

WORKING PAPER

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“Motorsport tourism development in Greece: An alternative for economic development”.

ABSTRACT

Tourism has been a driving force of economies since its birth as an industry. New forms have been emerging although mass tourism remains the dominant form. These new forms (niches) serve multiple purposes; differentiating tourism destinations, augmenting the tourism product, reinventing the tourism product (product life-cycle) and addressing tourism's most important feature of seasonality (Eadington & Smith, 1992; Higham & Hinch, 2002). One of the niches that have been proven very popular is the sport tourism, elements of which can be traced back to the dawn of civilization (Standeven & DeKnop, 1999; Ritchie & Adair, 2004). Through the progress of technology motor-sport tourism has emerged and has claimed its share especially with the help of international events such as F1, WRC, MotoGP etc. Such mega events have been used in the past to kick start economies either by repositioning a destination in the tourism market or by providing an enhanced motive to visit the destination (see Malaysia, Abu Dhabi) (Henderson, 1999; de Sausmarez, 2007).

The aim of this paper is to examine the requirements for the development of such a form of tourism. The case of Greece will be reviewed to determine whether the country can successfully organise and host an event and whether such an investment could be viable and even help drive the economy back to positive development figures especially by mitigating the exigent problem of seasonality in the Greek tourism industry. The social and environmental aspects of this unique form of tourism will also be explored and assessed under the prism of sustainable tourism development.

The research carried out was based on both primary and secondary sources. A survey questionnaire was compiled and distributed to a random sample of potential motorsport tourists. An interview with a (former) deputy Minister of Tourism with substantial experience of the motor-sport related tourism product was conducted. Semi-structured interviews with stakeholders involved with tourism development and planning, provided the researcher with secondary data concerning legislation issues and investment plans in Greece. The multi-method and data triangulation approach were selected in an effort to remove possible bias and provide a more complete picture of the situation to be assessed. The research concludes that an investment on that form could be proven beneficial for Greece on both economic as well as social level. However, the event has to be a successful cooperation between the motorsport tourist organizers and other tourism providers to produce profits of any kind. The findings suggest that an unsuccessfully

organised event may impact negatively on the economy of the event. Due to the double-razor nature of mega events extreme caution during planning, implementation and strategy has to be exercised. Additionally, planning and organization is found to be the major weakness of Greece despite the proven successful experience of previous endeavors (WRC Rally Acropolis, F1H2O, Olympic Games).

Introduction

Tourism is the one of the leading industries worldwide. The industry's impact in Greece is even greater considering that, according to WTCC (2007), it contributes directly a hefty €14.0 bn of Gross Domestic Product, which translates to a 7.3% of total GDP and generates 450.000 sector related jobs which accounts for 10.3% of the workforce. On a wider scale, as tourism and travel affects all sectors of the economy, the actual jobs provided are more that 800.000 (20% of total jobs) and the GDP contribution rises to €31.3bn or 16.4% of total GDP. However, even a prosperous industry like tourism faces challenges such as the need for sustainable development. The conceptual framework within which sustainable development is being studied for this paper is divided into two groups; one perceiving sustainable tourism development as a mean to keep tourism related endeavors economically viable (Hunter, 1995) and the second as a mean of immense sustainable development (WTO, 2001 in Spilanis & Vayanni, 2003). For both cases there is a need for innovation that will address the major problem the industry faces; seasonality. When considering sustainable development as a mean of overall development (not strictly economic) the main challenge is to achieve duration. Especially now that travel patterns seem to have changed from few but long stays to frequent short stays (World Travel Monitor Forum, 2002). A destination has to be able to provide several tourist options.

Seasonality is one of the most intense problems that the tourism industry faces. Even though there are possibilities for year long tourism season in Greece, the tourism demand blooms from May to September. Especially in times of crises a longer tourism season will not only sustain the economy but it may provide a stepping stone for increased flows in the future. Remarkably, the necessary resources for sustainable development include

not only economic values but also human, constitutional, social, educational, spiritual welfare and standard of living on the whole (Dudley, 1993; Koenig-Lewis & Bischoff, 2005). Researchers have concluded that a viable strategy needs to assess and address not only the industry's exigencies but also the needs of the local community (Simmons & Urquhart, 1994; Brohman, 1996; Sharpley, 2000).

Sports and motorsport tourism

This paper proposes the development of motorsport tourism as a mean for sustainable development in Greece. It is worth noting that sport tourism has many forms. Sport tourists are generally separated into three categories, those who travel to participate in an event (active), those who travel to observe an event (passive) and those who travel to visit sports related attractions such as halls of fame, famous stadia or sport-themed cruises (nostalgia tourism)(Standeven & DeKnop, 1999; Gibson, 2003). Gammon & Robinson (1997) distinguish two forms of tourists; those whose travel motivation is a sporting event, whether they participate or not (hard tourists), and those whose travel motivation is recreation or leisure and it might be combined with a sporting event (soft tourist). Kurtzman (2005) has reviewed the sport tourism supply factors and has suggested that there are five major factors: sports events, sports attraction, sports tours, sports resorts, sports cruises. It is evident that both supply and demand sides of sport tourism include several different segments and stakeholders, who are included in this research.

Sport events attract global attention with staggering figures. On the top of the list of the most recognizable and profitable sport events lie the Olympic Games and the football world cup which are closely followed by the FIA F1 World Championship. According to FIA, F1 viewers flock the racetracks at an average of more than a hundred thousand spectators per race and well over 1 billion TV viewers per race (Pournarakis, 2010). The main difference with the other two major events is that the F1 championship is held annually and in 19 different countries. This means that each of the host city gets a significant tourism flow boost each year and furthermore an increased exposure through the TV broadcast. Permanent racetracks around the globe have incorporated services for

both motor-sport specific such as motor related exhibitions, events, corporate presentations and tourism related activities such as conference centers, accommodation and museums. Another trend however approves the use of temporary tracks with bright examples the Singapore GP and the Valencia GP, which are held in the port's streets. Evidently, motorsport covers a wide variety of events including airplane races and exhibitions to boat racing and not just the stereotypical form of automotive racing (Connaughton & Madsen, 2007). Nevertheless, automotive forms appeal to more people and their facilities can be used for other activities with little or no modification at all. In addition, academics agree that sport tourism share key elements with event tourism and can be treated as such (Yago & Fredline, 2004).

Motor sport events are held in confined areas and are unique even compared to relative ones (e.g. each of the 19 F1 races compared to each other) due to the variable interaction between elements such as the participants, the environment (setting, weather), the venue, the program and of course the outcome as they are sport events which abides to Getz's (2008) theory for events. The uniqueness in terms of products and services of each event can ensure its longevity. With bundling being the most efficient way of promoting event sales (Deery et al, 2004; Chalip & McGuirly, 2004), all factors will have to be decided with regard to tourism destination and services marketing (all aspects have to abide by the segments preferences) before the final package can be put together (Kinberg and Sudit, 1979 in Chalip & McGuirly, 2004). This also concedes with the notion of sustainable development (ensuring that industry's and local community's needs are addressed).

The research

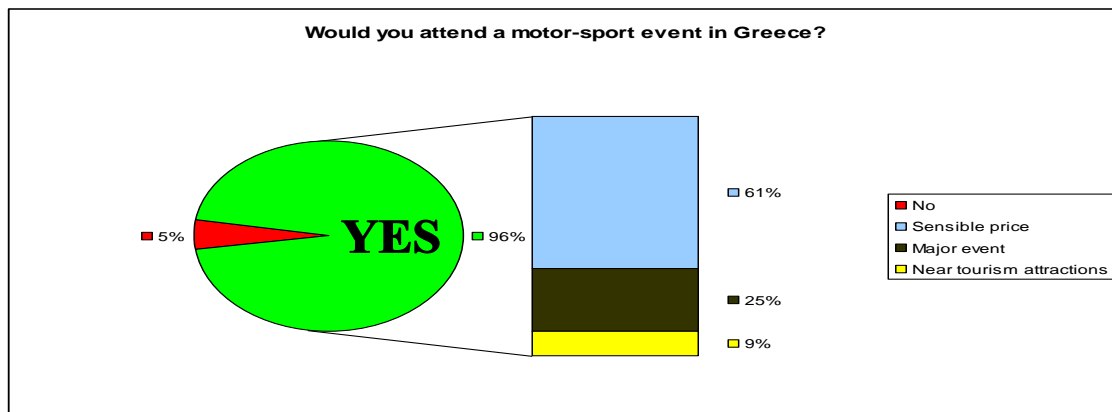
The data has been collected with structured interviews, a survey questionnaire distributed by e-mail, and secondary information, offering the advantage of data triangulation (Denzin, 2006). Even though triangulation does not reduce bias or increase validity (Opperman, 2000) it offered the researchers a wider view of the subject from both the supply and the demand side. The structured interviews were conducted with the former

Deputy Minister of Tourism, and with the Tourism Investment and Investors Information department of the Greek National Tourism Organisation (GNTO). The secondary information was gathered by the GNTO as well as from a previous study conducted in Greece in 2008. 96 people responded to the research questionnaire providing information on the demands and the characteristics of the motorsport tourists. Amongst the respondents, 50% are between 19-29 years old, 52% are Greeks, 24% live in Europe, 17.5% in the US and 7.5% in Asia. This sample provides views towards motor sport tourism development in Greece as well as to explore the country's image in this market.

The findings and analysis of results

The research findings represent both the supply and demand issues for motor sport tourism development potential in Greece. Concerning demand the survey participants expressed interest in this alternative form of tourism.

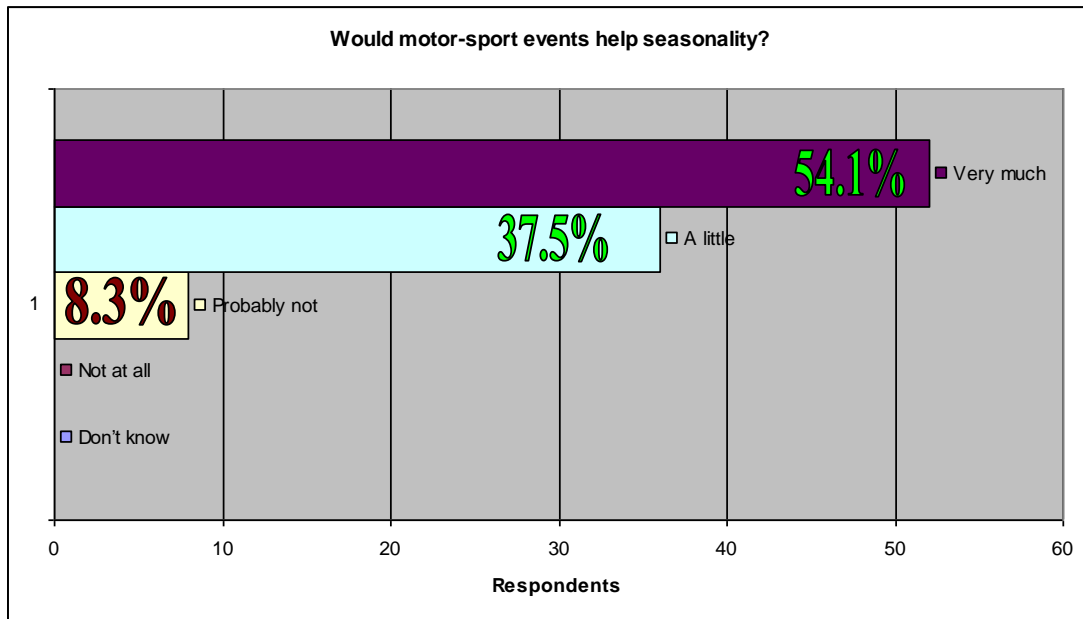
Figure 1: Would you attend a motor-sport event in Greece?



Most of the Greek respondents have attended the WRC Acropolis, with Enduro races and amateur local events in Greece while a 22% of the Greek residents have travelled abroad to watch either F1 or MotoGP races. The findings also suggest that 19% of the

participants support the development of motorsport tourism in Greece, 96% would actually attend such an event. They also state that this form and the facilities would be beneficial overall to the country and the extension of the season, even though 16% suggested that there is no other appealing event in the regions where this sport takes place to make it even more attractive.

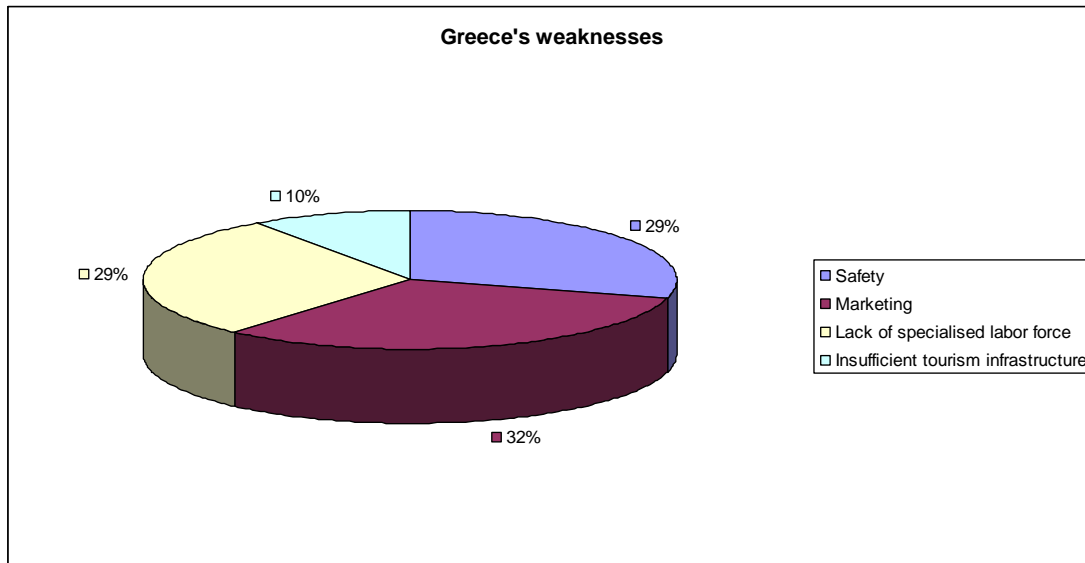
Figure 2: Will seasonality be mitigated by hosting motor-sport events?



67% responded that the related facilities would benefit the Greek tourism industry, 29% find it somewhat helpful and only 4% had some doubts while there was no completely negative response. Similarly, 54% stated that it would help to address the seasonality. Amongst the most important factors, price plays an important role in the decision to attend such an event, whereas complementary tourism attractions had higher importance in Chatziioanidis' (2008) study.

Nevertheless, some challenges were identified, such as the issue of safety (32%), then the lack of proper marketing and specialised labour force (29%) and finally the insufficient tourism infrastructure that concerned only 10% of the participants.

Figure 3: Greece's weaknesses regarding the hosting of motor-sport events.



Additionally, lack of knowledge in the specific area and the lack of political will were amongst the challenges. Despite that, Hede's (2005) study suggests that Australians' perception on Greece as a host destination for events overall improved significantly after the 2004 Summer Olympic Games.

Increasingly, facilities are provided by hotels and other type of accommodation in Greece. Other activities and programmes are also offered to entertain the residents (Costa, 2004), including health and spa services. Additionally, tour operators offer supporting multiple programmes, which are unfortunately on a seasonal basis. These could enhance the motor sport tourism activities and make them more attractive to the potential market. In counterpoint to this, Greece has shown, through the Olympic Games, the ongoing WRC Rally Acropolis and the F1 powerboat, that the staging of major athletic events is possible and can be a success (Souliotis, 2004).

Besides that, an earlier study by Chatziioannidi (2008) presents similar interest amongst potential customers and tourism industry's entrepreneurs. If indeed, lack of specialised individuals exists, there is always the solution of outsourcing as in the case of Patras,

where a formal request to Mr. Giorgio Bartoli, Technical director of the Monza circuit, was made to assume managerial duties at their circuit (Karalh, 2005). Of course if any such measures are to be taken, this should be done in advance to ensure the success of the investment, unlike the case of Turkey where the poor performance of the management has forced FIA to assume managerial control for the remaining years of their contract (BBC, 2007). A major issue, as identified by the sample, is the uncertain degree of safety. Greece managed to host the Summer Olympic Games flawlessly, as far as safety is concerned, but the recent serious injuries and the death of underage spectators in a temporary race track in Afidnes during a presentation / exhibition event (Ta Nea, 2010) reminded the public how a poorly organised event of this sort can be more than harmful.

Implications

Greece is a famous tourism destination, where new forms of tourism can help face seasonality and the economic crisis of the past two years. The existing potentials may enhance the development of motorsport tourism; the mild Mediterranean climate is an added bonus for every motor-sport activity (race, test, and exhibitions) that requires good weather conditions. The downside is that major championships like F1 and MotoGP have a tendency to replace European venues with Asian due to the emerging nature of all kinds of industries there (tourism, car, technology) and due to the restriction in tobacco advertisements imposed on EU members (tobacco companies are some of the most important sponsors of F1 teams). The participants in the study suggest that in terms of infrastructure, Greece does not have the required level of development, which according to the literature suggests that an appropriate place to built motor-sport facilities requires already developed tourism infrastructure or else the overall cost will skyrocket. In addition, the government's policies on the staging of such events require planning and proper implementation (Viljamaa, 2007:2). However, as many motor-sport events tend to be mega events due to their mere size in terms of spectators, and exposure of the host region will be of the highest level, Greece cannot afford the same mistakes as those that followed the Olympic Games (underutilisation of infrastructure, not capitalising on the marketing momentum it had gained) and should invest in motorsport tourism.

Greece may benefit since “sports fans exhibit fanatical consumption behaviour, which can include extreme brand loyalty” (Ferraud & Pages, 1999: 390), they can even be three times more loyal and therefore return to the country (Petrecca, 2001). This form attracts big amounts of corporate funding and sponsorships, as well as private investment in the form of services merchandise (Viljamaa, 2007:5). Finally, the implications for Greece as a tourism destination vary from fostering economic and social urban regeneration, to putting the destination on a worldwide tourist map, or even enhancing the country’s position in the global economy. Additionally, it can boost urban regeneration and renovation, it may improve the quality of life for visitors and citizens, may lead to modernization of the areas, and rise employment.

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