

# Influence of Postponement of the 19th Asian Games in Hangzhou and Countermeasures

-- A case study of Satellite Village in Chun'an County, Hangzhou, China

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**Abstract:** The economic value produced by the sport has become an integral part of economic society. Hence, taking advantage of large-scale sporting events can rapidly improve the host city's popularity, upgrade the construction of infrastructure, boost the development of city tourism, and increase the city's international competitiveness. However, with the outbreak of COVID-19, the effects of holding sporting events to stimulate economic growth, drive relevant businesses, and promote the city's image have faded. Both the government and investors require a reassessment of investment. In particular, the postponement of international mega-sporting events has had a substantial negative impact on participants and stakeholders already in the preparatory stage. By studying the construction and operation status of the 19th Asian Games Chun'an satellite village, the article produced the following outcomes: Actively introducing partners to lead regional operation can immediately fill the gap; By establishing an excellent cooperative relationship between investors and government, the enterprises can significantly reduce pressure; Improving product and service quality can efficiently enhance customers' satisfaction and build the core competitiveness.

**Keywords:** Sports events; City development; Venue; COVID-19 and Sport.

## 1. Introduction

### 1.1 Research Background

Globalization, the commercialization of sports, the media's high interest, and the strong fanbase in the sports industry have increased sports' political, economic, and socio-cultural importance. Consequently, cities have begun to recognize sports as an effective tool for urban development [1]. On the one hand, the construction of sports stadiums can provide opportunities for watching sports and promoting consumption activities, revitalizing local commercial areas around the stadiums, and achieving a virtuous cycle of the urban economy [2]. On the other hand, with players and massive spectators flocking to the city, the local government has to upgrade transport and the residential environment to build city brand awareness. A strong vision in promoting the host city and the region for the international sporting event can attract visitors from other regions of the country and from overseas. This allows the host city to showcase itself across the globe. Therefore, sports have been used as an economic growth engine for active city management to brand the city with a new, differentiated image [3]. Lee and Taylor (2005), Gratton et al. (2006), and Fourie and Santana-Gallego (2011) argued that hosting international mega-sporting events contributes to the revitalization of the city's economy by generating increased income, attracting investment, expanding employment, and increasing tourism revenue [4-6]. The creation of an improved image, the attraction of economic development, and the increase in civic pride have the potential to create a lasting legacy for the host city. Hence, many researchers have concluded that if a city hosts international sports events, it can revitalize the local economy, reinforce local infrastructure, improve the city's image, and expand internal and external investment.

However, since the outbreak of COVID-19 in 2020, this pandemic has affected many areas of our everyday life: over 6.47 million deaths, increased unemployment, the closure of national borders, the introduction of restrictions, the economic recession, and various other circumstances. From a sports industry perspective, sports events face postponement, a decline in attendance and sponsorship, and

loss of commercial value. Many have been forced to suspend, postpone or cancel, such as the Tokyo Olympic Games postponed to July 2021, the European Championship and the Copa America postponed to June 2021, and the Asian Games in Hangzhou postponed to September 2023. The 2021 Shantou Asian Youth Games was even canceled after being delayed once. The economy has undoubtedly hit leisure sports and club organizations, including gyms, swimming pools, golf courses, and the like. Similarly, ticket sales and gate receipts account for a large portion of the revenue of professional sports leagues, and the prolonged pandemic has left many clubs in financial distress [7]. From a city development perspective, this impact causes great damage to infrastructure investment and tourism. This event is preceded by a large investment, including venue construction, service quality upgrading, and staff recruiting. Depending on the frequency of use and sustainability, many facilities are designed for other uses after the events. Therefore, venues' idleness and efficient use would be a big problem. According to the United Nations World Tourism Organization (UNWTO), although global tourism experienced a 4% growth in 2021 compared to 2020, international tourist arrivals were still 72% below the pre-pandemic year of 2019. With the decrease in population movement within the city and the declining number of tourists, cities are less able to attract investment, develop business and build images. Inevitably, hosting the event has become a burden.

The 19th Asian Games Hangzhou 2022 will be held in Hangzhou, Zhejiang Province, China, from September 10 to 25, 2022. It sticks with the positioning of "China's New Era, Hangzhou's New Asian Games," the goal of showcasing Chinese characteristics, Zhejiang style, and Hangzhou charm through the pursuit of excellence, the concept of hosting a green, smart, economical, and ethical event and the principle of taking Hangzhou as the main venue and sharing the event with the whole province. It took five years for the 56 venues to be completed and accepted by the Asian Game committee in 2022. Among them, 12 are new venues, 26 are renovated venues, 9 are renewed venues, and 9 temporary venues. There are also 31 training venues, one Asian Games village, and four Asian Games satellite villages, including Chun'an village.

## 1.2 Research Framework

In summary, existing studies have clarified the positive impact of hosting mega-sporting events on host cities and the negative impact of COVID-19 on the sports event industry from various aspects. However, few scholars and articles have studied how to maximize the use of new venues for mega-sporting events before the event is postponed due to the pandemic. This study reviews the construction and utilization of venues during the preparation of the 19th Asian Games in Hangzhou. It takes the venues of the Chun'an Competition area as a case study. Moreover, this paper analyzes the current situation. It summarizes the experience and path of maximizing the utilization of venues under the epidemic situation based on facts, which supplement the research in this direction.

## 2. Methods

### 2.1 Case Study: 19th Asian Games' Satellite Village in Chun'an County, Hangzhou, China

The case study method aids the understanding of complex social phenomena and enables the research to retain "the holistic and meaningful characteristics of real-life events" [8]. Chun'an is a small county with an area of 4417.48 km<sup>2</sup> and a population of approximately 330,000. In terms of administrative district, the whole of Qiandao Lake belongs to Chun'an. The Chun'an Asian Games Satellite Village(sub-village), also known as Chun'an Jieshou Sports Centre, was built by China Green Development and Investment Group (CGDG) as part of Qiandao Luneng Resort and has spent over US 290M dollars.

The construction of this village began in April 2019 and was completed in March 2022. In addition to the sports venues, there are two hotels, Hollick and ClubMed, some properties for athletes and support staff living, and a commercial town called Jinshanping. In April 2022, the company officially transferred its operational rights to the government until the end of the Asian Games.

## 2.2 Data Collection

The researcher collects all data from historical documents, including books, newspapers, journals, videos, photographs, and other written material through literature review. The researcher conducted field research involving participating in interviews and observations directly and recorded information using video cameras to capture events.

## 3. Results

Qiandao Lake, also known as Xin'anjiang Reservoir, is located in Chun'an County, Hangzhou City, Zhejiang Province. In 1955, the construction of Xin'anjiang Reservoir began and was completed in 1960. Due to the rising water level, mountains flood into the water and become small islands, a total of 1078, so the name "Thousand Island Lake" appeared. The lake covers an area of about 580 square kilometers, with a circle line of about 140 kilometers.

Due to the superior ecological resources and the country's strict environmental protection policies, Chun'an County has not entered into the national GDP development assessment. So there are few industrial facilities, and the government actively promotes sports and tourism. According to the statistical bulletin of the Chun'an County government, in 2021, the county received tourists reached a record high of 19 million, realizing a total tourism economic income of US \$3.36 billion. In 2021, due to the epidemic's impact, the total number of tourist visits was 9 million, and the economic tourism revenue was USD 2.24 billion. Chun'an has a large cluster of hotels around the lake, including 36 four-star and above-standard hotels. The number of available beds has reached 43,700, laying a foundation for a large number of tourists to stay.

Chun'an County primarily focuses on building sports events brands. In 2021, the government successfully held 15 large-scale, high-quality sports events and more than 100 mass sports events, such as the Qiandao Lake Open Water Swimming Competition, the Qiandao Lake cycling race, and the Qiandao Lake Triathlon. The total number of sports and leisure participants in the year reached 3 million, and the tourism revenue increased by US \$270 million. Among them, the Qiandao Lake cycling race is one of the most important local sports events, which has been held 16 times. Since the event was fully opened to amateurs in 2017, the number of applicants has surged from hundreds to thousands. This year's event hasn't started yet, but nearly 4,000 people have already signed up.

The government has also supported the event by strengthening infrastructure construction to increase its influence. Beginning in 2012, Chun'an County launched the urban green road and Qiandao lake chronic system project as the critical point of the greenway system. These plans successfully lay out the PaiLing peninsula, QianFen line, and ChunYang road construction. It was not until 2015 that the Qiandao lake green way to complete the real closed-loop appeared along with the green lane, having tiny aid stations along the way and countless road signages. These measures have firmly guaranteed people's leisure and entertainment activities.

When the 19th Asian Game was held in Hangzhou, the Chun'an County government was all out to acquire the right to host cycling events and triathlons. It was an unprecedented opportunity for a small county to present itself to the international community. To this end, through the real estate construction concessions, the local government attracts one of the central government-owned enterprises—China Green Development and Investment Group (CGDG), to finish the construction task. All venue facilities and hospitality hotels have been built to the highest standards. In addition to the Asian Game period, the venue's right to operate is returned to the enterprise to achieve a win-win effect.

Among the satellite villages of Hangzhou Asian Games, Chun'an Asian Games Satellite Village is the only satellite village of Asian Games built in the non-urban district. The village is 45km away from the Qiandaohu high-speed railway station. The surrounding venue cluster will hold three main events, such as cycling, triathlon, and open water swimming, with 25 gold medals for grabs. As supporting facilities for important competition venues of the 19th Asian Games, with a total construction area of about 66,000 square meters, this village is a community of more than 60 single

buildings grouped into an Athletes Village, Media Village, Technical Officials Village, and their ancillary facilities, including resort hotels, service apartments, and service hotels. The Satellite Village will occasionally provide comprehensive services such as catering and accommodation to athletes, technical officials, and media staff of the 19th Asian Games.

On April 25, this venue cluster was handed over from CGDG to the government's operation team for management, which marked Chun'an Satellite Village of Asian Games entering the trial operation stage and opening the new Asian Games Time. "Exciting Hangzhou" Qiandao Lake Mountain Bike Invitational on May 3, 2022, was the first event held in the venue since its trial operation. After the trial operation, the athletes and their support staff became the first batch of participants, which would be the comprehensive inspection of various venue services.

All arrangements and plans should have been smooth and fruitful until the postponement was announced. The impact of the delay is enormous.

First, the venue operation team, diverted from other government departments for the Asian Games, was disbanded and returned to work. The rest of the trial events have also been canceled, leaving no operational staff at the satellite village. As a result, operations in the village have to be temporarily transferred back to enterprises. Usually, enterprises need to plan to operate large projects from a business perspective. Every recreation activity involves preparing, implementing, analyzing, evaluating, and considering all the factors influencing it. Hence, CGDG cannot immediately organize an effective operation team for a future summer vacation to develop a profitable business plan.

Second, the government built many professional temporary facilities in the village, including movable board houses, water and electricity laying, etc., and initially promised to demolish them after the Asian Games. However, due to cost concerns, the government decided to modify and demolish only a few facilities after the postponement. The existence of these facilities is a significant disadvantage for business operations. Many facilities are only for specific events and professional athletes, not for ordinary people. In addition, the presence of these facilities takes up a lot of space. This makes it particularly difficult for the company to expand its customer group and ensure the diversification of the recreation project.

Third, some problems still not clearly defined in the preparatory stage are magnified. Before the Game, the government and CGDG were cautious about their investments, but everything was being done and discussed effort by step. However, after the postponement, these contradictions became apparent. The company expects the government to compensate for the operating loss caused by the delay. However, the government considers the perspective of the preferential treatment given to the acquisition and construction of real estate land and thinks that in the long run, the company could make profits, so there is no significant loss and refuses to compensate.

Fourth, in order to meet customers earlier, CGDG has been forced to speed up the construction of hotels and recreation areas initially designed in the village and built in conjunction with the Asian Games. Summer tourism seems to be a great chance to supplement their income. Therefore, the quality of some projects is difficult to guarantee. In the absence of proper publicity and proper preparation, it isn't easy to ensure the reputation of tourists. Instead, it will lower customers' first impressions and generate unnecessary nasty comments, which goes against the government's goal of further promoting its image through the Asian Games.

## **4. Discussion**

### **4.1 Attract Events and Create Entertainment Products With External Help**

The delay of the Asian Games has had a massive impact on the contractors, and many problems have been beyond the scope of conventional handling capacity. Therefore, with the help of external forces, in order to attract tourists before the Asian Games, publicity, to make full use of the site, the purpose of collecting part of the funds. The company needs outside forces to attract events and create entertainment products. First, attract events through government resources. In China, many professional events are held through the relevant government departments to obtain the declaration.

Even sports events run by non-governmental organizations must register with the local government. As mentioned above, Chun'an County seeks to preserve the beautiful environment by setting green growth, creating an eco-environmental town, constructing eco-friendly infrastructure, and continuing to attract sports events to build brand image. The local sports bureau was responsible for all the sports and recreation events management. Therefore, Chun'an attaches more importance to sports and has more abundant resources. Through cooperation with the Sports Bureau, the company would be able to transfer some sports events to the sub-villages of the Asian Games. In this way, not only were the spectators attracted to the resort, which played the function of publicity and promotion, and it also tested the bearing capacity of the resort, which played a similar effect to the trial competition.

Second, find partners to undertake entertainment products. CGDG has failed to build an effective operation team in a short period to develop business plans, design experience products, and achieve economic benefits. Therefore, looking for professional operation team involvement or direct outsourcing can provide consumers with professional and reliable products the fastest. The company can entrust the triathlon competition area to the Triathlon sports Club, sign the event organizing contract, and attract the competition through the professional ability of the other party. The mountain bike track can also be handed over to the cycling event company to operate and introduce mountain bike events. CGDG can also generate revenue by docking national and provincial track teams and providing the velodrome as a training venue for a fee. Strengthening cooperation with professional parties can activate the venue cluster faster and better and bring economic benefits. In the long run, the company's operations team can learn from this experience and lay the foundation for future independent sports product design and events.

#### **4.2 Actively Expand Shanghai Customers and Surrounding Markets**

As one of the most economically developed cities in China and a core city in the Yangtze River Delta region, Shanghai is rich in competition resources, has a deep foundation of sports fans, and has a strong consumption ability and a wide range of hobbies. According to the current situation of hotel pre-sale before the opening of the Qiandao Luneng Resort, more than 70% of customers are from Shanghai. On the one hand, Shanghai has been hit by a severe epidemic since March 2022, with more than 600,000 confirmed cases and parts of the city locked down for three months. This situation has only intensified the desire of Shanghai citizens to spend. On the other hand, it also explained the Shanghai consumption level of the firm and the broad market radiation. Therefore, by developing the Shanghai and surrounding market, cooperating with Shanghai Sports companies to transfer some Shanghai events to sub-villages of the Asian Games. Hence, we can better attract customers from Shanghai and generate increased economic profits for local lodging and catering businesses. The company should take measures to solve implementation problems, such as establishing a new express bus route between Qiandaohu high-speed railway station and a satellite village. To relieve the inconvenience experienced by visitors and increase international accessibility to Chun'an and Qiandao Luneng Resort. And the following step could be to promote the formation through different publicity channels to generate word of mouth effect.

#### **4.3 Improve Service Quality through Three Dimensions**

According to Grönroos (1984)'s basic theory and Koo et al. (2015)'s further study, service quality consists of three main aspects: Service product (Technical quality), Service delivery (Functional quality), and Service environment (Environmental quality) [9-10]. Technical quality attributes of the Game itself, including team performance, quality of matches, players' behaviors, etc. Functional quality includes friendliness, responsiveness, presentation, and expertise of front-line employees. Environmental quality comprises facility aesthetics, seating comfort, electronic displays, facility cleanliness, and ambient conditions (music, noise, smell). The results showed that functional and environmental qualities significantly impacted customers' perceptions. The environmental and functional quality is indirectly mediated by perceived service quality on satisfaction, while technical quality was directly associated with satisfaction. The current findings supported the fully mediated

model, indicating that only an indirect effect exists between perceived service quality and behavioral intention through satisfaction. Hence, customer-employee interaction and the service environment can play a major role in enhancing customers' satisfaction because they spend a lot of time observing and experiencing a sporting product. Administrators should keep increasing technical quality to sustain competitive advantage by attracting high-level competition, recruiting quality service team members, and scheduling quality brands. The front-line manager should develop systematic recruiting procedures and training programs for employees who deliver service. The company should keep creating an exciting physical environment and alternative recreation products that could compensate for the unpredictable nature of sporting products, such as star players' injuries and postponement of bad weather.

#### **4.4 Re-negotiates Responsibilities with the Local Government**

During the particular period of the Asian Games, both the local government and the CGDG need further communication to clarify relevant issues. First, the construction investment will be classified and issued the appropriate budget. The two sides need to sort out which facilities are invested by the government and which venues are invested by the enterprise. Figuring out which part can be changed, what needs to be kept, and how much each party can afford to spend. Second, in the gap period before the Asian Games, the company must arrange what recreation projects can do and what help the government can provide. It includes events that can be solely held by enterprises and introduced by the government. It is best to issue an event schedule to see which products both sides can cooperate to complete. Third, the government's fund budget is appropriately inclined to enterprises. The sports Bureau is no exception to the budget allocated annually to different departments by local governments. Therefore, seeking financial support from the county government, even the Hangzhou Municipal government, and the Zhejiang Provincial government to invest in event holding can significantly alleviate the operating pressure on enterprises.

### **5. Conclusion**

The success of a sporting event depends largely on the cooperation and coexistence of tourism actors, the local community, the sporting event organizers, and all stakeholders. Specifically, managing sporting events and other recreational activities includes advanced planning, implementing selected actions, and controlling their effectiveness, aiming to offer spectators and participants the best products and services. Therefore, it is essential to establish a great relationship among local government, venue owners, and event organizers. Each party performs their duty at different stages, which are fully tied in with each other, contributing to a piece of successful work to thrive in the sub-village. Through sporting events, the citizens' social cohesion and pride are enhanced, reflecting the multidimensional influence of a sporting event on society as a whole. Similarly, With a good basis for cooperation and management, the brand image and customers' prospect quality could be established and promoted.

In summary, CGDG attracts sporting events by combining its regional symbolism as an Asian Game site and corporate with different partners to achieve prolonged development, including the company's revenue growth, regional economic revitalization, and resort branding.

The present study focused on only one area of the Asian Game competition zone, which can be characterized as a weak point, as the results cannot be compared with other regions or mega-sporting events. This study mainly analyzes the perspective of venue constructors and owners. So the study invited parts of CGDG employees and Chun'an Sports Bureau staff as research participants, neglecting the perceptions of other stakeholders and residents. Therefore, it is recommended that future studies supplement this limitation by including local government, event organizers, and Chun'an residents as research participants. Nevertheless, this could be an opportunity to extend future research to other destinations, providing opportunities to compare and contrast host city and sports events locally and internationally.

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