

Second Edition

MANAGING SPORT FACILITIES AND MAJOR EVENTS

**Eric. C. Schwarz, Hans Westerbeek,
Dongfeng Liu, Paul Emery
and Paul Turner**



MANAGING SPORT FACILITIES AND MAJOR EVENTS

Sport events are inextricably linked to the places in which they are hosted. High-profile events require high-quality venues, and the proper management of facilities is crucial to their success. Now in a fully revised and updated new edition, *Managing Sport Facilities and Major Events* is still the only textbook to introduce the fundamentals of sport facility and event management in an international context.

With detailed real-world case studies and insights from professional practice, this book offers a systematic guide to the management issues and practical problems that sport managers must address to ensure financial, sporting, and ethical success. It covers all the key aspects of sport facility and major event management including the bidding process, facility development, risk analysis, budgeting, marketing, branding, and quality assurance, as well as completely new chapters on analytics, impact, and legacy.

Now supported by a companion website containing slides, test banks, a glossary, and sample syllabus, this is an invaluable resource for students and practitioners alike and is essential to any course on sport facilities, event management, or sport administration.

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**ERIC C. SCHWARZ, HANS WESTERBEEK,
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PAUL TURNER**

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Eric C. Schwarz: This book is dedicated to my wife Loan for all her love and support throughout this project, and always. I would also like to recognise the work of Jonathan Robertson for his assistance and collaboration on this project. Finally, I would like to acknowledge the support of my colleagues at the College of Sport and Exercise Science and ISEAL at Victoria University, and at Shanghai University of Sport.

Hans Westerbeek: To all hard-working professionals in sport facility and event management.

Dongfeng Liu: I would like to thank Lei, my dear wife, and two amazing little ones, Dayu and Youyang, for their understanding and support of my use of many family hours for work. I would like also to thank my long-time friend, colleague, and co-author Eric Schwarz, for his friendship, inspiration, and encouragement.

Paul Emery: Dedicated to our new grandson, Jack D'Arcy, who thankfully slept so peacefully whilst writing these chapters. One day may he fulfil his dreams at a sport facility or event of his choice.

Paul Turner: I would like to thank my family for their support in all of my scholarly endeavours.



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PREFACE

The title of this book, purposely combines the management of facilities and events. The sport or entertainment event is inextricably linked to the place and location in which it is being organised and hosted. High-profile events require high-profile facilities; high-quality events require high-quality facilities; big events require big facilities; community events require facilities that cater for the needs of community groups; and so on. The type of event brings with it an endless list of requirements, the fulfilment of which determines the eventual success or failure of the event. Transport to and from the event, overnight visitors' accommodation, a sizeable target market that is willing and able to attend the event, climatic conditions at the event location, specific athletes' or entertainers' requirements such as playing surface or acoustics – all are just a start to the list of matters that need consideration when matching the facility (location) with the event. In other words, a book on facility management is incomplete when the events that are to be hosted at the facility are not discussed. The same principle would apply to a book that dealt with event management without considering the event location. Although many of the examples used in the book will be related to professional sport, it needs to be understood that our facility and event definitions extend beyond the professional sport arena. That is, it is our intention to provide a context for the establishment and organisation of participative and spectator events, for community and elite events, and for profit and non-profit events. These events can be and are hosted in facilities ranging from state-of-the-art sporting 'temples' to local community halls. However, in the interests of providing a clear focus, we will look for our examples largely in the sport and recreation industry. An industry is a collection of suppliers to a marketplace who principally provide products that are substitutable. In this book, we will position 'sport facilities' and 'sport events' as sub-industries or sectors of the wider sport and recreation industry.

This book is also intended to provide you with an extensive insight into the different markets that are served by the events sector – to better understand how, when, and why to build new facilities, and to take a long-term perspective when managing either facilities or events. The latter is important in order to stay ahead of the developments in a sector that is long-term capital-intensive. In other words, if you incorrectly assess the needs of the target markets, leading to financing and building the wrong facilities, the (financial) consequences will also have a long-term impact. Rather than providing a purely ‘technical’ approach to how to plan and operate facilities and how to organise events, we have taken the perspective of the facility and event manager as our guide to writing this book. We will take you through the process of building a new facility, considering the research and preparation that goes into assessing the feasibility of setting up a new facility and event business. Having done this, we will guide you through the processes of building the facility and operating it by organising events in it, ultimately leading to intermediate performance monitoring and to determining the levels of success achieved.

In the first chapter, we provide a broad insight into the structure, size, and trends that typify the facility and events sectors. This ‘big picture’ information is used in Chapter 2 to briefly elaborate on the key drivers of success when planning, designing, building, and operating sport and entertainment venues, and when planning and organising events. Although there is a wide range of performance indicators that can – and need to – be considered when monitoring and measuring the successful management of facilities and events, we will limit our discussion in Chapter 2 to three key drivers of success. These are time, quality, and money. In Chapters 11 and 12, we will elaborate on measuring facility and event success by applying a scorecard approach to performance measurement (Chapter 11), and by looking at the impact of facilities and events from economic, social, and environmental points of view (Chapter 12).

Having considered the drivers of success, in Chapter 3 we show the steps through a process described as the feasibility analysis. Before committing to the major investment that comes with building large venues, a significant amount of research needs to be conducted in order to ensure its viability. In this chapter, we will analyse the stakeholders of both the newly planned facility and the events that might be hosted there. We will conduct a geographic analysis, an analysis of all potential customers, and, finally, a financial analysis in order to determine the overall feasibility of the new venue. Based on the outcome of research, in Chapter 4 we will consider design and building issues, ultimately leading to a comprehensive insight into facility and event logistics. This information can then be used in a building brief. Assuming that the facility has now been built, in Chapter 5 the facility management organisation is established – in other words, what needs to be done in order to operate successfully within the physical structures of the venue, which types of qualified personnel and how many of them we need, and what type of infrastructure is required. Having

established a facility management organisation, we can start the process of organising our own events or, indeed, attracting events to our venue.

In Chapter 6 we will discuss the process of bidding for major events, how to structure the event management network, and how to start the process of event planning in the case of a successful bid. This process is continued in Chapter 7, where we start integrating our facility and event information. In other words, the venue now needs to be transformed to event mode, and an event project management structure needs to be merged with the existing facility management organisation. From both a facility and event perspective, this is also the time when risk management issues are considered.

In Chapter 8 we turn our attention to attracting the all-important customers (often better known as participants and spectators) to our venue and to our events. This can be done in a variety of ways, including the marketing of the venue itself, marketing the events, or positioning either the facility or the event based on specific strengths of the organisation (e.g. its ability to deliver exceptional service). In Chapter 9 we focus on the actual event, and on event operations from the perspectives of staffing, scheduling, crisis management, service delivery, risk management, financial management, and, of course, actual event management. Chapter 10 will expand on these event operations topics in terms of destination marketing, image, and branding. Then, as noted earlier, an in-depth discussion of performance measurement will be conducted in Chapters 11 and 12.

In the first part of Chapter 1, we overview briefly how events have always been an important part of human societies, leading to what we now call the facility and event management sector.

NOTES ON THE AUTHORS

Eric C. Schwarz from the United States started his career working in facility scheduling, special event management, and recreation programming for sport facilities. He has also worked at numerous major events including the NBA and NHL All-Star Weekends, the NFL Super Bowl, the Boston Marathon, and NASCAR auto racing events. He has been a sport management academician for the past 15 years at Daniel Webster College in New Hampshire, USA, and Saint Leo University in Florida, USA. Currently, he is a Senior Lecturer in Sport Management and Coordinator for the Postgraduate Courses in Sport Business and Integrity at Victoria University in Melbourne, Australia, as well as a visiting Professor at the Shanghai University of Sport in China. He has published two editions of *Advanced Theory and Practice in Sport Marketing* and two editions of *Sport Facility Operations Management: A Global Perspective* – the second edition of each with Routledge.

Hans Westerbeek is a Professor of International Sport Business. Currently serving as Pro Vice Chancellor – Sport and the Dean of the College of Sport and Exercise Science at Victoria University in Australia, he was the founding Director of the Institute of Sport, Exercise and Active Living (ISEAL). He has (co)authored more than 200 scientific, popular science, and opinion articles, 23 books, and 16 book chapters, and his books have been translated in to Dutch, Greek, Chinese, Russian, and Arabic. He is a past President (and founding Board member) of the Sport Management Association of Australia and New Zealand, and of the Netherlands Chamber of Commerce in Australia. He continues to serve as a Chair of Sport Management at the Free University of Brussels (Belgium) and as a visiting Professor at both the Read Madrid Graduate School in Spain, and the Central University of Finance and Economics in Beijing, China. He is a member of Club Melbourne and he was a foundation Board member of the Australian Football League (AFL) Europe, the AFL-endorsed governing body in Europe. Prior to migrating to Australia

in 1994, he worked as a marketing professional in the Netherlands. He co-founded the European Association for Sport Management and was a founding member of the European Union's European Network of Sport Science Institutes. He is also an active researcher, corporate facilitator, author, and consultant to more than 50 organisations and governments in a variety of countries including Australia, the USA, Malaysia, China, the United Arab Emirates, Belgium, the Netherlands, Brazil, India, Switzerland, New Zealand, India, and Japan. In addition to the first edition of this book, Hans has been involved with numerous projects with Routledge including *Sport Management: Principles and Practices*, *Global Sport Business: Community Impacts of Commercial Sport*, and *Australian Sport – Better by Design: The Evolution of Australian Sport Policy* among numerous other publications and experiences across the sport business management realm.

Dongfeng Liu is a Professor of Sport Management, and Co-Dean of the School of Economics and Management at Shanghai University of Sport in China. He is also International Professor at INSEEC Business School in Bordeaux, France. In addition, he holds visiting professor status at the University College in Dublin, Ireland; adjunct professor status at EM Lyon Business School in France; and was a post-doctoral research fellow at Sheffield Hallam University in England in the area of sport events and urban development. He is a member of China Sports Strategy Society, a think tank of China's Sports Ministry. A leading researcher and well-published author in the area of impacts and legacies of mega-sporting events, he is the co-author of a Routledge book – *The Global Economics of Sport*.

Paul Emery has more than 25 years of experience in sport management education. As an internationally renowned educator, facilitator, and manager, he has been awarded institutional and national awards for his innovative and engaging teaching. As a co-founder and honorary member of the European Association for Sport Management, Paul has taught on four continents, and supervised more than 60 research theses to successful completion. Paul has presented and published widely in the area of sport project and major event management, drawing considerably upon his theoretical studies as well as practitioner management experiences in both sport facility and sport event environments. He is one of the co-authors from the first edition.

Paul Turner is a Senior Lecturer in Sport Management at Deakin University in Australia. He has worked in Women's Soccer (National), State Soccer, and State Touch sporting associations in Australia. He also was the Competition Coordinator for Melbourne Football for the Sydney Olympic Broadcasting Organisation (SOBO) during the 2000 Olympic Games. He was also one of the co-authors of the first edition.

CHAPTER 1

INTRODUCTION TO SPORT FACILITY AND MAJOR EVENT MANAGEMENT

CHAPTER FOCUS

- 1 Introduction to sport facility and major event management**
- 2 Key success factors of operating sport facilities and running sport events
- 3 Feasibility analysis and market research for planning new sport facilities and events
- 4 New sport facility development: planning, design, and construction
- 5 New sport facility development: preparing the facility management infrastructure
- 6 New sport facility operations: attracting events
- 7 New sport facility operations: planning the event management infrastructure
- 8 Attracting customers: marketing sport facilities and events
- 9 Running the sport event: event operations
- 10 Destination marketing, image, and branding through major sport events
- 11 Performance management: evaluating operations
- 12 Performance management: legacy and measuring impact

CHAPTER OBJECTIVES

In this chapter we will:

- Discuss the key success factors and project drivers of managing sport facilities and events.
- Provide an outline of the changing nature of the sport facility and event sectors.
- Supply a broad survey of the structure, size and trends that typify the facility and events sectors.

- **Identify a number of new markets for sporting events and discuss the implications for the construction of new facilities.**
- **Outline the added value of new facilities and events to user and non-user groups.**
- **Demonstrate the need for and application of managerial skills to facility and event operations.**

INTRODUCTION

Throughout the last two decades, many managers of newly established sport and entertainment facilities were confronted with the inaccuracy of the well-known industry credo: if you build it, they will come. Times have changed quite rapidly. Modern day sport and entertainment venues are vastly different in their appearance and functionality compared with the previous generation of facilities. As we will discuss shortly, not only is the market for sport and entertainment events expanding and becoming more diversified but also the needs of old and new customers have changed, leading to the changing functionality of new venues.

THE CHANGING NATURE OF FACILITY AND EVENT MANAGEMENT

The current generation of stadia incorporate multipurpose facilities and have a sharper focus on catering for corporate hospitality, which in turn affects attendance (patterns) at events. With the corporate dollar becoming an increasingly important source of revenue for facility and event operators, more space in facilities is being devoted to corporate clients, necessitating a reassessment of facility and event positioning strategies. This leads logically to a reassessment of the facility's (and its tenants') target markets. Based on this shift from what were largely 'community' customers to a wider range of clients (including the much more cashed-up corporate clients), KPMG (2011) notes an increase in the commercial orientation toward stadium design in large European stadiums such as increasing the relative construction cost per seat to include more high-end amenities (e.g. corporate boxes, catering, and retail) and the increasing presence of facility naming rights sponsors.

As a result of the reluctance of sport fans and local community to fund developments with tax dollars (as opposed to the previous generation of stadia developed three decades ago, where funding often consisted of nearly 100 per cent tax money), facility and event organisations have turned their attention to identifying alternative funding strategies. Not only are sport and entertainment venues more likely to be privately funded and owned, but this situation has resulted in the 'unbundling' of commercial activities (concessions, pouring rights, merchandising rights, media rights)

that can operate within the facility. At the same time sport teams are relying less and less on match day revenue due to increasing revenue generation from, for example, media rights. Television coverage and live streaming of sport events further decreases the need for the average spectator to attend a given event, whilst increasing the expectations about an engaging viewing experience once at the event itself (i.e. it should be 'better' than watching at home). That is why a shift of focus to the business-to-business customers can be observed as corporations are prepared to pay top dollar for luxury boxes and club seating. KPMG (2011) found that the typical amenities provided in many European stadia included covered seats, in-house restaurants and bars, conference facilities, corporate boxes, high-end catering, merchandising outlets, at least 10 per cent premium seating, retail and leisure facilities, and (in the case of mega-stadia) an in-house museum. The new 2 million square foot, 71,000 seat, Mercedes-Benz Stadium built in Atlanta cost US\$1.4 billion, received a mixture of public and private funding, contains 190 corporate suites, 7,500 club seats, 700 concession stands, 7 bars and restaurants, and an amazing 63,800 square feet of scoreboard wrapped around the playing surface and rising nearly 58 feet off the ground (Mercedes-Benz Stadium, n.d.).

With high-quality facilities such as the Mercedes-Benz stadium, which are fitted and resourced to service a demanding on-site (corporate) audience and a remote (television) audience, comes the need to continuously improve the levels of service quality. Not only do customers demand higher quality events on the field, and more of them, they also wish to be served in a way that matches the event and its facility surroundings. Well trained, friendly, immaculately dressed, and highly knowledgeable staff are required to serve better food to sophisticated, information- and spectacle-hungry audiences in more convenient, ergonomically outfitted physical surroundings. In summary, changing customer needs have driven a change in the type (and number) of events that are organised, in turn leading to facilities that are purpose built to cater to a wider variety of audiences and events. The higher quality of the new venues has led to higher customer expectations, which in turn has sparked a sharper focus on delivering high-quality service by facility and event owners.

THE EMERGENCE OF THE FACILITY AND EVENT MANAGEMENT SECTOR

As already noted, we refer to one sector (facilities and events) rather than two separate sectors, which we justify by the fact that events cannot exist without the facilities that host them. We also argue that excellent sport facility managers require substantial knowledge of how to organise world class events. Event managers, in turn, require a wide range of facility management skills in order to make their events top class. It goes without saying that the use of the term 'facilities' only refers to those facilities that are suited to host events. It makes little sense to also consider,

for example, offices of a major bank or the retail facilities of a supermarket chain as part of our industry discussion.

Special events have always been part of human history. Anthropologists have traced human civilisation for tens of thousands of years, and at the heart of their observations are the 'special events' that typify and explain the tribal behaviour of that time and place. The supposed longest continuous human civilisation on the planet, that of the Aboriginal people of Australia, can be traced back 40,000 years, and many of their ancient rites and rituals survive into modern times. Rites and rituals represent 'special and important occasions' for members of the tribe or community that either mark significant changes in position and responsibility or are more general celebrations or commemorations of significant moments in time, such as the arrival of spring, or the passing of an elder tribesperson. Many of the sites of these rituals were secret and sacred, and remain so today. In other words, the special 'event' is closely tied to a special 'place'. One without the other loses its significance.

From more modern times, records have shown that special events did not diminish in importance in the context of different societies. The Scandinavian Vikings celebrated successful explorations and hosted large festivities to honour their gods, as did the Native Americans. The ancient Greeks conducted large athletic festivals to celebrate human excellence as a direct expression of honouring their gods (seventh century BC), and the Romans organised gladiatorial events at massive colosseums to entertain the crowds and also to facilitate a culture of preparation for combat (third century BC). Hundreds of years before the discovery of gunpowder in Europe, the Chinese would celebrate the arrival of the New Year with elaborate displays of fireworks, and throughout the European Middle Ages more localised events would lead to the development of many country-specific events that still exist today. Examples are the 'Oktoberfest' in Germany and the 'Elfstedentocht' (eleven-city tour speed skating event) in the Netherlands. Largely through European imperialism (leading to the 'export' of domestic events) and the industrial revolution, events became more international.

Better information flow and transport infrastructure allowed people to travel more widely and created opportunities for joint celebrations. Events such as the first modern Olympic Games in 1896 are precursors to a movement that saw the twentieth century become the first century of truly international events. After an initial facility 'boom' during the ancient Greek and Roman civilisations, when hugely impressive venues (you can still go and have a look!) were purpose-built to host major events, a second building frenzy took place during the latter stages of the nineteenth century. The development of internationally standardised football codes led to the building of many stadia in the USA, the UK, and mainland Europe, as well as Australia, that could host up to 100,000 spectators. Many of those facilities have now been recycled three or four times in order to cater to the quality standards of the third millennium. If in the 1890s the second facility building boom was

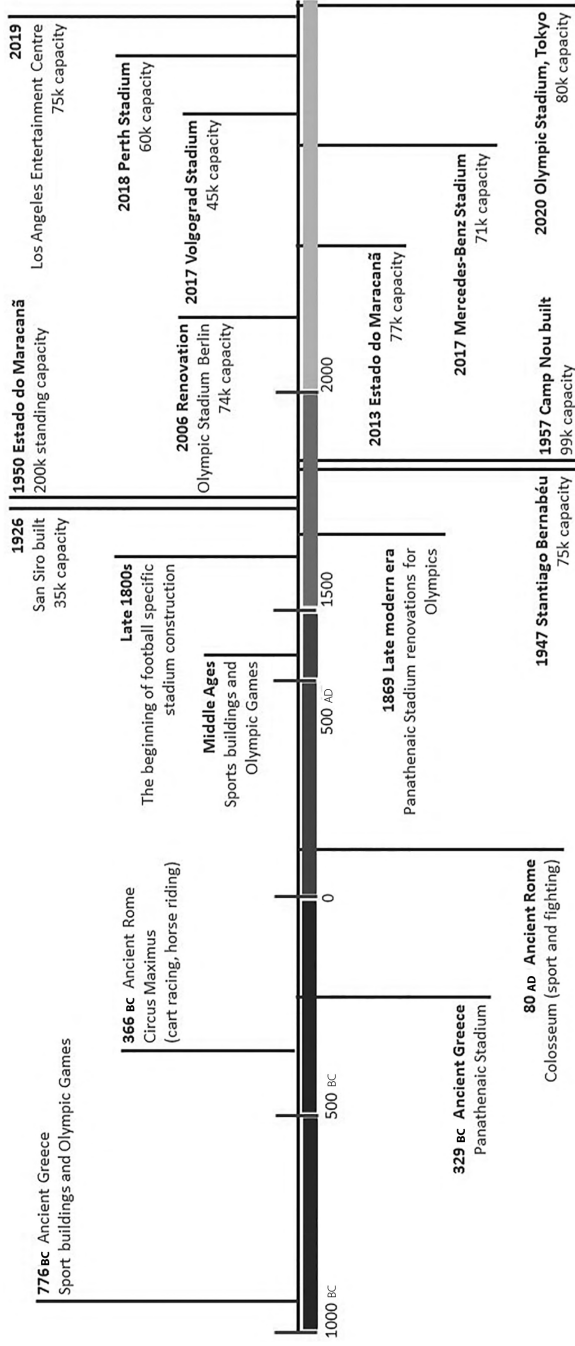


Figure 1.1 Timeline of stadium construction
Source: Adapted from KPMG (2013)

initiated, then societal changes in the 1990s led to the third global development period. Directly related to the ‘continuous improvement’ of facilities and events is the ongoing professionalisation of facility and event managers (Figure 1.1). In order to remain well prepared to deliver on ever increasing quality standards, managers need a continuous flow of cutting edge information and management systems, which is one of the main reasons for the publication of this book. We now discuss the global trends that have been and are still transforming the facility and events industry, leading to the construction boom of the 1990s and the growing number and variety of events that are being organised today.

TRENDS DRIVING THE GROWTH OF THE FACILITY AND EVENT MANAGEMENT SECTOR

Continuous improvement in the way fans and spectators consume the sport product, both within the venue or via a form of broadcast, is a driving force in the (re)development of global stadia. Editor of the Sports Facility Reports Paul Anderson (2009) observed that the 137 teams in the five major US professional sports leagues (MLB, NBA, NFL, NHL, MLS) are playing in 118 different facilities. During the 20 years to 2009, 88 new facilities were built, 15 renovated, and 15 remained unchanged. The cumulative cost of this facility construction was US\$26.9 billion. Following the study, another five stadiums were built prior to 2016, with a further five scheduled to be completed by 2019. This means that by 2019 approximately 96 per cent of all major league teams will be playing in facilities that have been either renovated or newly constructed since 1989.

According to Pete Giorgio of Deloitte Consulting (2016, p. 5) the ‘stadium of the future’ is becoming the norm for teams and leagues as they are increasingly pressured to compete with the viewing experience available to sports fans in their homes:

The home viewing experience has improved so dramatically in recent years that sports franchises must ‘compete with the couch’ in order to attract fans to stadiums and arenas on game day. From upgrading in-venue Wi-Fi to rolling out beacon-based location technology [to inform patrons of nearby services] and expanding mobile concession [food and drink] ordering and retail purchasing, teams must invest in the technological infrastructure of their current venues to heighten fan engagement. The challenge is creating an environment where unique and meaningful event experiences can influence fan behaviour over a long period of time and extend that experience beyond the game, beyond the venue, and beyond the season to create a true year-round relationship.

In the English Premier League, total attendance has historically been restricted by stadium capacity. The competition provides an interesting example of the importance

of the variable ‘stadium capacity’ when interpreting overall attendance figures per club and per league. A SkySports (2015) study compared average league attendance for the 2014/15 season with ground capacity and found that, although all clubs in the Premier League averaged an occupancy rate of almost 95 per cent, the top eight clubs had occupancy rates of 98 per cent or higher. However, the reverse turned out to be the case for less successful teams (often first, second, and third division teams). Boosting stadium capacity in order to improve gate receipts may well have a negative effect on attendance, leading to the conclusion (Boon 1999, p. 15) that there is

a clear need for some lower division clubs to temper their dream stadium plans with a degree of realism. It may be great to have a 20,000 capacity stadium, but an average attendance of only 4,000 creates a negative atmosphere. A 10,000 or 12,000 capacity stadium can provide a better atmosphere and – paradoxically – increased support.

The average occupancy rate of 94 per cent for Premier League teams drops away significantly in the lower leagues, with 36 out of the 92 professional football teams in the UK playing in front of half-empty stadia (i.e. crowds lower than 50 per cent stadium capacity). Boon’s observation is particularly significant, in that having ‘excess capacity’ in stadia is not necessarily desirable for football clubs. Match day attendance can be positively stimulated by a limited supply of seats in the stadium. Therefore, it might be better to talk about optimum capacity, rather than maximum capacity.

The situation in Australia may serve as another example. Historically, the most popular domestic football competition, the Australian Football League (national governing body for the sport of Australian Rules football), was organised along the lines of most European soccer competitions. AFL clubs owned or leased their own football stadia and most home matches were played there. The Australian Rules football competition was predominantly based in the heartland of the code, the city of Melbourne, and in ‘the old days’ was a competition between different suburbs. In the 1980s, a sea change occurred in Australian football. For the code to remain financially healthy and competitive against ‘new’ booming sports such as basketball and soccer, the competition’s operating systems needed dramatic rationalisation. League administrators, the AFL Commission, turned the League into a national competition, in the process setting up teams in different states, some of which were new teams and some teams relocated from Melbourne. A facility rationalisation strategy was adopted by the League as one of the drivers of success for the national competition. Clubs had to move from their small, outdated, and often unsafe suburban stadia to the few AFL designated playing facilities throughout the country. In Melbourne this led to multiple teams adopting either the Melbourne Cricket Ground (MCG) or Waverley Park, (later replaced by the Etihad Stadium), as their home ground. Both the MCG and the Etihad Stadium offer a range of facilities, from ‘purchase at the

gate' access to long-term corporate box leases. The moral of the story is the market in a domestic football competition such as the AFL is not able to sustain a wide range of low-capacity yet high-quality outfitted (corporate hospitality) stadia. Rather, costs need to be shared by a number of professional clubs playing at the same venue, in the process cross-subsidising the maintenance of high-quality entertainment opportunities at a limited number of venues. (Here it also needs to be stated that the playing surface required for Australian Rules football is about twice as big as a soccer pitch, leading to bigger and wider venues. Larger crowds are therefore needed to create a good game atmosphere; hence, consumption of football needs to be artificially concentrated by limiting the number of consumption outlets.)

OTHER REASONS TO BUILD NEW FACILITIES

Apart from these 'capacity specific' reasons to become involved in the construction of new facilities, Anderson (2000) provided five features that may explain the global 'facility boom'. First, he argues that it is more efficient to build new facilities than to renovate existing facilities in an effort to upgrade them to current standards and expectations. Second, new facilities are likely to become more than just an entertainment venue. Modern facilities are integrated into comprehensive community localities that include residential, office, and retail space. Third, new facilities are more likely, through the novelty factor and expanded services, to boost attendance. Fourth, when certain sporting teams or competitions as a whole come to play in new facilities, competitors will have to follow or suffer the consequences of becoming a less attractive entertainment option for the fans. Finally, the 'increasing cost theory' posits that only new facilities can generate the necessary revenue streams to return a profit to the operators of the facility. In an age of diminishing financial support from the State and increasing capital costs required to build or significantly renovate stadia, 'technological renovations' may provide a cost effective enhancement to the consumer experience. Technological renovations would necessarily focus on new technologies that add to the value proposition of live match day viewing at venues, including improved Wi-Fi access, screens and scoreboards, digitising purchases at concession stands, and making the ticket purchase and entry process seamless. We have already explained that corporate customers have become more important to the facility and event bottom line than the revenues generated from the 'average spectator'. A more recent move in the USA to revert to building 'single-purpose' facilities – that is, baseball- or football-only grounds – is directly linked to wanting to control all revenue streams generated through the sport facility rather than share them with co-tenants. It can also be seen from Table 1.1 that, when looking at the five major professional sporting leagues in the USA, the trend is away from paying for the construction of new sports arenas with public money; hence the need to create a 'return on private investment'.

Table 1.1 Proportion of single vs. multiuse facilities in the USA five major leagues in the 1980s and 2000s

<i>% Single-use stadiums (single-use/no. of facilities in league)</i>		
<i>League</i>	<i>1980s</i>	<i>2000s</i>
National Hockey League (NHL)	67% (14/21)	63% (19/30)
Major League Baseball (MLB)	52% (13/25)	93% (28/30)
National Football League (NFL)	57% (16/28)	84% (26/31)
National Basketball Association (NBA)	74% (20/27)	62% (18/29)
Major League Soccer (MLS)	N/A	80% (12/15)
<i>Average across leagues</i>	62% (63/101)	76% (103/135)

Source: Adapted from Long (2013, pp. 42–3)

As can be seen in Table 1.1, Major League Baseball is the only sport that has slightly increased the amount of public funding spent on building new stadia in the 1990s. This in itself does not come as a big surprise, given the fact that baseball, like no other sport in the USA, is the sport of the people. ‘Funding’ baseball from the public purse is least likely to meet with public backlash; hence it attracts the highest proportion of public funding of all major sports, and is the only sport that has increased its level of public funding throughout the 1990s. Ice hockey and soccer, in particular, seem to be perceived as sports that need to generate their own, private support. They are indeed niche market operators, compared with their all-American counterparts of football, baseball, and basketball. The averages across leagues show a clear trend towards privately funding the establishment of new sporting facilities.

In Australia, Etihad Stadium in Melbourne is 100 per cent privately funded. The stadium incorporates a retractable roof covering an oval shaped pitch capable of hosting cricket and Australian Rules matches, seats just over 56,000 spectators, and has become known for its strong focus on catering to the corporate dollar. The stadium was proposed to the market as an investment project and was completed with a range of major equity partners as venue shareholders. The growing requirement to ‘return on investment’ further explains the focus on catering for the more lucrative corporate customers. Although the stadium did not turn a profit during its first few years of operation, leading to shareholder buyouts, the facility continues to be privately owned.

Australia’s premier sporting stadium, the Melbourne Cricket Ground, was redeveloped into ‘a major entertainment destination’, rather than just a place to host some sporting contests. A range of daytime cafés, bars, and restaurants combined with conferencing facilities encourage seven-day traffic at the venue. This is

further boosted by the National Sport Museum (including the Gallery of Sport, the Olympic Museum, and the Sport Australia Hall of Fame) that is hosted in the facility. Approximately 70 per cent of the existing stadium has been redeveloped. The capacity of the venue was brought back to its original 100,000 seats for the 2006 Commonwealth Games. Funding for this near AUD\$600 million project largely came from private sources. On the back of preparing for the 2006 Commonwealth Games, the federal government committed \$A90 million, but a large proportion of the loan repayments – \$A29 million per annum, to be precise – was generated by the 100,000+ members of the Melbourne Cricket Club (MCC). The MCC has had the long-term management of the MCG, on behalf of the state government and the MCG Trust, and has recently secured the rights to manage the facility until 2042, also extending the club's lease of the members' reserve until 2067. The loan is to be repaid in 20 years. Other funding comes from the Australian Football League, the most important tenant of the facility, at \$A5 million per annum, and from renegotiated service supplier contracts such as catering, security, advertising, and ground sponsorships (Melbourne Cricket Club 2002). It needs no further explanation that with such levels of capital commitment, facilities such as the MCG need to host a continual supply of new events.

GROWTH IN THE NUMBER AND TYPE OF EVENTS

Globally, AT Kearny (2014) estimate that the sport industry (including events, sporting goods, apparel, equipment, and health and fitness spending) could generate as much as US\$700 billion per year, or roughly 1 per cent of global GDP. Within the sport industry, the sport event market was worth US\$80 billion in 2014 and with projected annual growth of the industry to be around 7 per cent, the global sport events market is expected to reach US\$91 billion by 2017 (AT Kearny, 2014). In 2013 Europe, the Middle East, Africa (43 per cent), and North America (38 per cent) account for the major sport event geographic areas. Asia Pacific (13 per cent) and Latin America (6 per cent) combined were only half the size of the US sport events market (AT Kearny, 2014).

According to Goldblatt (2000), there are four factors that largely explain the growth in the number of events organised worldwide. The first relates to the demographic shift that is currently changing the makeup of most of the developed first world. The population of most Western nations is ageing rapidly, leading to more older people – lots more. Not only do older people have more time, they also have more money to spend during that time; and because they are growing older there are also more reasons to celebrate. The second factor relates to the exponential development of new technology, which in turn leads to a high-tech environment in which human contact (both face-to-face communication and physical contact) becomes increasingly rare. To balance their high-tech lives, people are looking

for ‘high-touch’ opportunities to preserve their humanness. Events are excellent providers of ‘high-touch’ experiences. Booming economies around the world constitute the third reason for the growth of the event sector. In particular, tourism and leisure industries have benefited from the extra disposable income earned in many countries around the world. Moreover, the events we are referring to here are obviously not limited to sport. As a matter of fact, sport represents only a small part of the global events industry, which includes cultural festivals, food festivals, art fairs, and religious gatherings. However, sport is one area of events that is experiencing significant growth. The final factor leading to growth in the number of events relates to time. Time, particularly in Western nations, has become a precious commodity to be traded against other valuables. Work and leisure have merged to become almost a continuum in the West. People are opting for more, shorter breaks, which in turn should offer different experiences every time. Gone are the days of families travelling to the same holiday destination for 20 years in succession. More varied events, throughout the whole year, are needed to satisfy the requirements of increasingly diversified and demanding customers – customers who are prepared to pay for those events that allow them to ‘economise’ on the time they have available.

MUSIC FESTIVALS: A GROWING EVENTS AREA

Contrary to the focus on permanent facilities outlined throughout this text there is a rise in temporary facilities for annual events around the world. Nowhere is this more applicable than in the music festival sector and in particular Boom, Belgium. Boom has a population of a little below 20,000, yet since 2005 it has hosted the ‘Tomorrowland’ music festival featuring international acts from all over the world. The event brings more than 165,000 people to the small town and typifies the resurgence of the music festival as a major event over the past two decades. In 2015 the event attracted the best electronic dance performers including Avicii, David Guetta, and Armin Van Buuren. Apart from a great music line-up, Tomorrowland’s central value proposition is escapism. The festival typifies the forthcoming Dream Society discussion as it applies to the music industry. At the festival, patrons are provided with fixtures in the form of castles and rainbows, concession stands in the form of small towns, digital promotions that take on the style of a fairy-tale, and aspirational communications to target global youth. Since its inception, the festival has now expanded the concept to Brazil and the United States. The continued success of this type of event demonstrates that substantial permanent infrastructure and the associated capital costs are not always required to satisfy today’s consumer.

NEW MARKETS FOR SPORTING EVENTS AND IMPLICATIONS FOR FACILITIES

Westerbeek and Smith (2003) used the work of futurist Rolf Jensen (1999) to identify a number of marketplaces for sport products of the future. Jensen argued that wealthy, developed nations are about to enter what he called the 'Dream Society'. Humankind has moved from hunting and gathering to farming in an agricultural society. With the industrial revolution, the UK and other Western European nations, as well as the USA, entered the industrial society. Growing wealth as a result of dramatic technological advances resulted in people moving from the country to urban centres; cities were constructed, which in turn facilitated the establishment of transport infrastructure. People and organisations also became involved in what we now define as 'planning'. Increasingly, people allowed themselves the luxury of forgoing short-term results for longer-term prosperity. About three decades ago, the leading industrial nations moved into the so-called information society. Because production jobs were largely automated, knowledge became more important than capital. Intellectual capital is now valued more highly than physical capital. In the information society, however, success is still predominantly measured in tangible, materialistic wealth. According to Jensen (1999), the Dream Society will drive people towards achieving the emotional wealth that typified the very early human societies. The Dream Society is the ultimate societal type, because it combines material wealth (we no longer struggle to survive) with emotional wealth and fulfilment. The Dream Society perspective neatly fits in with the trends explaining the growth of the events industry, as observed by Goldblatt (2000). New events need new facilities (and also more of them). This is why it is prudent for sport facility and event managers to take stock and imagine what types of products are likely to be delivered through their facilities and with their event management structures. Westerbeek and Smith (2003) formalised the relationship and influence of the Dream Society in terms of the sport facility and event management industry under the umbrella term 'DreamSport Society'. They proposed six new markets for sport products in this 'DreamSport Society' that would have a significant influence on the future of sport facility and event management. These markets include sport entertainment, sport fantasy, sport quality, sport identity, sport tradition, and sport conscience.

NEW MARKETS FOR SPORT PRODUCTS

Sport entertainment¹

People have an increasing emotional need for adventure, as evidenced by the escalation of such activities as bungee jumping and extreme sports. The sport theatregoer, who attends sporting contests with the express desire for entertainment and

spectacle, exemplifies this need for adventure. Theatregoers of the future, however, are more about being entertained by satisfying their need for adventure than merely sitting on the sidelines and passively watching a sporting contest. This is not to say that theatregoers necessarily want to be in the game, but in order to realise their emotional peak they must have some influence on the game. As this is impossible in a practical sense, they instead require an interactive presence to best fill their emotional needs. What does this mean for facility and event managers? Well, if interactivity is the key, then technology that facilitates spectators' emotional connection to the sport product by engaging them in ways they have never experienced before will triumph, and will ultimately revolutionise sport delivery. This will have vast consequences for facility design and construction. It also needs to be noted that, although we are looking forward to future consumption behaviour, those facility and event managers that want to remain ahead of the game will need to incorporate the opportunities to deliver those products in their design and construction plans today!

Sport fantasy

Achieving the emotional need that can be described as togetherness revolves around products that can bring consumers together. Naturally, most sport teams and some events capitalise on this emotional bond that sport can provide better than any other products, including beer, fast cars, and film. At the heart of this emotional requirement is the desire for comradeship and direction. In other words, the interest in sport – whether conscious or not – is more about the other fans that sport attracts than about the game itself. This can be seen in participation-based events like University Games, the Gay Games, and the Masters Games. However, only a comparative minority of people seeking to fulfil this need for togetherness do so directly through involvement in sport. Most attempt to meet this need through 'champ-following', particularly of team sports. The champ follower of the future is different in that he or she selects winning teams to support because these provide a convenient opportunity to experience the pleasure of togetherness that only success can deliver.

Champ followers are principally motivated to watch sport because they have an interest in a specific team or club that is winning. They are reluctant to watch sport by themselves. The new champ followers will increasingly look for opportunities to share the emotional experience of sport consumption with other like-minded individuals and groups, to share around their winning affiliation and reinforce to them that the world is viewing them as a winner. For facility and event managers this has some implications. First of all, champ followers do not necessarily meet in the traditional stadium. Increasingly they are using the Internet to chat with kindred spirits all around the world. Merely sitting in a stadium with other sports fans is not enough. Champ followers must derive a sense of importance from belonging to the

group; the others in the group must care about their presence and recognise them as winners, just like the team they are supporting. Channelling sport exclusively through pay television is therefore a certain way to ensure that the new champ followers will find it more difficult to access the groups they need in order to reach satisfaction. Facility and event managers need to offer a range of opportunities to share that ‘winning feeling’ with other ‘winners’.

It is important to note that Westerbeek and Smith (2003) see the boundaries between the different markets as not necessarily concrete. The need for togetherness can be found in other fan types, and the new champ follower is not exclusively interested in meeting an emotional need for togetherness.

SPORT FANTASY

Over the past decade, two factors of online sport fantasy participation and handheld technological devices have contributed to an explosion of sport fantasy gaming. The champ follower is particularly predisposed to engaging in online sport fantasy gaming due to the satisfaction and sense of importance the individual derives from demonstrating their sports knowledge within a given sport fantasy community and ‘winning’ against a given opponent (see fantasy.nfl.com for an example). Nearly all major leagues around the world have multiple variants of online fantasy leagues and several have made the extension into associating real-world monetary rewards for success on the digital platforms. In 2011, the explosion in fantasy sport led to the NFL directing all 32 clubs to display fantasy points live on the big screen at venues during games – a move that has been followed by several leagues around the world both in-game and during broadcasts on television. Furthermore, whilst the ubiquity of ‘smartphones’ is not new, the data management and Wi-Fi access requirements for large stadia are leading to an array of technical redevelopments in venue design to boost the fan experience and avenues for engagement. The need for fans to remain connected has led to design innovation; for example, in the US Bank Stadium, the new home of the Minnesota Vikings, Wi-Fi hot-spots have been installed within the handrails around the stadium to boost the Wi-Fi speed and capacity for spectators.

Sport quality

The sport quality segment of the DreamSport Society is a combination of the expression of care and the intrinsic enjoyment of the sport product being consumed. Sport organisations are full of opportunities for members and fans to demonstrate that they care.