reserves and hospitals. It is an internationally accepted principle that the authorities should intervene in tourism only in order to combat market failure. This will depend to some extent of course on a country's state of development and its economic policy priorities.

- An exact understanding of the socio-economic impact of investments in sports installations and events is an **essential requirement for decision-making** in relation to the promotion of sport and tourism. Sport and tourism are complex and relatively inhomogeneous phenomena, which are not at all easy to understand or explain. Sport can nonetheless be understood and described, both on the supply side and on the demand side. The economic significance of tourism on the other hand can only be assessed in terms of visitor demand.
- The difficulty of getting at the facts is not sufficient reason for leaving aside important questions as to the importance of sport and tourism for households, for the economy and for the state. Thanks to **satellite accounts in the context of the national accounts** it is possible to assess the total demand for goods and services in sport and tourism, and to compare this demand with the total supply. As a result of the initiative of the WTO and certain other intergovernmental agencies satellite accounts for tourism are now being compiled in a number of states. These would also be useful for **assessing the contribution which sport makes to value added and employment in a given country**.
- Sport and tourism create **strong value added networks or clusters**. These cover the supply and demand sides in both areas, and they also take into account the upstream and downstream economic sectors. Geographically, the economic impact of sport is **spread more widely** than is the case with tourism, which is **more concentrated in the tourism centres and destinations**. Mega events are an exception as these can have a major impact on a given location. Destinations are eminently suited to the staging of mega events.
- Many socio-economic impact studies show that **we often underestimate the actual size of the contributions which tourism and sport make to society and to the economy**. In the industrial countries the contribution which sport makes to the gross domestic product (GDP) is between 1 and 2 per cent, while the contribution of tourism is between 4 and 6 per cent, depending on the state's degree of specialisation in this field. Whereas studies have been made of the impact of tourism at the local, regional and national economic levels, impact studies in sport have concentrated on individual disciplines and events.
- Mega events such as the Olympic Games tend to have a **high multiplier effect on spending** for local economies. They may be viewed as positive when a place or a region is dependent on job creation or additional revenues in the short-to-medium term. In the context of tourism event marketing, mega events can help destinations to reposition themselves, on the condition that **great care is taken with the brand**. Tourism can considerably improve the **sustainability of investments in urban development and in sports amenities**. It is

imperative however that the tourism aspects be taken into consideration at the general planning stage and in the business plan right from the start.

86. The public-private partnership plays a major role when it comes to **managing change** in sport and tourism:

- Sport and tourism are socio-economic phenomena, and are often further developed by **social forces**. However without the help of the authorities the planning, building and operation of facilities and the organisation of events would not be possible. Sport and tourism are thus typical sectors in the paradigm of **public-private partnership**. In this context it is mainly the operational sector that does the planning for installations and events. The state's job is to how to optimise the benefits that such investments bring to the public. It is advisable to find out as much as possible about the total monetary and non-monetary external effects of such investments, using the instrument of **cost-benefit analysis**. In particular care must be taken to strengthen the agglomeration effects and to limit the environmental costs as much as possible.
- Sport disciplines and tourism products are both subject to **life cycles**. With time they lose their original importance. It is thus necessary to constantly adapt the supply of products and services to the changing requirements of those who practice sports, and to the needs of visitors. This also requires innovation management.
- The **environment of tourism** is ideal for the development of new lifestyles, which in the area of outdoor recreation are often tied to the introduction of new types of sport. Tourism also helps with the **popularisation and geographical diffusion of new sports disciplines**. And it can turn marginal disciplines into popular sports.
- The **innovation process** usually begins when investors decide it is time to satisfy the customer's requirements, turning these into new products in collaboration with suppliers. The processes applied in sport and tourism are similar to those in other sectors of the economy. In practice, sports equipment, amenities and events become more and more **user-friendly**. The Olympic Games are a good example. Thanks to careful evaluations and the setting of specific objectives, the Games are getting better and better.
- Marketing management has many things in common in sport and tourism. Each is perfect for mutually successful **image transfer, making it possible to strengthen their brands**. Tourism organisations are in a position to transform complex local realities into persuasive communication symbols, and are able to stage-manage installations, products and events.

Sports tourism provides a unique opportunity for sports instructors to learn about the real tourism and sports requirements of the visitor. It is also highly suitable for the segmentation and localisation of brands.

- Sport has a great deal of experience in the area of **sponsoring**, which finances investments in sports. Competitions and events suitable for sponsoring are those that will receive the full attention of the media and the public, and which have an attractive image. The **amount of sponsoring will depend on the value of the brand, indicating the social significance of a given sport**, competition, destination or event. Tourism has much to learn from sport sponsoring. The same can be said of **merchandising**, which is more wisely used by sports associations today than by tourism organisations.
- Sport and tourism organisations must today be managed in the same way as **corporations**. The growing number of degree courses for **sports management and destination management** shows that there is considerable interest in making sport and tourism organisations more efficient. The content of these management disciplines includes marketing management, innovation management, sponsoring techniques, management of co-operation and of sports events.

10.2. Institutionalised co-operation

87. The World Conference on Tourism and Sport is an excellent opportunity for taking a step towards closer institutionalised co-operation between the International Olympic Committee and the World Tourism Organisation. WTO and IOC **signed a co-operation agreement** on 25 October 1999 to develop a programme of mutual activities.

88. The area in which co-operation would take place could be determined by an evaluation of the results from the World Conference. The creation of an **IOC-WTO "Sport and Tourism" Observatory** would be particularly useful for the pooling and diffusion of knowledge relevant to these two fields.

89. An IOC-WTO partnership would improve the ability of both organisations to transfer their brand image.

10.3. Joint research agenda

90. Whatever happens, further collaboration in the areas of research and knowledge transfer would certainly pay dividends. Sport and destination management are still lacking in substance.

91. **An economic evaluation of both these fields of activity** would be a worthwhile research topic, and indeed is of some urgency. We also need a **basis for decision-making by the sport and tourism authorities**, covering the areas of planning, candidatures, the staging of events, cost-benefit calculations and event marketing.

References

- Archambault, M. Rapport dans le cadre d'un sondage réalisé auprès de grossistes nord-américains et européens spécialisés en aventure/écotourisme, UQÀM, Montréal 31.Mars 1999
- Commonwealth of Australia, Tourism Forecasting Council, The Olympic Effect, Canberra 1998
- Dreyer, A. et al., Sporttourismus, Oldenbourg, München 1995
- Fédération suisse du tourisme, Réseau national des pistes cyclables, résultats 1998/99, Berne 2000
- Glaesser, D., Crisis Management in Tourism, Lang, Frankfurt-New York, 2001
- Keller, P., Globalisation, in: W. Gartner et al., Recreation, Leisure and Tourism, CABI Publishing, New York 2000
- Keller, P., Tourism and Employment, International Tourism Policy, OECD 1995
- Keller, P., Smeral, E., Increased International Competition, New Challenges for Tourism Policies in European Countries, Background Paper, WTO, Salzburg 1997, p. 1-24
- Les Cahiers de l'Espace, Tourisme et Sport, Septembre 1997
- Meer Waarde, Brood & Spelen, Netherland Tourism Boord, Den Haag 2000
- Meyer, H., Economics of Olympic Games, Munich 2000
- Papanikos, G.T., Tourism Impact of the 2004 Olympic Games, Athens 2004, Research Institute for tourism, Athens 1999
- Porter, M., The competitive Advantage of a Nation, New York 1990
- Preuss, H., Economics of the Olympic Games, Hosting the Games 1972-2000, Sydney 2000
- Rütter, H., Economic Importance of Sports, Zurich 2000

Ministère de l'Équipement, des Transports et du Logement, *Secrétariat d'État au tourisme*, Le ski de fond en France, SEAMT, Paris 1999

WTO, Global Code of Ethics for Tourism, Santiago de Chile 1999

WTO, Basic Documents, Madrid 2000

WTO, The Tourism Satellite Account, Madrid 1999

Tables

Table 1	<i>Sport and tourism: in the service of development and understanding between peoples.....</i>	6
Table 2	<i>The search for common ground: a theme of the conference</i>	7
Table 3	<i>The life cycle of tourism-related sports disciplines: fewer conventional downhill skiers, a growing number of snowboarders.....</i>	9
Table 4	<i>Sport as an autonomous system: the key "stakeholders"</i>	10
Table 5	<i>Two different worlds: elite sports and leisure time sports.....</i>	11
Table 6	<i>Natural elements for tourism leisure time sports: water, snow-ice, ground-cliffs, air</i>	12
Table 7	<i>Sport components integrated in the tourism leisure time area, and sports tourism: sports tourism as a niche market activity.....</i>	13
Table 8	<i>Sports practice during holidays in foreign countries: Importance and cultural differences.....</i>	13
Table 9	<i>Sports and tourism: a multitude of links.....</i>	15
Table 10	<i>Popularity of tourism-related leisure time sports: success of the Swiss network of cycling trails (Veloland Schweiz)</i>	18
Table 11	<i>Trends in sport and tourism: positive feedback</i>	19
Table 12	<i>Model satellite accounts for "sport" and "tourism" in the national accounts (SNA 93): integration in economic practices</i>	25
Table 13	<i>Sports cluster: value added chain in sports.....</i>	26
Table 14	<i>An attractive tourism cluster as a prerequisite for an attractive sports event: the example of Sydney 2000.....</i>	27
Table 15	<i>The economic significance of sport and tourism: estimates for the German Federal Republic 1993/94.....</i>	28
Table 16	<i>Economic significance of cross-country skiing: local and overall economic benefits in France.....</i>	29
Table 17	<i>Economic importance of mega sports events: multiplier mechanism.....</i>	31

Table 18	<i>Tourism-related functions of mega sports events: long-term image benefits and investments</i>	32
Table 19	<i>Type of expenditure, time of impact and benefits for tourism: the examples of the Summer and Winter Olympic Games</i>	33
Table 20	<i>Marketing of events: the Engadine cross-country ski marathon in St. Moritz (Switzerland)</i>	34
Table 21	<i>Investments in facilities and events: financial problems and intervention of the State</i>	37
Table 22	<i>Spatial impact of investments and events: agglomeration effects and conurbation costs</i>	38
Table 23	<i>Cost benefit analysis: the impact of investments</i>	40
Table 24	<i>Context of innovation in sport: leisure time requirements and change of location</i>	42
Table 25	<i>Consumer-producer relationships: a source of innovation</i>	43
Table 26	<i>Freshening up sports tourism products: technical progress in the sports equipment industry</i>	44
Table 27	<i>Marketing of sport and tourism: target groups and positioning</i>	47
Table 28	<i>Development of sports sponsoring: trends 1993 - 1996</i>	49
Table 29	<i>Institutional relations: sports tourism as a link</i>	50

