

## **MAJOR SPORTS EVENTS COMMITTEE**

### **Presentation by the Hong Kong Polytechnic University for the Study on the Economic Benefits of Major Sports Events**

#### **PURPOSE**

This paper seeks Members' views and comments on the final report for the Study on the Economic Benefits of Major Sports Events submitted by the Hong Kong Polytechnic University (HKPU).

#### **BACKGROUND**

2. At its 7<sup>th</sup> Meeting held on 14 September 2005, the Major Sports Events Committee (MSEC) endorsed the recommendation of inviting local universities to submit proposals for the above-mentioned study. Of the two universities which expressed interests to our invitation, HKPU asked for a lower fee at \$118,300, and was therefore appointed to conduct the study for three major sports events vide MSEC Paper 14/2005 at the said fee.

3. HKPU researched on three "M" Mark events, namely Cathay Pacific Credit Suisse Privilege World Squash Open 2005 (World Squash Open), UBS Hong Kong Open Championship 2005 (Hong Kong Golf Open) and Cathay Pacific/Credit Suisse Hong Kong Sevens 2006 (Hong Kong Sevens). After undertaking a quantitative analysis of the data collected, HKPU has compiled the final report and submitted it to the Secretariat on 29 September 2006, before the agreed deadline on 30 September 2006.

#### **RECOMMENDATIONS IN THE REPORT**

4. In the report, HKPU has made the following recommendations:-

<b>Item</b>	<b>Recommendations</b>	<b>Justifications</b>
(a)	Additional marketing dollars and efforts have to be made on the overseas promotion to attract more overseas spectators.	About one-third of the attendees of the Hong Kong Sevens were from overseas which represented a strong overseas market, while the Hong Kong Golf Open and World Squash Open showed a relatively weak overseas market.
(b)	There is a need for post-event planning, for example, post-event tours of Hong Kong, sports-related activities, discovery and/or outing type activities, nature-trail hiking, shopping, sight-seeing tours, etc, in order to attract the attendees to stay longer in Hong Kong.	The duration of stay of the overseas attendees for the three major sports events exceeded the average length of stay as reported by the Hong Kong Tourism Board, which implied a greater amount of spending on hotels, meals, entertainment, transportation and shopping as tourists after the event.
(c)	More attractive travel packages, including the event tickets, air fare and hotel accommodation should be arranged, so as to promote the Cathay Pacific or Dragon Airlines.	Feedback from attendees of the three major sports events indicated very low interests in using Cathay Pacific or Dragon Airlines.
(d)	Effort should be made to raise the interest in food and drinks consumption, while a greater variety of food and drinks as well as more attractive memorabilia should be offered for sale.	For the spending on direct expenditure (such as food, drinks, event programmes, merchandises, souvenirs, etc.), almost 90% of the attendees spent an average of HK\$653 per person on food and drinks in Hong Kong Sevens, while the average spending was only HK\$154 per person in Hong Kong Golf Open and it even did not bring in much revenue for World Squash Open.
(e)	A more detailed study is needed to investigate their preference.	Foreign attendees tended to spend more than the local attendees on other direct expenditure.

Item	Recommendations	Justifications
(f)	More effort should be invested to offer greater diversity of “Entertainment”. Besides, it is worthwhile to plan some post-event shopping trips for the female attendees.	For the spending on indirect expenditure (all tourism-related expenditure), the highest amount spent was on “Entertainment” in Hong Kong Sevens. Besides, females spent substantially more than males in Hong Kong Golf Open and World Squash Open, while “Shopping” was the highest amount spent.
(g)	More marketing efforts should be targeted on those married with no kids, the middle-aged group, professionals and senior managers, and those with high monthly income.	The highest spending groups for the three major sports events were mainly those married with no kids, the middle-aged group, professionals and senior managers, and those with high monthly income.
(h)	It is worthwhile to invest additional marketing dollars and planning efforts in designing and making available up-market hospitality products and services suited to the self-employed, retirees and housewives.	The self-employed, retirees and housewives spent the most in Hong Kong Golf Open.

5. Members are invited to note the details of HKPU’s recommendation at **Annex.**

## **OTHER FINDINGS OF THE STUDY**

6. Other findings of the study that warrant attention are summarized as follows:-

- (a) during the stay of the overseas attendees of the “M” Mark events, there were additional spending on hotels, meals, entertainment, transportation and shopping. The Hong Kong Tourism Board (HKTB) may consider to initiate some tailor-made post-event

- tourism packages;
- (b) the Hong Kong based Cathay Pacific and Dragon Airlines are not popular airlines among the overseas attendees of the “M” Mark events. HKTB may pass this observation to the two local airlines to facilitate their planning of marketing strategy; and
  - (c) majority of the overseas attendees of the Hong Kong Sevens were from the United Kingdom and New Zealand, the Hong Kong Golf Open were from the United States and Canada, and the World Squash Open were from Australia and the United Kingdom. HKTB can make reference to these findings when marketing these “M” Mark events overseas.

## **OBSERVATIONS OF THE SECRETARIAT**

7. The observations of the Secretariat are summarized as follows:-
- (a) the study conducted by HKPU has evidenced that the three major sports events did bring tangible economic benefits to Hong Kong;
  - (b) so far, most “M” Mark applications are submitted at the last moment, about two or three months before the event date. As learnt from the HKPU’s study that there are strong overseas markets for major sports events held in Hong Kong, it is desirable to encourage sports organisations to submit their applications as early as possible, so that suitable marketing plan can be devised to promote the events overseas;
  - (c) the findings of the study are useful information to other organisers of “M” Mark events in the planning and marketing of their events; and
  - (d) since only three major sports events were covered in the study, it may be worthwhile to conduct a comprehensive study when in due time when more major events of different sports are awarded with the “M” Mark status in the future. This will help obtain more reliable and generalisable recommendations for reference and implementation.

## **ADVICE SOUGHT**

8. HKPU will present its findings and recommendations from the study at the 11<sup>th</sup> MSEC Meeting. Members are invited to give comments.

## **WAY FORWARD**

9. The findings of the final report together with Members' views will be used as reference for the full review of "M" Mark System to be started in late 2006. Subject to Members' views, the Secretariat will pass the findings specific to the three events to the respective organisers for reference.

Secretariat, Major Sports Events Committee  
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