

## SPORTS EVENTS AND ITS EFFECTS ON TOURISM AND ITS MANAGEMENT IN SLOVAKIA

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**Abstract:** Using a semi-systematic literature review, information is gathered to research a relationships between sport events, tourism, destination brand and economic output in general. Additionally, after an analysis of the role of tourism in Slovak economy (through statistics), an attention is paid to how are these concepts managed in general and in Slovakia. Another research aim of this article is to investigate how is tourism managed in Slovakia through DMOs and whether there are such subjects. After the analyses are finished, an 'Mutual abstract sport concepts relationships with the government' model is constructed, to make findings and conclusions clear.

**Keywords:** sport events, tourism, destination brand, DMOs

**JEL Classification:** M15, M21

### 1. INTRODUCTION

The role of sports in economy might be much more valuable than it appears on the first glance. Government should pay attention to mega-sport events, as many destinations and nation-states compete to host them [1], since there are (often times) positive economic and brand related impacts on the destination where the event takes place. However, not only the sole hosting has implications on the economy, tourism, and destination brands, it might be, that the performance of national teams on such mega-sport events, might positively impact economy and tourism of that nation. For instance – as cited in [2] South Korea's team victories against strong European teams at the 2002 World Cup in football (matches against Italy, Spain, Portugal, and Poland) boosted the country's economic competitiveness and strengthened product brand image that come from South Korea [2]. The closely related concept is named the 'halo effect' which could be explained as a cognitive bias of decision makers (in this case – tourists) who subconsciously rely on only one factor to form an image of an individual, business, product, or brand. Mega-sport events, such as the FIFA World Cup or the Olympic Games raise awareness of the region as a destination (for tourists), helping to stabilize and improve its long-term future prosperity by increasing economic activity and creating new jobs [3]. Tourism as a sector is a part of the economic output of the nation – locally it is managed by the Destination Marketing Organizations (DMOs) - how is it managed in Slovakia, and what is the position (past, present, and future) of the tourism sector in Slovakia? What are the relations between destination brand, sport events and tourism?

### 2. SCIENTIFIC AIM, METHODOLOGY/METHODS

The idea behind the paper is to explore the relationships between sport tourism, sport events, destination brand; then it is intended to explore, how are those managed in Slovakia. To gather theoretical evidence, the method of the semi-systematic literature review is used. The research questions are: a) What are the potential effects of sport events (hosting, course of the event, event cancellation, ...) on

destination brand, tourism, economic output; b) What is past, current, future position of tourism regarding GDP; c) How is tourism managed in Slovakia through DMOs – are there such subjects?

### 3. LITERATURE REVIEW AND MAIN RESULTS

In [2] authors explore possible relationships between the exceptional performance of national teams in the FIFA World Cup and the influx of tourists to the countries of these teams. More specifically, authors [2] selected the winning countries (e. g. Brazil in 2002), but also the surprising countries (eg Costa Rica in 2014). They defined the surprising team as the one that reached at least the quarterfinals, but was not assigned to the first draw cup [2]. They tested their hypotheses on annual panel data from 1996 to 2017, for 11 surprising teams and 5 FIFA World Cup winners in 1998, 2002, 2006, 2010 and 2014 [2]. They found that exceptional World Cup performances can increase international tourism for winning or surprising countries in the period of one to two years after the competition [2]. Also, according to their findings, the winning countries benefit more than the surprising countries [2].

Both the sport event and the destination where the event takes place, carry their respective brands, that might be interconnected, in which case, the concept is called 'co-branding'. Co-branding can occur when a sport, or any type of event is leveraged to improve a destination's image [4].

In a use case of [3] as a brand is considered the country of Spain, which benefited from winning the FIFA World Cup 2010. The awareness of this brand (as the results of the study show and are interpreted by the author Nicolau, 2012), is strengthened and the connection between the winning team and the winning country is strong. The author claims that the brand will be evoked more easily and more often, which contributes to its recognition and equipment (original "recognition and recall"). Additionally, the winning country benefits from the secondary consequences - more sponsorship activities and the admiration of celebrities without the necessary high spending. Furthermore, as the author concludes, the facts tend to increase the probability

that an individual will insert a site into his set, from which he then selects and decides which country to visit, but also increases the probability that he will choose this country as a its destination, which would mean an increase in sales and profits for companies operating in the tourism market. As stated in [4], sport events contribute to the tourism industry in two different ways – they increase visitor numbers by attracting participants and spectators of the event; then there is media coverage of the event, that provides exposure opportunities for local hosts.

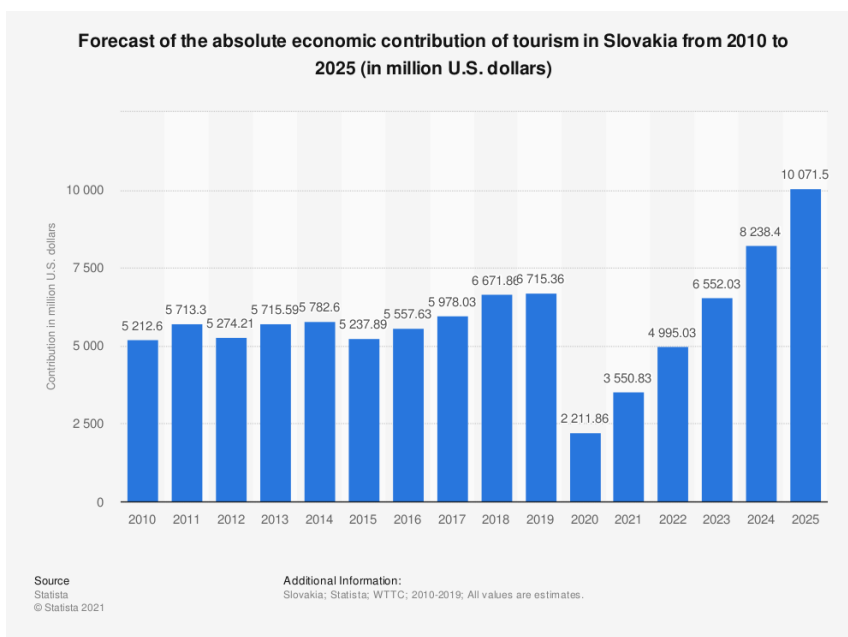
However, until now, only positive motivation for sport event stakeholders (mainly government) to ensure the sport event will be successful has been introduced, but there are also potential negative effects, that could be transferred between co-branded brands, or more precisely – could be felt by sport event stakeholders. For example, if chances occur when event has to be postponed or cancelled – then event organisers host destinations, event participants and local residents might all be affected negatively [4]. Authors of [4] examined social media feedback to cancellation of the 2018 Margaret River Pro sport event, which is a surfing sport event that takes place in the destination Margaret River. They [4] analysed 5684 Twitter posts in three time periods - before, during and after the crisis linked with the sport event cancellation; they [4] concluded, that the negative effects were linked more closely with the brand destination, rather than with the event brand.

DMOs play important role in this topic; these are organizations, whose role is to maximize the economic impact of visitors to a specific area, as stated in [5]. Additionally explained in [6] - DMOs are not-for-profit organizations that act as the principal entity and they draw visitors to the various destinations; they are mostly financed by hotel occupancy taxes. Their role is not to create events, but to help in events' organization processes. So it appears, that the main role of DMOs – put plainly – is to spark a fire of life into a destination. In other words – DMOs appears to be an arm of public governance in the tourism market, which is a topic of interest of this paper.

Organizations as these are also in existence in Slovakia since 2011 (it appears, that there was no law support in this particular area up until then – not even creation of clusters was supported by law, even if tourism clusters appeared in 2008), as stated in [6], however, authors the same authors argue, that it is not clear, how these organizations perceive themselves, and how is their understanding of their own roles. Authors of [6] conducted an qualitative research using the method of in-depth semi-structured interviews with representatives of 35 RTOs (meaning - Regional Tourism Organizations, which is a form of DMO). They compared the most cited functions of DMOs from the Pearce's summarization with the results of their qualitative research [6] and it appears, that there is a high correlation; authors [6] concluded – for example - that 26 out of 35 RTOs' representatives mentioned marketing when talking about their organizations' role, which suggests, that indeed, representatives do understand their organizations' role well, but on the other hand - planning and strategy formulation, destination management, quality assurance or research and information management was not often mentioned, and authors therefore concluded, that these lastly mentioned roles are not considered in the RTOs' roles, even though they should be considered, and so this could very well be considered as a weak-spot in the self-perception of the RTOs' roles.

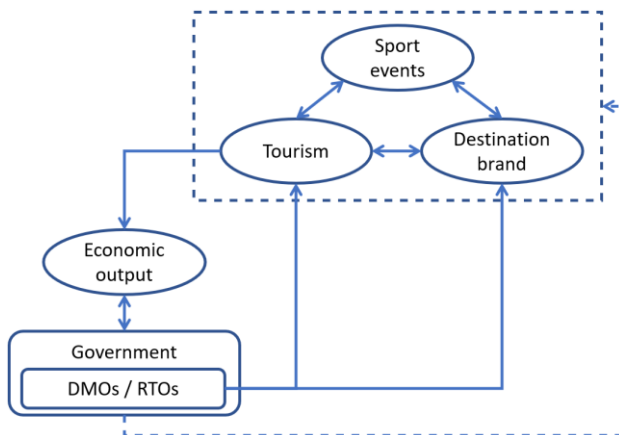
#### 4. DISCUSSIONS

Tourism sector in Slovakia takes approximately 6% of GDP [7] each year. Though no wonder in recent years, there has been a steep decline in this share, however – as the forecast in figure 1 shows – it is predicted, that the sector not only gets back to its former shape, it might even surpass it around the year of 2024, or 2025 [7, 8]. To fulfill these positive forecasts, it is important for tourism sector stakeholders to take action, every involved subject should, as soon as possible, help to create (or better yet – to refine) the environment that is able to support incoming growth of the sector.



**Figure 1** Absolute economic contribution of tourism sector in Slovakia  
 Source: [8]

But how all of the literature reviewed and topics discussed in this article connect? To try to tie the knots together, the model depicted in figure 2 was constructed.



**Figure 2** Mutual abstract sport concepts relationships with the government

Abstract concepts are depicted by oval, governing subjects are depicted by rectangle. Starting with the DMOs – in this case it is viewed and displayed as a subset of governing subjects, that in some way affect or are affected by either destination brand, sports events and tourism. That is why that the whole government set is connected with the mentioned trio with dashed lines, however DMOs are directly connected with full line with tourism to outline that tourism & destination brand (the latter is managed by DMOs' marketing activities) is the DMOs main concern. Also the trio of sports events, tourism and destination brand is interconnected mutually, because these abstract concepts are closely related. One of the main concerns of the government is to ensure high economic output, whose part is also tourism. The both sided arrow between the economical output and government might be explained plainly as such – the government takes action to affect the economical output, but the action is also affected and specified by the economical output. The main message of the model is – to increase the economical output, it is essential to understand and identify, what is the whole picture composed of and then it is necessary to manage each part separately, to – consequently – manage the set of identified subsets. In this case – finally – the subsets (sort of – it is more of a pseudo-subset) of the set of economical output are tourism, destination brand, sports events. What should be done, is to ensure, that there is enough of work force in the tourism sector, as recent events might have caused steep decline in employment in this sector – more specifically, sport event work force should be supported (as sport events are viewed as a – sort-of-subset of tourism sector), since as discussed in [9] – if sport event workers fail to return, the very

model (work force model, that got much more flexible in recent years, with decline in long-term contracts at the expense of short-term contracts – as authors [9] argue) that exploited them will prove to be a major obstacle for the organizations that run sport events and venues. Whether or not this should be left solely on the market, or should government take action is up to a debate, but regardless – analyses of market/sector/environment should be done by each of interested parties, and they all should open a discussion about strategic approach to present situation in consideration of positive forecasts.

## 5. CONCLUSION

There is a number of publications studying the effects of mega-sport events on either destination brand, tourism or directly the economic output, however – publications studying popularity of various sports are rare as it seems. From all the information gathered in this paper (using the method of the semi-systematic literature review), it should be quite safe to conclude, that there truly are number of potential benefits for the destination (or even the whole nation – depending on the scale) resulting from hosting the mega-sport events, but as the national team brand and the national brand are interconnected, even the team performance on a mega-sport event might affect – for instance – tourism, which subsequently results in the increasement in the economic output of the whole nation. Both the tourism and the destination brand are closely related and are the main concern of the DMOs (not-to-profit organizations financed from public resources) who try to improve the destination brand and to increase the tourism. This can be done through organising sport events, that draw attention (of media – for instance) to the destination. Country of interest of the paper is Slovakia. Six per cent of the GDP of Slovakia is made up of tourism sector, but more importantly – even though there has been a sharp fall of performance of tourism sector in Slovakia, it is forecasted, that soon the tourism sector should come back to its former shape and then it should be even better performing than ever before. To make connections between (quite) abstract concepts presented clear, the model depicted in figure 2 was constructed. The idea behind this model is to make clear, that tourism, destination brand and sport events are all helping to improve the performance of country's economy. All the information of this article is important for governing subjects, for sport managers, DMOs and other interested parties of tourism sector.

## ACKNOWLEDGEMENT

The Authors gratefully acknowledge the contribution of the Slovak Research and Development Agency under the project APVV-20-0481

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