

Influence of Holding Major Sports Events on Urban Economy

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Abstract. Last year's Tokyo Olympics had a great impact on the host country's economy. Due to various reasons, this Olympics has caused a lot of losses. Now the 2022 Qatar World Cup is coming as scheduled, and the Qatar World Cup cost more than 200 billion U.S. dollars, making it the most expensive one. At that time, people from all over the world will come here. Of course, it will bring about the development of related industries and positive benefits, but it is still unknown whether it can help the host country make profits and whether it will have any adverse effects on the economy. To this end, the post-match income of major sports events over the years, especially the Olympic Games and the World Cup, has been searched and studied. In the end it was found that very little turned out to be profitable. Not only would most cities lose money, but the stadiums would be abandoned. A profitable experience was found through the success of several major hosts.

Keywords: Major sports event; economic; profit.

1. Introduction

All countries and regions want the right to host major sporting events. Because this process not only promotes sports for everyone, helps people take sports more seriously, but also allows us to take full advantage of this period to spread our own culture. Strengthen cooperation with globalization to drive economic improvement. Sports is a kind of culture, and culture, economy and politics are intertwined. Modern sports events, as a multilateral event, can not only showcase the achievements of sports development, but also provide host cities and host countries with an excellent opportunity and platform to introduce and promote themselves to the rest of the world. But overall, very few regions have achieved profitability after hosting the World Cup or the Olympics.

2. Analysis of the Relationship between Large-scale Sports Events and Economy

2.1. The Direct Impact

The economic impact of large-scale sports events is primarily direct, referring to the economic benefits obtained from facilities, services, and the environment during the event. The most common are tickets, souvenirs, corporate sponsorships, and so on [1].

First, the revenue of related products increased significantly. With the development of the global economy and the rapid development of information technology represented by the Internet, the global broadcast of the Olympic Games or the World Cup is imminent. The importance of TV broadcast rights and publishing rights has become increasingly prominent and has become a major economic income item. Additionally, event tickets are a significant source of income, albeit their share of overall income is steadily declining. The Olympic Organizing Committee mostly sells tickets in advance, which is significantly influenced by competition-related things, audience events, venue amenities, etc. Additionally, connected products like lottery tickets, book images, commemorative stamps, and event logos can provide substantial financial gain [2].

The second is the economic income of relevant staff. On the one hand, athletes, coaches and other personnel participating in the competition will have considerable bonus income, and referees will also have certain Olympic income [3].

The third is for the benefit of sponsors' and suppliers' financial interests. A significant percentage of the investment is made by sponsors and suppliers that contribute money, technology, staff,

materials, and service support for the event. Sponsors receive priority in advertising and promotion in exchange for significant financial contributions, and suppliers receive marketing rights. At the same time, a sizable amount of sponsorship and advertising revenue will be produced, improving the Olympic Games' and World Cup's economic benefits.

2.2. The Indirect Impact

Events have a more direct influence on the economy than they do indirect ones. The host country's and the host city's economic development are the key topics of discussion. The effects on the economy are greater and more pervasive [4].

Speed up the process of economic globalization. The unifying goal that unites people during the bid and hosting of the Olympic Games, as well as widespread publicity and propagation of patriotism, collective awareness, and other ideological culture, can significantly aid in the development of a civil society. The society improves the image and status of cities and countries in the world, creates a good social environment for the development of the national economy, and lays a strong framework for addressing and resolving issues with the sector, such as altering the economy. economic framework. In the course of this process, it will assist the host nation in developing a global brand, driving and promoting the transformation and growth of economic corporate brands, enhancing and enhancing the international standing and influence, assisting the host nation in quickly integrating with the rest of the world, taking an active role in the global economy, and supporting the internationalization of the national economy.

2. Improve urban construction while boosting employment. Certain fundamental elements, such as the competition site and the Olympic Village, are necessary for the event's holding and preparation. As a result, the host nation must constantly renovate and construct different urban infrastructures to satisfy the demands of pertinent organizations. In order to ensure the event's smooth progression, the host city and country must increase urban development in terms of municipal public infrastructure, the traffic congestion system, social public services, sociocultural context and resource construction, consumer market, respectively. The game's activities happen all at once. The earth aids in the urbanization of nations and areas.

3. Encourage the growth of numerous industries and improve the economic system. The event's holding has greatly increased the city's and the nation's investment potential. The expansion of manufacturing sectors in the region and the nation, particularly the sports industry, has been fueled by significant investments from domestic and foreign businesses in terms of both capital and labor [5]. the growth of several industries, including those related to business, property investment, urban transit, construction, catering, services, and tourism.

All in all, The nation may use this as a chance to increase the quality of economic development while promoting all-around development by accelerating the transformation and development of the region's economic and industrial structure. In line with international standards, realize the coordinated development of its own economy.

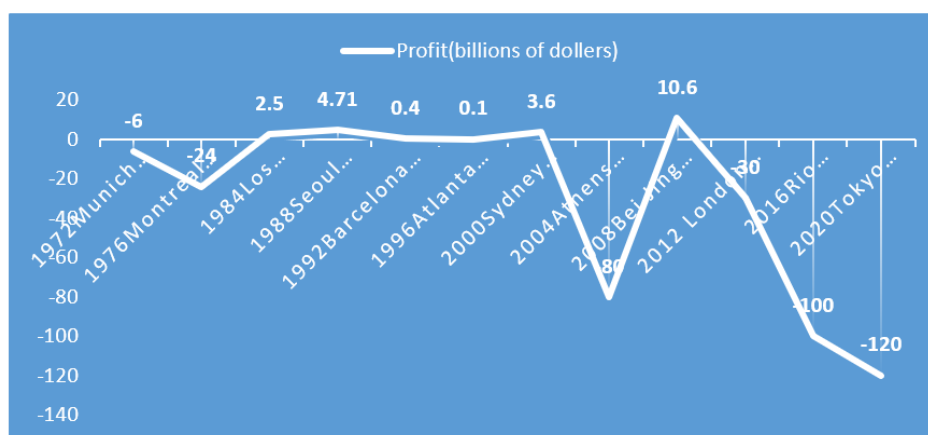


Figure1. Profits from previous Olympic

3. Profitable Successful Events

It is obvious from the Figure 1 that the final profit results of the Olympic Games over the years. With the development of the times, the cost of each session will increase. If it is a successful event, the profit will not be high. but if an accident occurs, the amount of loss is enough to bring a huge blow to the region. The Olympic Games is a worldwide comprehensive sport. From the 1896 Athens Olympic Games to the 1984 Los Angeles Olympic Games, there has been no profit for quite a long time. The 1984 Los Angeles Games brought in \$329 billion in revenue for the Southern California region, making it the first profitable Olympic Games in history. As can be seen from Figure 1, the Olympic Games made a profit of 250 million US dollars. The Catalonia area received 26.05 billion US dollars in revenue from the 1992 Olympic Games in Barcelona, making them the most successful Olympic Games in history [4]. Olympics in Beijing in 2008 came in second. The 2004 Olympic Games in Athens saw spending go above budget by around 1.8 billion euros, which triggered an economic crisis in Greece [6]. It can be seen that not every Olympic Games can bring economic benefits to the host country. The Olympic Games bring not only opportunities but also challenges to the economy of the host country.

The Beijing Olympic Games has fully integrated its own culture into the event. From the opening ceremony to the closing ceremony, from the construction of buildings before the game to the development of the future economy after the game, all parties, large and small, have seized the key to this opportunity. The opportunities brought by the Olympic Games to my country's industrial economy are mainly reflected in the four major industries.

1. Sports Industry The biggest beneficiary of the success of the Olympic Games should be the sports industry. The total value of various equipment, equipment supplies and other materials needed for the Beijing Olympic Games reached 170 million yuan. Sports advertising, sports tourism, sports betting and other industries are also facing development opportunities. Beijing's bid to host the Olympic Games will enable the sports industry to gain more support in terms of policy and financing, which will surely accelerate the development of my country's sports industry. The Olympic Games also contribute to the standardized management of the sports industry and the improvement of the corporate system, and enable the government to encourage private enterprises to invest in the sports industry.

Tourism Industry The Beijing Olympic Games provided huge business opportunities for China's tourism industry. The Olympic Games provides the tourism industry with potential tourists from all over the world. The Beijing Olympic Organizing Committee estimates that 16,000 athletes and team officials will compete in the 2008 Beijing Olympic Games, 21,600 media outlets have registered to cover and review on the Olympic events, and millions of tourists from local to international will congregate in Beijing to watch the thrilling Olympic Games or to visit Beijing's tourist attractions. According to the experience of previous Olympic Games, while participating in and watching the Beijing Olympic Games, these people will stop by the tourist attractions around Beijing and other famous tourist attractions across the country, thereby bringing about an increase in tourism income.

Construction initiatives in the infrastructure and real estate sectors will create significant development prospects for Beijing and surrounding areas. My nation has spent 280 billion yuan on Olympic venues, equipment, and the natural environment in preparation for the 2008 Olympic Games. Among them, the investment is 1.6 billion US dollars, 22 new venues; the investment of 90 billion yuan in transportation facilities, the construction of a 100-kilometer subway and urban road network; the investment of 45 billion yuan in environmental improvement; At present, the real estate developed in the surrounding areas of the Olympic Games has reached about 4 million square meters. Taking Qingdao as an example, the two real estates close to the Olympic Games have soared 1,400 yuan per square meter within two days of the successful bid for the Olympic Games, and have become the focus of everyone's attention.

Environmental protection industry Beijing put forward the concept and standard of "Green Olympics". According to the national "Tenth Five-Year" environmental protection investment plan, the total investment in five years is 700 billion yuan, accounting for 1.3% of GDP, of which sewage

treatment is 300 billion yuan, and air treatment is 250 billion yuan. 100 million yuan, 90 billion yuan for solid waste treatment, 50 billion yuan for ecological construction, and 10 billion yuan for environmental monitoring. "Green Olympics" will drive the development of green industries such as tree planting and flowers [6].

The success of the Barcelona Olympics is very different from the success of the Beijing Olympics, and the Catalan region is more to associate itself with this Olympic Games. Barcelona's interventional urban renovation plan for the Olympic Games has given the city a brand new look. Since the 1980s, by taking the opportunity of hosting the 1992 Olympic Games, under the guidance of outstanding design talents, it has combined engineers, government The extremely rapid, thorough and successful transformation of the urban fabric through the enthusiastic participation of officials and ordinary citizens can be compared in far-reaching significance to the famous Cerda expansion plan that also took place in Barcelona [7]. The architect combined the new urban construction reform plan with the construction of Olympic sports facilities to achieve a snowball-style construction strategy [8]. The architect combined the new urban construction reform plan with the construction of Olympic sports facilities to achieve a snowball-style construction strategy. The attention and investment that this approach brings has enabled more ambitious plans, such as the integration of individual projects into a coherent urban form. So now this paper can see that the traditional very neat architectural structure of Barcelona has not been destroyed, but a lot of modern buildings (not only sports-related facilities) have been added between the houses. During this period, the government also transformed the coastline, built infrastructure such as power plants to support the Olympic Games, and modern buildings such as conference centers and hotels. beauty. This distinctive urban construction is a gamble, but it is successful in the end. It has greatly improved the development of related industries, and also allowed each facility to develop accordingly and bring positive effects in the future. Be aware that most stadiums are abandoned after games are over.

Similarly, the World Cup is an opportunity. It can be seen from the various official events that the average revenue of the World Cup is as high as 32.7 billion US dollars, far exceeding that of various sports events. The income brought to the host country in the direct impact is similar to that of the Olympic Games, with tickets, sponsorship and TV broadcasting still occupying a major position. But the World Cup is the participation of multiple cities in a country, so it will bring more benefits to the local area. Take the World Cup in South Korea and Japan as an example. South Korea and Japan have reaped huge economic returns by hosting the World Cup. The 8 billion francs (approximately US\$3.1 billion) in revenue from the World Cup in France are calculated based on South Korea and Japan, not the total of the two countries. In terms of budget, South Korea and Japan have invested a lot of financial and material resources in order to surpass their opponents and demonstrate their superiority to the world to attract the attention of the world. South Korea invested a total of US\$1.87 billion in 10 new stadiums, and invested US\$2.8 billion to build 7 stadiums and renovate 3 stadiums. In addition, both parties also spent a lot on infrastructure construction. The total investment in Japan alone is equivalent to three times the investment in the World Cup in France. The actual economic benefits of South Korea and Japan are as high as 35 billion U.S. dollars more than originally estimated. In addition, the World Cup also brought a large number of employment opportunities to South Korea and Japan, and promoted the recovery of domestic construction, transportation and other industries. During the World Cup, Japan's accommodation industry and hotel industry earned 47 billion yen (about 440 million U.S. dollars), sightseeing and tourism 32 billion yen (about 300 million U.S. dollars), and transportation revenue 46 billion yen (about 430 million U.S. dollars). It reached 173 billion yen (about 1.6 billion U.S. dollars) in Japan at the time of the game. In total, Japan will receive \$25.8 billion in direct economic benefits. Some Japanese economic institutions pointed out that if Japan enters the top 8, it will have an additional 1 trillion yen (about 9.4 billion U.S. dollars) in economic benefits [9,10].

4. Summary

The marketing strategy of the International Olympic Committee and FIFA is based on the excellent management system and operating mechanism, creating exciting events, adding value to the intangible assets of the Olympic Games and the World Cup, and conducting effective commercial operations. In the hosting of Olympic Games and World Cup football matches, if managed properly, the benefits brought by itself will be diversified and huge. According to the law of market operation, make full use of market demand and communication advantages, flexibly sell TV broadcasting rights, Tickets and the establishment of World Cup sponsors are the main means of FIFA marketing. The host country used the World Cup to actively publicize its own resource advantages, formulate a development blueprint, and adopt flexible and diverse sports marketing methods to set a good example for the world. Many countries and cities have regarded the hosting of major international sports events as a rare opportunity to develop the economy of the country or the region. The host country promotes the benefits of economy, tourism and sports culture by hosting the event, and actively links the event with the culture of the country, which is worth learning for everyone who wants to be a host.

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