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EXECUTIVE SUMMARY – IMPACT ANALYSIS World Wrestling Championships 21 – 27 September 2009 City of Herning, Denmark

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EXECUTIVE SUMMARY – IMPACT ANALYSIS
World Wrestling Championships 21 – 27 September 2009 in the
City of Herning, Denmark



Preface

21 – 27 September 2009, the City of Herning (Denmark) – and to be more specific – Exhibition Centre Herning staged the greatest FILA¹ event; the World Wrestling Championships.

641 athletes and 705 team managers/officials from 77 nations participated. 7 athletes and 5 team managers/officials represented Denmark.

Globally, wrestling is a widespread, popular sport, whereas in Denmark only 1,900 members are registered as of August 2009.

The local organisers were the Danish Wrestling Federation, Herning Wrestling Club and the City of Herning. Sport Event Denmark (SEDK), as Denmark's national event support agency, was a strong business partner all the way and contributed both financially and with consulting services.

275 hardworking volunteers worked 7 days each on an average, 10 hours a day, to make the event successful. And they succeeded, indeed. In fact, they were highly praised by all wrestling event guests in Herning 21 – 27 September.

¹ The International Wrestling Federation

The organisers had attached several side-activities to the World Championship itself to involve the local population. Just to mention a few: a school project, an integration project, a Youth Camp and a Fanzone. According to the findings of our report, the knowledge of these side-activities and the participation of them were high.

Internationally and prior to the event staging, the Danish organisers went to the Middle East on a promotion trip in an attempt to change the image of Denmark and Danes after the troublesome Mohammed-cartoon dispute.

Public contributions

The City of Herning contributed with 5.5 mio. DKK (=0.733 mio. Euro).

Sport Event Denmark contributed with 5.75 mio. DKK (=0.766 mio. Euro).

The Danish Year of Sport 2009 (TDYS) contributed with 0.7 mio. DKK (=0.093 mio. Euro) earmarked for international marketing, including a Video News Release (VNR).

Contents of this summary

This executive summary includes a macro-economic calculation of the spin-offs derived from the non-local event guests' expenditures. Including the part of the subsistence expenses covered by the organisers (based on entry fees from the participating athletes/team managers).

Furthermore, the summary includes a survey of more qualitative aspects of the hosting, e.g. visitor evaluation of the host city and the host venue, spectator demography, preferences and much more.

Table 1. – Survey sample

Method	Target group	Collected no. of answers	When and how
Face-to-face interviews	Participants/team managers and spectators	160 questionnaires	26/9 in Exhibition Centre Herning
Face-to-face interviews	Participants/team managers and spectators	175. questionnaires	27/9 in Exhibition Centre Herning

Structure of this summary

The main findings are in chapter 1 and the technicalities such as model description and method explanation are in chapter 2. Enclosure 1 shows the size of the sample vs. the total population.

Chapter 1 – Executive Summary

Macro-economic spin-offs

The generated tourism turnover of 16.5 mio. DKK (=2.2 mio. Euro), 85% of which is international (=14 mio. DKK), is 27% higher than estimated in a pre-event calculation by Sport Event Denmark.

Table 2. Direct macro-economic spin-offs (excluding local citizens)

Tourism turnover (TTO)	16.5 mio. DKK (Euro 2.2 mio.)²
Total number of bednights	14.111
Total number of day visits	1.512³
Average day/24 hours expenditure per person	1.056 DKK (Euro 140.8)

Due to the multiplier process, the tourism turnover generates a number of derived effects. See table 3. For further explanation, see chapter 2.

Table 3. Derived/induced macro-economic spin-offs (rate of exchange, 1 Euro = 7.5 DKK)

Impact / level	Public revenue ⁴ (income tax/VAT)	Employment	Value added ⁵
National impact			9.4 mio. DKK
Regional impact			8.7 mio. DKK
TOTAL	4.4 mio. DKK		
Hereof to the state = national government	3.7 mio. DKK		
Hereof to the host region. ⁶	0.6 mio. DKK		
Hereof to municipalities = local governments in Denmark	0.9 mio. DKK		
National		25.7 manyears	
Regional		25.0 manyears	

² 85% is from international visitors

³ one respondent can have more than one day visit

⁴ see chapter 2 for further explanation

⁵ see chapter 2 for further explanation

⁶ the sum of local taxes to the municipalities within the host region

Table 4. Average 12 hrs/24 hrs expenditure (including event entrance)

Sub-groups	Day visitors, DKK	Visitors with bednights in DK, DKK
Spectators from Denmark	660	1,036
International spectators	620	1,265
Athletes/team managers from Denmark	-	996
International athletes/team managers	-	996

From table 4 it appears that international spectators are the ones with the highest expenditure in the host region. The amount DKK 1,265 is a high-end expenditure according to Danish terms.

Table 5. Return on Investment (ROI)

Return on Investment (ROI)	Factor
ROI-1 A	2.55
ROI-2 A	0.67
ROI-1 B	2.25
ROI-2 B	0.60
ROI-1 C	1.41
ROI-1 D	1.51
ROI-2 D	0.74

Table 5 shows that, depending on the view you take, the public financial contribution to the wrestling event will be returned by a factor 0.55 (worst case) and a factor 2.55 (best case).

ROI-1A= International tourism turnover divided by public contributions (SEDK only)
 ROI-2A= Public revenue to the national government divided by public contributions (SEDK only)
 ROI-1B= International tourism turnover divided by public contributions (SEDK+TDYS)
 ROI-2B= Public revenue to the national government divided by public contributions (SEDK+TDYS)
 ROI-1C= Total tourism turnover divided by public contributions (SEDK, TDYS and host city)
 ROI-1D= National value added (GFI) divided by public contributions (SEDK+TDYS)
 ROI-2D= Regional value added (GFI) divided by public contributions (SEDK, TDYS and host city)

Table 6. Accumulated visitor sub-group expenditure (% of tourism turnover)

Visitor sub-group	% of tourism turnover
Danish spectators (non-local)	15%
Danish athletes/team managers (non-local)	<1%
International spectators	27%
International athletes/team managers	50%
Danish media representatives (non-local)	<1%
International media representatives	7%
Total	100%

Thus, half of the tourism turnover of DKK 16.5 mio. comes from the participating international athletes/team managers.

Almost 85% of the tourism turnover is international, which is very good from a national point of view, as interregional tourism turnover is only of value for the host region (=redistribution of money domestically).

Chapter 1 – Executive Summary

Other impacts (visitor evaluation, demography etc.)

At the World Wrestling Championships 2009 and as something quite new by Danish standards, several side-activities were arranged and attached to the core event itself. So, for the organisers it has been encouraging to learn from the survey/impact analysis that many spectators knew about these activities, liked them and participated in them as well.

These and many other findings are available below:

Attitudes, behaviour and demography – event visitors⁷

Spectators - demography:

- high share of male spectators (65/72%), the majority between 25 and 49 years
- low share of local spectators (from the City of Herning and a radius of 25 km), 20%

Spectators – evaluation and attitudes – event staging:

- high share of Danish spectators (41%), who find that medals for Denmark will lead to an increased number of members in the Danish wrestling clubs
- high knowledge of side-activities among the audience (64/60%)
- 7 of 10 spectators with knowledge of the side-activities intend to use or have already participated in one or more of them
- 72/59% find, that there are great many spectators
- these 72/59% suggest a lower entrance fee and more marketing to further increase the number of spectators
- great enthusiasm about the many side-activities; only 5-8% are negative/don't care
- great support to the Youth Camp (71/82%)
- high experienced value for money, as 88/91% find that their event stay lives up to their expectations
- for relatively few (10/23%), the slogan "much more than 7 days with top sport" influenced their decision to buy ticket for the event

Spectators – evaluating and attitudes – host city:

- pride among the Danish spectators that Herning won the hosting of the event (69%)
- high satisfaction with Herning as host city for the event (81/71%)
- the few who are not satisfied suggest: better opening hours in the retail trade, the city too small, more restaurants, lower prices, more hotels, better info on Exhibition Centre Herning, lack of wardrobes, more facilities and amusements for spectators close to the venue (shops e.g.)

⁷ results indicated as e.g. 59/72% cover Danish and international visitors, respectively

- the majority, just over half of the Danish spectators, prefer that Herning hosts all kind of events, not only sport
- 88/91% find that Herning as a host city lives up to their expectations and the few that don't elaborate as such: primarily due to my own disappointment about my team's (Germany) poor achievement, but also about the new regulations that favour luck!

Spectators – behaviour:

- 47% Danish non-local day visitors, i.e. they don't spend any bednights in Herning
- Only 18% day visitors among the international spectators
- Between 6 and 7 of 10 arrive at the venue by car
- Slightly under half of the spectators are active wrestlers or have been earlier
- Almost half of the spectators are affiliated to an event participant (either as a family member or a friend)
- The Danish spectators follow on average 3.2 event days, international spectators 3.8
- 70/71% of the spectators participate or intend to participate in one or more side-activities
- Only 14% of the Danish non-local spectators go sightseeing in the host region and they spend on average DKK 270 on it
- 33% of the international spectators go sightseeing in the host region and they spend on average DKK 284 on it
- 20% of the international spectators visit other locations in Denmark during their event stay, the majority in Copenhagen

Spectators – experience with Denmark and the host region:

- Most international spectators think "history" , when they think Denmark (41%). History was one of appr. 10 attributes listed
- Most international spectators (54%) have no idea of what the host region stands for (attributes)
- Almost 2 of 10 international spectators changed their mind about Denmark and the Danes after their event stay, and primarily in a positive direction
- 64% of the international spectators have been in Denmark before

Athletes and team managers- demograh- not tracked.

Athletes and team managers – evaluation and attitudes – host city:

- high satisfaction with Herning as host city for the event (73%)
- the few who are not satisfied suggest: better opening hours in the retail trade, the city too small, lower prices, more hotels
- high satisfaction with the accomodation/hotels (84%)
- high acceptance, 94%, of the fact that food and drinks were served at the venue instead of at the hotels as has been the case at former World Wrestling Championships
- 64% find the quality and quantity of food and drinks satisfactory/sufficient

Athletes and team managers – evaluation and attitudes – event staging:

- 79% find that their event stay lives up to their expectations
- the majority was more than satisfied with the 2009 World Championships than the similar 2007&2006 events
- 89% think that there are great many spectators
- high satisfaction with the wrestling facilities (86%)

Athletes and team managers – behaviour:

- Top-3 activities outside competition time: taking a rest, training, shopping
- 27% are accompanied by family members and/or friends
- 14% intend to (or may) visit other destinations in Denmark during their event stay (Copenhagen)
- 7% do sightseeing that demands a ticket
- All athletes and team managers have bednights in Denmark

Athletes and team managers – evaluation of Denmark and the host region:

- Most international athletes think "natural beauty", when they think "Denmark" (31%). About 10 attributes were listed.
- The majority of international athletes (70%) don't have any pre-impression of the host region as a destination
- Only 1 of 10 international athletes changed their mind about Denmark and the Danes after their event stay and only in a positive direction
- 39% have been in Denmark before, the majority of these (54%) to participate in or see a major sport event. The World Wrestling Championships thus provides the remaining 6 of 10 of the international athletes with a positive *first impression* of Denmark and the Danes

Chapter 2 Model, method and other technicalities

2.1. Rationale, introduction, method and demarcation (what's included, what's not?)

2.1.a. Rationale

To track down the event visitors' behavioural pattern and consumption pattern and adopt this knowledge when future sports events are applied for, planned and staged in Denmark.

Or to be more specific:

1)

To prove the qualitative effects of the hosting of the World Wrestling Championships 2009 such as the event visitors' evaluation of the host city, the venue etc.

Key areas:

- 1) tourism behaviour
- 2) consumer behaviour
- 3) evaluation of host city, Danish organisers and venue

2)

To prove the macro economic spin-offs derived from the non-local event visitors' expenditure due to the World Wrestling Championships 2009

2.1.b. Introduction

The impact analysis is made by Sport Event Danmark based on a representative sample of 335 face-to-face interviews on 2 competition days at Exhibition Centre Herning.

The primary target groups for the interviews were set to be: *athletes/team managers and spectators.*

This is impact analysis no. 40 made by Sport Event Denmark since 1998.

The source of all figures, tables etc. in this Executive Summary is Capacent Epinion and Sport Event Danmark. Capacent Epinion conducted the interviews on behalf of Sport Event Denmark.

2.1.c. Method

The adopted questionnaire was made by Sport Event Danmark in Danish and English and approved by the Danish organisers, who had a couple of questions of their own on the questionnaire.

The effects that are tracked are gross effects; the alternative is a "0-situation" which is an ordinary 21 – 27 September period in the city of Herning. To track the net spin-offs of the wrestling event, an evaluation of the crowding out effect should be done. However, the information needed from the regional tourist office in Herning was not available at the time when our impact analysis was made.

The macro-economic results are based on Denmark's official regional economic LINE-model, which is currently used when the national tourism account is made by VisitDenmark.

See below 2.2 "Model".

Based on our survey database, we, Sport Event Denmark, have processed the collected qualitative results.

2.1.d. Demarcation (what's included, what's not?)

Included are only visitors for whom the event was the main reason for their visit.

Included in the macro-economic spin-offs are only non-local visitors.

Included are only interviews with spectators, athletes/team managers.

Media expenditure is therefore estimated at 1,600 DKK per person per bednight.

Included are only the part of the organiser budget that covers accommodation, food and drinks to the athletes/team managers (paid by their participation fee).

2.2. Model

Basically, the LINE-model assumes that a given income results in a given proportion of consumption (and saving).

The direct consumption/expenditure in the case of events e.g. in the hotel sector leads to derived effects at the indirect level (sub-suppliers) which again leads to induced effects, because more employees demanded (or the existing staff working overtime) = higher income = higher consumption. (Known as the multiplier process-/effect, kick-started by the initial expenditure/investment).

The model assumes that 50% of the employment effect is due to the fact that unemployed people get a job, whereas the remaining 50% is expected to come from the fact that already employed people work overtime.

The model does not include long term or dynamic effects of an increased economic activity in a given region.

The model provides the opportunity to both calculate the macro-economic spin-offs from a national and interregional point of view. From a national point of view, only the international visitor spending is of value, as interregional tourism turnover is seen as a redistribution of expenditure domestically.

Enclosure 1 Sample vs. total population

Table 1 to enclosure 1 – Sample

Sub-groups	From Denmark	From abroad
Spectators	133	117
Athletes/team managers	2	83
Media	0	0
I alt	135	200

Table 2 to enclosure 1- Total population

Sub-groups	From Denmark	From abroad
Spectators	1,094	1,087
Athletes/team managers	7	1,334
Media	50	200
I alt	1,151	2,411