



**THEME V: Economic dimension of tourism**

## The century of “Mega-events”: the Italian case (2000-2016)

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# Introduction

Hosting events has become an important element in cities and regions' strategy in order to attract visitors and investment, provide a major boost to the tourism sector and turn into a major contributor to improve destination competitiveness.

The organization of events has a positive impact on a place or a region.

- *Economic profit based on the income from the sale of product and services*
- *Increasing tourist flows and tourism turnover*
- *More business opportunities*
- *More jobs for the host community*

Many are the views on the economic impact of an event.

## ***Measuring the 'impact' of an event from the perspective of the tourism sector***

# Events and tourism

Events may be a form of tourism offer in which the content of the events is associated with the specific resources of the place where it is held to attract potential visitors.

Events can be classified according to content, location, scope, size and importance.

## Classifications of tourism events:



# Mega events

Mega events are those kind of events that yield extraordinary high levels of tourism, media coverage, prestige, or economic impact for the host community and are specifically targeted at the international tourism market.

**'Mega'** by:

- *size in terms of attendance;*
- *target market;*
- *level of public financial involvement;*
- *political effects;*
- *extent of television coverage;*
- *construction of facilities;*
- *economic and social impacts on the host community.*


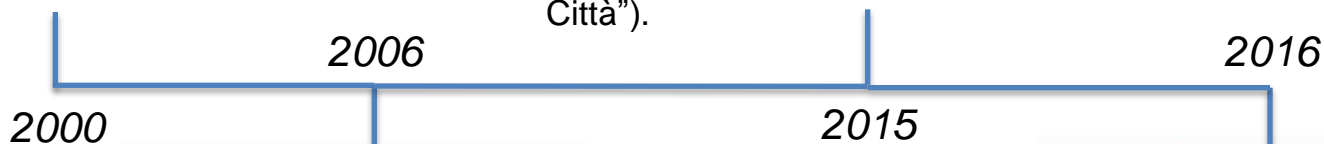
In this category are included the Olympic Games, FIFA World Cup, Tennis Open, Universal Exhibition, festival of great impact (like Rio Carnival, etc.) and the Jubilees.

# The Italian Mega events of 21<sup>th</sup> century

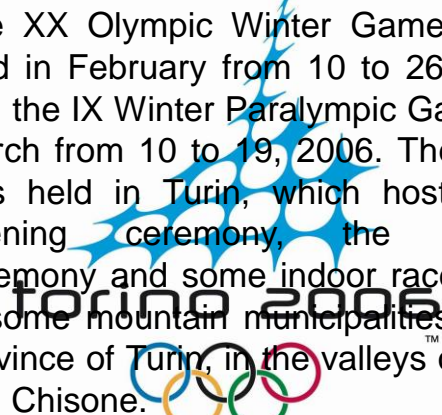
The Great Jubilee in 2000 was a major event in the Roman Catholic Church, held from Christmas Eve (December 24), 1999 to Epiphany (January 6), 2001.



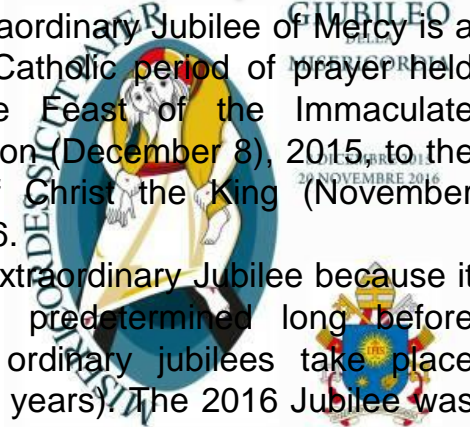
The Expo Milan of 2015 was held from the 1st of May to 31st of October 2015 in the Fair area of Rho (province of Milan) and indirectly in the city of Milan for events such as the opening ceremony and some side events. Although the event strictly took place in an area outside the city of Milan, there were many important events related to the Expo in the city center (e.g. "Expo in Città").

The XX Olympic Winter Games were held in February from 10 to 26, 2006, and the IX Winter Paralympic Games in March from 10 to 19, 2006. The event was held in Turin, which hosted the opening ceremony, the closing ceremony and some indoor races, and in some mountain municipalities in the province of Turin, in the valleys of Susa and Chisone.



The Extraordinary Jubilee of Mercy is a Roman Catholic period of prayer held from the Feast of the Immaculate Conception (December 8), 2015, to the Feast of Christ the King (November 20), 2016. It is an extraordinary Jubilee because it was not predetermined long before (usually ordinary jubilees take place every 25 years). The 2016 Jubilee was declared by Pope Francis in April 2015.



# The Italian Mega events of 21<sup>th</sup> century / 2



## Religious Event

1 year

**+57.6% nights during the event**

**+43.4% nights in the 6 months after**

**81.6% occupancy rate of beds**



## Sport Event

2 months

**+52.3% nights during the event**

**+145.1% nights of international guests**

**+3.2% average of nights after a decade**



MILANO 2015

## Universal Fair

6 months

**+26.8% nights during the event**

**+3.6% nights in the 6 months before**

**>20 municipalities involved (directly or indirectly)**



## Religious Event

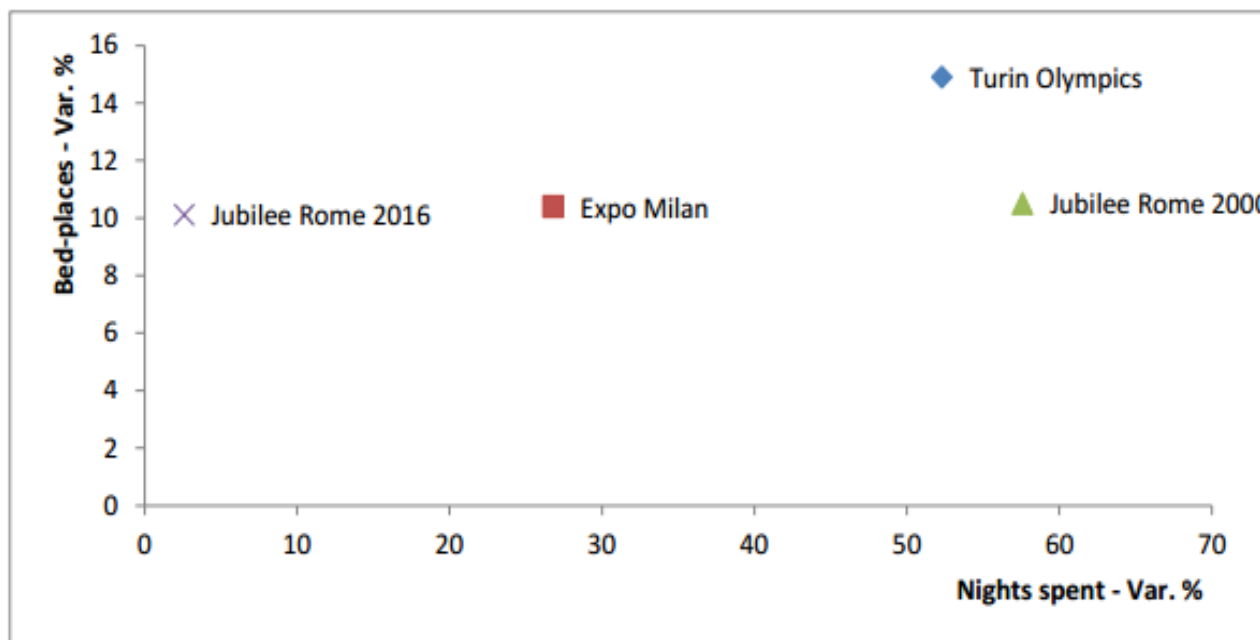
1 year

**+3.1% nights in the 6 months before**

**+7.3% nights of national guests**

**+18.530 extra beds for the event**

## Joint analysis of the Events: Occupancy and Capacity

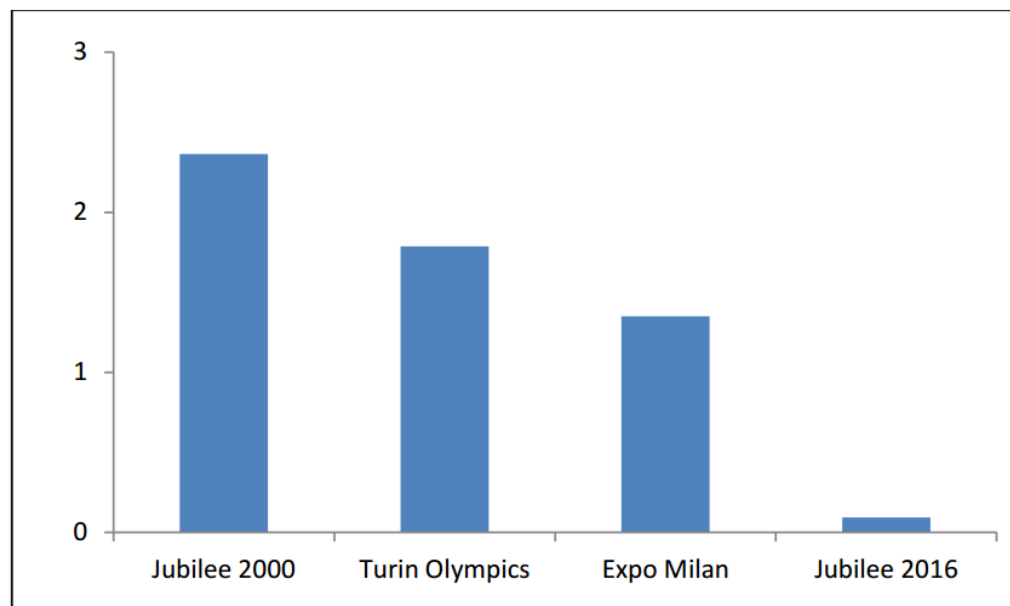


Variation of nights spent and bed-places during the event. %

The Jubilee of 2000, Expo Milan and the Jubilee of 2016 had similar variations of bed-places, but different values in terms of tourist flows.



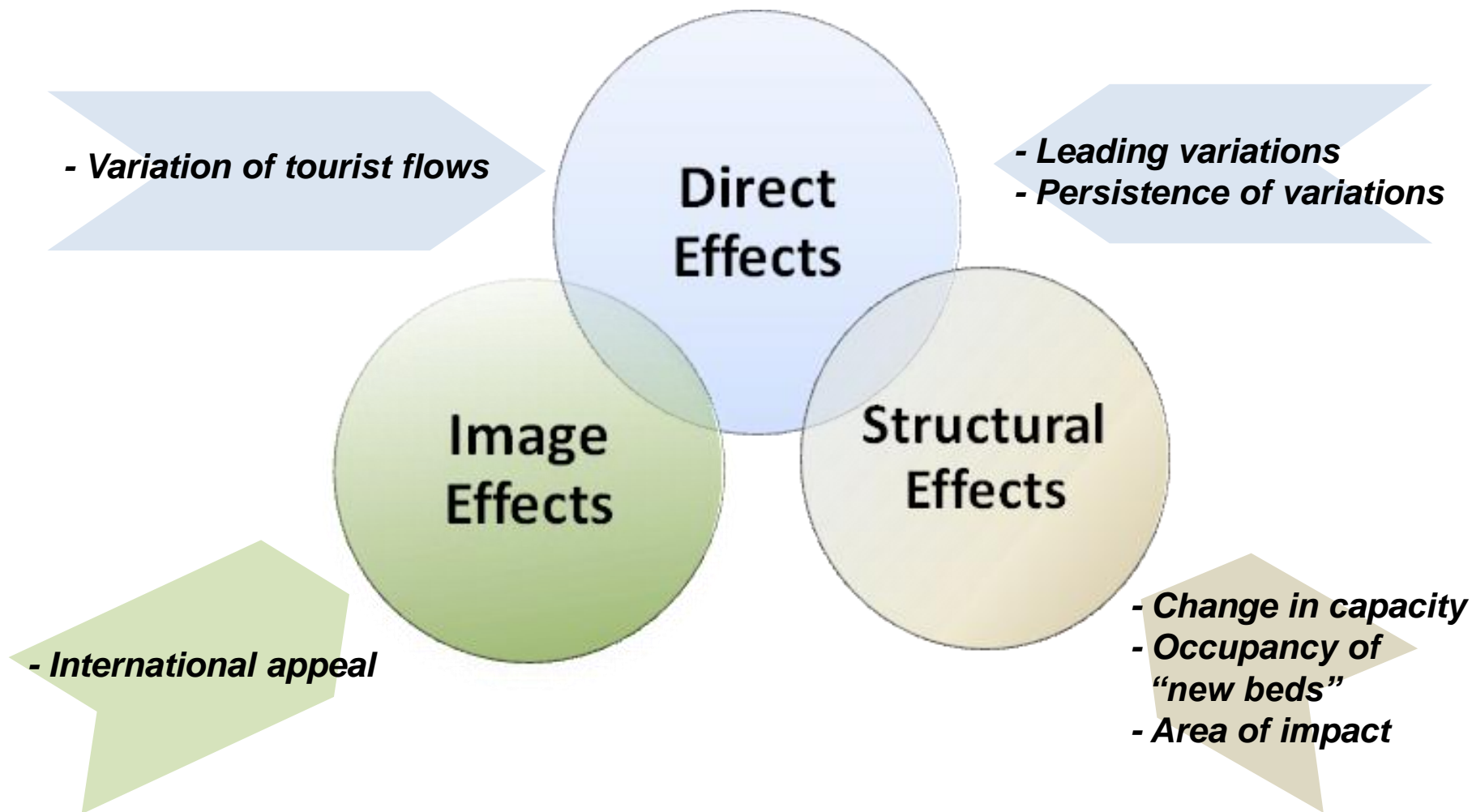
## Joint analysis of the Events: Occupancy and Capacity / 2



Added "Flows / Capacity" Ratio

The ratio of the additional flows generated by the event on the additional capacity generated by the event showed for the Jubilee of 2000 more than 2 added nights per day (2.4). Even Turin Olympics (1.8) and Expo (1.4) had values of the indicator greater than 1, while for the Jubilee of Rome of 2016 the value of the indicator was very low (0.1).

# Joint analysis of the Events



# Indicators of impact

## **event impact**

nights spent during the event compared to the same prior period

$$E_i = \frac{NS_i^T - NS_i^{T-1}}{NS_i^{T-1}} \cdot 100$$

## **leading impact**

variation of nights spent in the 6 months before the event period

$$L_i = \frac{NS_i^{\{t-6\}} - NS_i^{\{t-6\}-1}}{NS_i^{\{t-6\}-1}} \cdot$$

## **short term persistence**

variation of nights spent in the 6 months that follow the event

$$P_i^S = \frac{NS_i^{\{t+6\}} - NS_i^{\{t+6\}-1}}{NS_i^{\{t+6\}-1}}$$

## **long term persistence**

annual average of nights spent

$$P_i^L = \sqrt[10]{\left(\frac{NS_i^{T+10}}{NS_i^{T-1}} - 1\right)}$$

## **international appeal**

non-resident/resident ratio, the variation of nights spent of non-residents guests on the same variation for residents

$$IA_i = \frac{\frac{int_{NS_i^T}}{int_{NS_i^{T-1}}}}{\frac{nat_{NS_i^T}}{nat_{NS_i^{T-1}}}}$$

## **gross occupancy rate of beds**

nights spent during the event on the bed-places multiplied by the days of the event

$$OCC_i = \frac{NS_i^T}{BP_i^T \cdot d_i} \cdot 100$$

## **impact area**

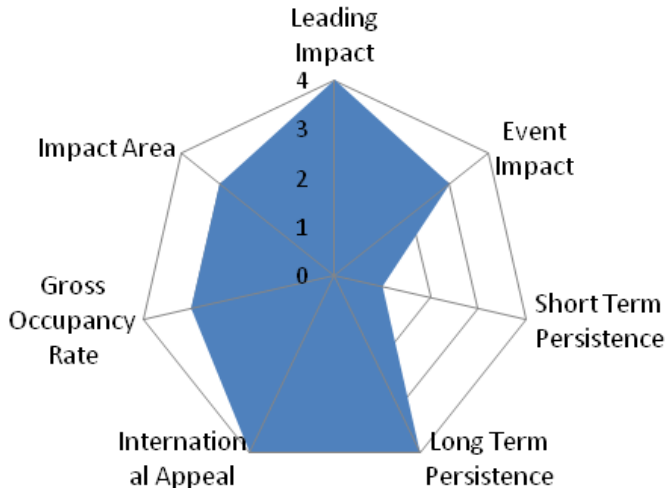
scale of the event in terms of municipalities direct involved by the event

$$w_i = \frac{\sum(\text{city. area})}{\max \sum(\text{city. area})} \cdot 1.5$$

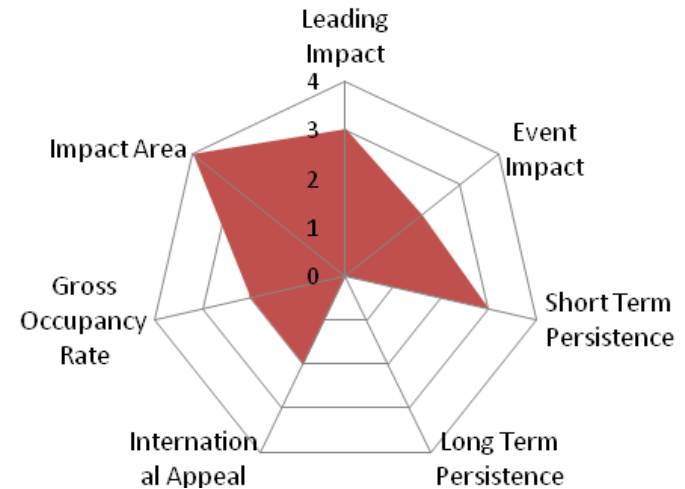
(city. area with  $\Delta NS_i > 20\%$ )

# Indicators of impact: Results

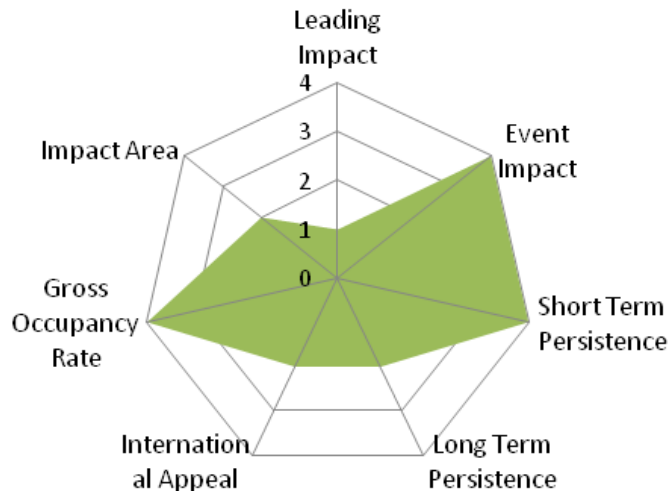
**Turin Winter Olympic**



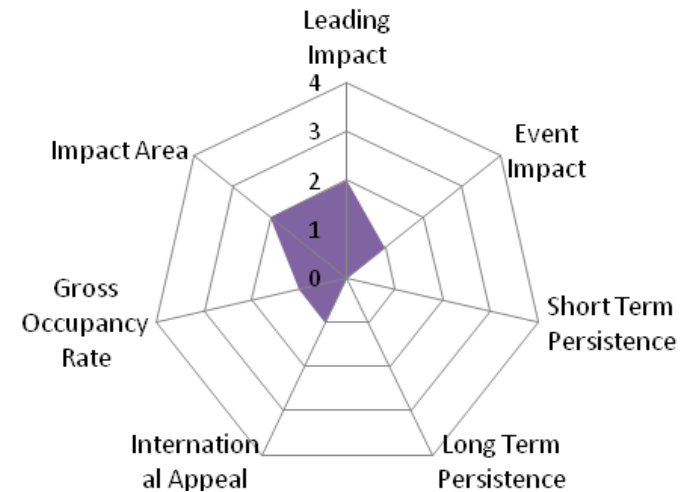
**Expo Milan**



**Rome Jubilee of 2000**

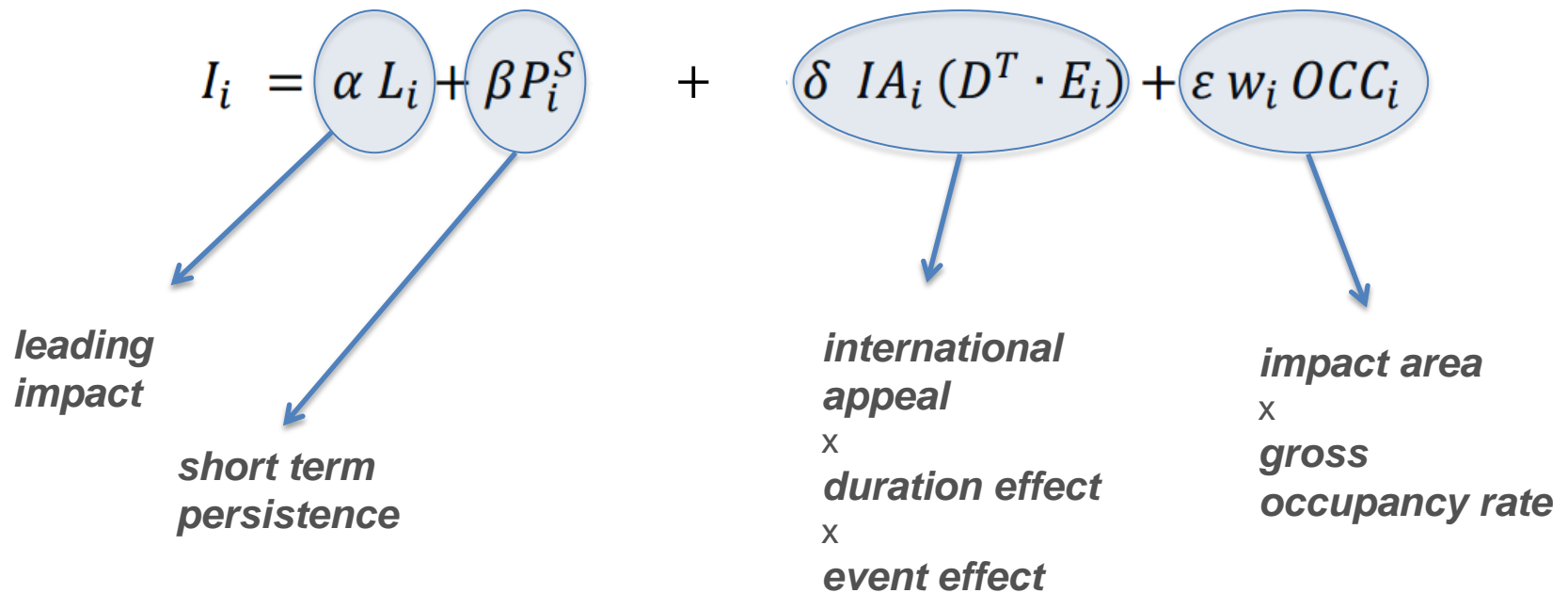


**Rome Jubilee of 2016**



# The synthetic index $I_i$

In order to give a measure of the impact of an event whatever its nature and characteristics and wherever it was hosted, is created a synthetic function of impact: the “**Impact Index**”



## The synthetic index $I_i$ : Results

	<b>Impact Index</b> <i>without Long term persistence</i>	<b>Impact Index</b>
Turin Winter Olympic	10,22	<b>12,53</b>
Expo Milan	5,05	5,05
Rome Jubilee of 2000	<b>11,55</b>	11,98
Rome Jubilee of 2000	1,43	1,43

The Jubilee of 2000 prevails in the index without the long term effects (11.55)

Turin Olympics prevails in the index with the long term effects (12.53)

***The “long term persistence” gave a +2.31 to the Olympics and only +0.43 to the Jubilee.***

## Final remarks

Planning a “Mega event” has to rest on a model by which it is possible to measure the direct and indirect effects of the event and the territorial changes over time of the accommodation sector.

The indicators and the **Impact Index** gave a synthetic measure of some aspects considered important and highlighted the strengths and weaknesses of each event.

This model of analysis could be used to explore other similar events and in future it is an input for the organizers of an event to achieve major advantages on the tourism market.