

New Trends in Sports Management of Major Sports Events Held Annually in the Czech Republic

Jiri Kotab

Faculty Business Administration, Department of Business Economics
University of Economics, Prague, Czech Republic

Introduction

Sports events are a great phenomenon of the contemporary world. Sport mega events like Olympic Games or World Cup of Football move the world. For a period of time, not only broad public focuses on these events but they also attract media, fans, VIPs, politicians. All discuss whether the goal scored to Germany by the English team which was not recognized by the referee affected the rest of the match. At the same time it is the sport that unites nations and lets people forget other problems. Both South Korean and DPRK soccer teams attended the World Cup in South Africa and played matches there. Taking into account the tensed political relations, the two countries would hardly have found any other interest in common.

In addition, sports mega events are not only huge social gatherings but they also attract big business. Considerable amounts of money revolve around these events. The organizing committees seek to maximize revenue. Prices for the sale of television rights constantly rise. The willingness of people to watch a live event help to increase ticket prices because the organizers are aware that the viewers are important clients who reflect whether a sports event has been well-organized or not.

The above-mentioned sports events are important internationally. On the other hand, numerous sports events are important on a national scale. In this article twenty prestigious sports events were selected that take place in the Czech Republic. They represent a subjective choice rather. The choice is not made due to the number of their participants, spectators or extent of their budget but it depends on how those events get into public awareness. I've decided to include both sports events that are oriented on participants, and events which are intended to attract viewers.

Hypotheses and research objectives

This research is intended to present the most important sports events which are held annually in the Czech Republic. Research analyzes pricing policy and audience attendance/participation in sports events, according to the type of the sports event. Next, the research takes into account budgets of sports events. The research covers last three years, i.e. 2007, 2008 and 2009 years. Finally the research focuses on the current greatest shortcomings that the organizers of the sports events in the Czech Republic suffer from and how to make innovations that would help to eliminate these shortcomings. The research should confirm these three hypotheses.

Hypothesis No. 1

Sports events in the Czech Republic are more and more popular and people are increasingly interested in them. The number of viewers or the number of participants respectively who attend these events

will rise. With respect to this hypothesis, it should be mentioned that this trend is understandable since the goal of every organizer is to consider people interested in sport as potential clients. If the organizers improve the quality of the sports event, there is no reason that the number of competitors/spectators does not increase. Problem can appear in the case of an outdoor event which depends on weather. Bad weather can cause that some supporters of the athletes put off even those sports events that are otherwise perfectly planned. The second pitfall can be an event that takes place in the arena or stadium with limited capacity and has already been filled fully in previous years. In such cases, despite all new innovations the organizer makes, the number of visitors does not increase...

Hypothesis No. 2

Participants and spectators are becoming increasingly important for the organizers because more and more money due to price increases for entrance or participation fees flow through them. It is necessary to mention that both the organizers and the spectators and participants are beginning to realize that sports events are unique and unforgettable shows bringing huge emotions for the spectators of sports events and experiences for the participants of the sports events. Subsequently, people are willing to pay more, also due to the fact that the disposable income on leisure time activities in the Czech Republic in the years 2007-2009 increased.

Hypothesis No. 3

Costs of arranging and organizing sports events are growing steadily. This hypothesis is associated with the fact that the quality of organization and level of services for final consumers at sports events grow. That means that sports events are becoming bigger and bigger businesses. Global economic recession that started in 2009 is not reflected in the research as the research ends with the 2009 year while the theory says that recession would have impact into sports events with delay.

Methodology

Course examination

As I have indicated, rather subjective scale was used to select twenty most prestigious sports events that take place in the Czech Republic. For each sport event the attendance of spectators or participants due to type of action for three years from 2007 to 2009 was monitored. Furthermore, the pricing policy was followed - especially the normal ticket price levels to reflect the "average" price of entry or participation fee. Budget of sports event was the last point at every sports event which was observed. The data obtained will be part of a comprehensive analysis. Given the very wide variety of sports events, the paper will analyze mainly relative changes, their causes and consequences as the comparison of absolute changes in these events should not give us such a good informative value. From the analysis it will be determined what are the latest trends in the organization of most prestigious sports events in the Czech Republic.

Data acquisition

Data in this research are drawn from the official websites of the respective Czech sports events. If no information was found on the official web presentations, variety of media sources, such as web magazines or newspapers were used. If necessary data were not found in the media, I tried to make phone calls or contact the chief organizers via e-mail. Most organizers promised to send an appropriate answer, however, some of them did not respond in the end. In several cases negative feedback was obtained stating that the organizers did not provide the information requested.

Average ticket price at sports events

For most sport events there is considerably different layout of pricing policy ranging from the cheapest ticket prices, which are stationary, or considering different beneficiary groups such as children, students, senior citizens or handicapped people, to the most expensive ones, which are reserved for the VIP sectors and are bought by high-ranking managers or partners of sports events. Therefore, it was rather difficult to determine what the average priced ticket is. For this research, I determined that it will be the median of all price categories as this approach excludes the two aforementioned edge categories of tickets. If there is only one price for adults, the price of tickets for adults was mentioned exclusively. In case an even number of categories existed the average price of the two middle categories is listed. In some cases, price depends on when the participant/viewer respectively buys a ticket. In such cases the price for the tickets bought by the audience or participants most frequently (according to the organizers' statistics) was taken - while in the Prague International Marathon and the Mystic Skate Cup events the largest surge comes just before the event, in the case of Jizerska 50, 89% of participants log on and pay the fee at the lowest price level several months before the event. The problem of monitoring average ticket prices also appear at multi-day events. If a total fee or one-day admission is considered, it is noted in the chart for each of multi-day events.

Theory of sports events

Theories of economics and marketing of sports events are rather rare in Czech language publications. According to Čáslavová, sports events are especially emotional issues because sports events spectators or participants respectively are emotionally affected and activated. Thanks to emotions a robust link between the customers (the audience/participants) and the organizers of sports events is created and thus the conditions for marketing of sports events, especially in the field of marketing communication, appear. The publication of Stedman Graham¹ tells us about the SWOT analysis in organization of sports events. Basically it is a well-known economic analysis, which examines both external factors - opportunities and threats - and internal factors, namely strengths and weaknesses. Logistical planning theory of sports events will certainly contribute to better organization of a sports event. This theory contains over forty practical issues. If organizers of sports events answer these questions, they would get a better idea of the logistical and operational requirements of the respective sports event and can begin to create its organizational structure.

Other theories of sports events consider obtaining financial resources. They are especially valuable when applying traditional and nontraditional methods of fund-raising. The great advantage of sports events is that many products and services can be obtained by barter exchange. The organizer of the sports event receives services or products which he can provide to subscribers or viewers. In exchange, the organizer provides the partner with various forms of promotion such as free VIP entries, space for advertising or space for sales stalls, space in promotional materials about the event etc.

There are also theories that are related to the economy of sports events in terms of demand. This topic is analyzed by Rob Simmons and Patrick Feehan e.g. their article is included in the famous Szymanski and Andreff publication on economics of sport. However, their research relate mostly to major

¹GRAHAM S.: *The Ultimate Guide to Sports Marketing*, McGraw-Hill, 2nd Edition, New York 2001, ISBN: 0-07-136124-3

professional leagues in North America, or other long-term sports competitions, what does not quite represent the problems I mention in this paper.

Theories of sports events are also reflected by Gratton and Taylor in their publication. In the part dealing with economy of sports events they indicate how the view of sports mega events changed. Initially, such events burdened public budgets, but as some of the examples show, sports events may result in profit for its organizers. Eventually sports events do not end up in the black numbers for the organizer but for the region. Because of its nature sports events attract participants and spectators to the respective region where they spend a lot of money for the sport and consequently also for accommodation and other services. Thus sports events promote local tourism and create many job positions for the region. Analysis of the economical impact of sports events remains the topic of many papers of Victor Matheson.

Another economical method that can be applied to sports events is well-known Cost Benefit Analysis (CBA). There was even a debate going on whether it is CBA method or analysis of economic impacts that are is more preferable. To mention specific examples, Gratton in the aforementioned publication presents a case study analyzing Brisbane World Game Masters 1994. This event ended in a deficit for the organizers of 2.8 million Australian dollars but had the effect of gross domestic product for Australia over 50 million Australian dollars. This could also be the reason why the public representatives should be encouraged to support sports events financially, instead of being afraid of spending taxpayers' money. Sports events are often associated with the development of local sport and non-sport infrastructure and the vision of the community or its profile, so its success should not be measured only by profit or loss. Even in the Czech Republic we can find many towns and cities that boast with the attribute "sports town" or "sports city", such as Rakovník or České Budějovice. Some cities may not use this attribute, but traditionally they are sports towns because the locals are offered excellent conditions for sport, e.g. Liberec, Pardubice, etc. Also, organizing sports events in the region contributes to the image of the respective city or town.

Theory of pricing policy of tickets for sports matches and other sports events events is examined by Dennis Crompton and John Howard in their book². The psychology of pricing policy claims several following factors:

- a) The expected threshold of pricing where much of the initial price determines the future evolution of prices. If something is free in the introductory year, the viewers expect that future events will be for free as well.
- b) Increasing willingness of customers to pay more. If customers are satisfied, the next year they are willing to pay more. However, the organizers must emphasize positives of sports event where appropriate and compare the price with other recreational, leisure, and cultural activities such as visiting a concert, etc.
- c) Tolerance zone - to raise prices, customers are wary and examine how much the fee had risen compared to previous years. Therefore, increasing the price of CZK 100 in the two cases may not be the same. While admission is 100 CZK the first year and 200 CZK the second year, 100 CZK raise

²HOWARD, D. R., CROMPTON, J. L.: *Financing Sport 2nd Edition*, West Virginia University, 2004, ISBN: 1-885693-38-9

represents an increase of 100%. When the tickets are previously 500 CZK and their price rises to 600CZK, there is an increase of “only” 20%...

Presentation of the most important sport events in the Czech Republic

1. VelkáPardubická

VelkáPardubická is a big horse race, held every second Sunday in October at the horse course in Pardubice. Pardubice race remains the toughest and most prestigious race in the continental part of Europe. First time, VelkáPardubická ran in 1874. But decades before that horse races were held in Pardubice and surrounding localities. From the very beginning everybody belonging to the horse racing world knew Pardubice. Many trainers and jockeys from the cradle of turf, England, worked there. Racecourse in current location was founded in 1856. VelkáPardubická track length is about 6900 meters. Horses must overcome a total of 31 obstacles. The most famous obstacle is the Taxis Trench, which is also one of the most difficult dives in the world.

2. Mystic Skate Cup

Mystic Skate Cup is a three-day race of the World Cup of Skateboarding, which itakes place in Prague island of Štvanice annually. It is traditionally one of the most popular holiday sports events held in Prague. In 2008, the competition was held for the fifteenth time, and enjoyed great success. Mystic Skate Cup is included in the series of World Cup of Skateboarding (WCS). Every year top class riders are heading for Prague. The race consists of three main disciplines - streetstyle, vert and bowl (pool). Bowl is one of the most recent and very attractive disciplines. At the end of the race there is a contest for the best trick, which is popular not only among viewers but among the riders themselves, too.

3. Florball Czech Open

Floorball Open in Prague is an international floorball tournament, which ranks among the largest and most prestigious club tournaments in the world. Each year 4 days in August around 4000 participants head for Prague. Over 240 teams from 19 countries of all over the world attend almost 700 matches in 14 halls and arenas throughout Prague. The tournament was first held in 1993, when 43 teams from 5 countries competed. Since then, its popularity is growing as the popularity of this dynamic sport is increasing. The main organizers are three: TatranŠtřešovice, the best Czech club, led by Martin Vaculík, his company Excalibur Tours, and the City of Prague. This sports event has very interesting character: It is focused on attracting both new participants and the spectators who come to see the final battles of elite categories.

4. Tennis Prague Open

Tennis Prague Open is a women's professional tennis tournament of WTA category, which was founded in 1992 as the fourth tournament category (Tier IV). It takes place in Prague's tennis complex at ŠtvaniceIsland at open clay courts. There were two exceptions: 1996 year, when the tournament moved to Carlsbad, and 1999 year, when matches were played in Prostějov. Between 1999 and 2005 the tournament was held for men only. In 2010, Tennis Prague Open took place last time because of financial requirements. However, Prague tennis fans shouldn't mourn as new tournament tradition starts with Sparta Prague Open.

5. Euro Hockey Tour

Since 1997 a series of Euro Hockey Tour consists of four separate tournaments, in which the Czech Republic, Finland, Russia and Sweden participate. Each of them hosts a tournament during the season.

Rules are standardized: prize money for placement, and a scoring system. Results of teams during the season are tallied and the last tournament winner of Euro Hockey Tour is known. It is the unofficial champion of Europe. From 2002/2003 the system was still "improving": the first game of the tournament took place in one of the home countries of the competing teams (i.e. outside the venue of the tournament). Therefore, for the domestic audience only two less attractive matches without home team remained. The fifth team can start in the tournament under consideration of the organizer on a wild card. Its results, however, do not obviously count to the Euro Hockey Tour.

6. CIAF in Hradec Králové

CIAF (Czech International Air Fest) is the largest air show in the Czech Republic, which already has a seventeen-year old tradition. This year will be held at the airport in Hradec Králové again. The event consists of a two-day air show, where dozens of jet and propeller aircrafts and helicopters from various corners of the planet will present their show. In 2009, CIAF was elected the most important event taking place in Hradec Králové by the local magistrate.

7. Freestyle Motocross

FMX Gladiator Games is a freestyle motocross show. It has traditionally been held at the O2 arena thanks to its organizers – GSMA Company. During the event history its name was changed from Freestyle Motocross through Nokia Freestyle Motocross to recent MTV FMX Gladiator Games. It was held sixth times in the O2 arena. Freestyle motocross is an adrenaline sport, which searches a large number of fans and spectators. This show is attractive due to its hazards, the riders are moving along the edge of risk, what leads to serious injuries eventually. Show is also complemented by an exhibition of snowmobiles and ATVs.

8. Grand Prix Brno

Grand Prix in Brno is part of a series of world championship motorcycle racing Moto GP. Race in Brno takes place in mid-August regularly. First motorcycle World Championship in Brno was held in 1965. Unfortunately, the racetrack was an old one, and therefore showed considerable gaps, particularly in the security field. This resulted in the change of status: in 1983-1986 there was only a European Championship held in Brno, which did not demand that strict requirements both for safety and for quality of facilities for the competitors. In the end, the organizers obtained the required financial sources necessary for the reconstruction of the whole area and since 1987 the Masaryk circuit Na Kývalce has been opened. Since then, with the exception of 1992, the circuit witnessed the World Championship of motorcycle racing every year. Over the period of competitions the circuit found many supporters among athletes and spectators. Local organizers show above-average skills, evidenced by the IRTA Trophy, which they won three times altogether. The most successful Grand Prix is awarded this trophy by Teams' Association of Grand Prix motorcycle racing each season.

9. Memorial of Josef Odložil

Memorial of Josef Odložil is an international athletic meeting which is being held regularly since 1994 in Prague. Since 2003, the meeting is honored by the Statute of the World Athletics Federation IAAF. This sports event is named after the great Czech athlete Josef Odložil. In the first year of its existence, in 1994, the memorial was held in Prague's Strahov stadium in modest conditions and in one discipline only- the 2000 meters run. In the following year the famous Czech Army sports club Dukla Prague became a co-organizer and the race moved to the army Juliska stadium, where competitions in twelve men and five women disciplines were held. At Juliska, the memorial was held until 1996 when

it moved back to Strahov but returned to Juliska in 2002. In sixteen years of its existence it acquired the status of meeting of EAA and IAAF consequently, and was included in the Euro group meetings. Within its category the meeting belongs to the best in the world.

10. Jizerská 50

Jizerská 50 is a traditional race in cross country skiing held annually since 1968. Originally it was a sports event of climbers who were coming to Jizera Mountains for a training. The first year of the race in 1968 was attended by 52 people. 1970 was a distinctive year in Jizerská 50's history. In this year a mountaineering expedition Peru'70 took place. Unfortunately, a disaster happened when the Czech mountaineering expedition of 14 men was covered by stones in the avalanche under the Huascaránmountain. All perished. Since all of them were participants in the previous year's race Jizerska 50, this race is called the "Memorial Expedition Peru'70 " since then.

11. Prague International Marathon

Prague International Marathon is a series of cross-country events, taking place not only in the Czech capital. It consists of a combination of the four main cross-country events, which include nearly three dozen races in the 15 largest cities in the Czech Republic. 35,000 runners from 81 countries take part in all races. Since its inception in 1995 the Prague International Marathon is on a steep upward path to international recognition. Among the marathon runners worldwide, the race is associated with its route that is one of the most beautiful in the world. Numerous runner's magazines from around the world rank Half Marathon in Prague among the top 10 or top 5 half-marathons in the world.

12. Decathlon Meeting at Kladno

Official name of this sports event is TNT Fortuna Meeting. It is classical athletic multi-contest meeting to be held at the town of Kladno. Participants are both men and women. Therefore, they are both the decathlon and heptathlon competitions. The meeting took place in 2007 for the first time. Czech athletes and the world ones meet regularly one weekend in June. Mainly two people are "responsible" that such an event has ever been held in the Czech Republic: Czech decathlon legend TomášDvořák and former pole-vaulter and current coach ZdeněkLubenský. They agreed that, paradoxically enough, although the Czech decathletes make a very good performance on the world athletic scene traditionally, no world decathlon was held in the Czech Republic. That's why they started to organize the meeting at Kladno.

13. Czech Derby at VelkáChuchle

Czech derby is the most prestigious flat horse-race in Central Europe. Together with the Great Spring Prix and St. Leger they are part of the classical Triplecrown. Czech Derby dates its origin back to 1921. Czech Derby always takes place at the racetrack at VelkáChuchle, now part of Prague, with the only exception of 1995 when it was held in Carlsbad. Only three year old horses may participate in the race, which means each horse can race just once in a lifetime. The length of the race is 1.5 English mile (2400 meters). In the past three years, the prize money of the race topped 3 million CZK. Therefore it is the best donated flat horse-race in Central Europe.

14. Golden Helmet Pardubice

It is the oldest speedway motor-race in the world. In 2009, the 61st race took place. This sports event is traditionally held in Pardubice. The winner receives a gold helmet and a motorcycle. Along with the traditional race called Golden Helmet, which takes place on Sunday, the program is completed by

Gold Ribbon, a race in the same sport for juniors, held on Saturday. Golden Helmet was a race for road motorcycles but in 1964 moved to the cinder track at Svítkov. Since then, the history of a world-important stage speedway races in the Czech Republic started.

15. Golden Spike Ostrava

Golden Spike is currently the best athletics meeting held in the Czech Republic. Its popularity continues to grow even though it does not take place in the capital of Prague but over 400 km far away in the city of Ostrava. It has gained its position at the top of the viewer's interest thanks to the organizer's capacity to attract numerous phenomenal athletic stars, led by world record holder and the fastest man ever Usain Bolt, outstanding runner Haile Gebrselassie, who participated in the meeting of 2007 and created a new world record there running at 20 km run. These two are not the only stars of the athletic world, who started at the Golden Spike. Among others there were hurdler Dayron Robles, 400m runner Bershawn Jackson or high-jumper Blanka Vlašič. The Czech athletes who competed there in last seasons were Roman Šebrle, Věra Čechlová - Pospíšilová, Barbora Špotáková and Jan Železný among others.

16. World Cup Canoe Slalom at Trója

Canoe slalom is domestically popular sport in which the Czech Republic traditionally gains success on the international stage. Czech Republic has a number of Olympic and world medal holders. A Cup of Trojan horse is a traditional World Cup (in 2009 it was the only world race) to be held at Prague's largest artificial canal in the district of Trója. This sports event is held in the second half of June. The race consists of three competition days - qualification, semifinal and final. Athletes compete in several categories, which are separated by gender. C1 - canoes, C2 – double-canoe and K1 - kayak.

17. Tennis Czech Open

Tennis Czech Open is a tournament with a long tradition held at Prostějov. It is played on clay courts. The first volume of tournament was held in 1994. With the exception of 2004, 2005, and 2006 years there were tournaments for men. In the above- mentioned years there was also the women's part. In 2006 organizers and the Czech Tennis Association decided that organizing a tournament for both gender categories is very demanding as for organization, and the tournament for women moved to Přerov. In recent years, the Czech Open at Prostějov is part of ATP Challenger Tour part, which is in fact the second highest tier of the world's tennis tournaments. Since 2007 the main partner of the tournament is UniCredit Bank and the tournament bears its name.

18. Czech Truck Prix Most

Truck racing is a form of motorsport, where modified versions of heavy trucks race on racing circuits. FIA European Truck Racing Championship is a series of races organized by Fédération Internationale de l'Automobile (FIA). This series was founded in 1985 and since 2006 it has been holding the current form of racing. The truck races at the circuit in Most started in 1992, when tests were carried out on an international race. Since 1993, Most has been constantly included in the cup calendar.

19. Weekend of Champions

Weekend of Champions is an indoor soccer tournament organized by Czech betting agency Fortuna. Organizers tried to find the opportunity to offer fans the football event they could entertain when there is a winter break in long-term league competitions in central Europe. Organizers took inspiration mainly in Germany, where the tradition of winter indoor tournaments is widespread and attractive.

This year Weekend of Champions was held on 4th annual volume. The tournament takes place at the beginning of the year at the O2 Arena. During the first three years the model was two-day tournament, however, it switched to the one day tournament model in the last year..

20. Ski Sprint in Prague

Ski Sprint in Prague has become a traditional part of the serial cross-country skiing race Tour de Ski, which takes place in three countries. After the World Cup, Tour de Ski is the second most prestigious event of cross country skiing in season. Tour de Ski is made up of both classical and distant free technique cross country races, but also from sprints that take place in cities and draw the stars of the sport closer to fans. International Ski Federation chose Prague for the third time in 2010. In the last year the event took place at Strahov district.

Research Results

Attendance and Participation at Czech Major Sport Events

Attendance and Participation at Czech Major Sport Events					
No.	Name of Sport Event	Attendance	Attendance	Attendance	Relative Change
		of SE	of SE	of SE	
		2007	2008	2009	2007-2009
1.	VelkáPardubická	33 000	30 000	35 000	6%
2.	Mystic Skate Cup	10 000	9 000	7000	-30%
3.	Floball Czech Open	6 270	6 500	5 762	-8%
4.	Tennis Prague Open	10 000	7 000	6 500	-35%
5.	Euro Hockey Tour	12 857	20 532	18 254	42%
6.	CIAF in Hradec Králové	N/A	N/A	N/A	N/A
7.	Freestyle Motocross	30 000	23 000	28 000	-7%
8.	Grand Prix Brno	245 039	239 371	217 207	-11%
9.	Memorial of Josef Odložil	11 000	9 000	12 000	9%
10.	Jizerská 50	3 228	3 296	3 079	-5%
11.	Prague International Marathon	13 307	15 708	15 189	14%
12.	Decathlon Meeting at Kladno	10 000	10 000	1 500	-85%
13.	Czech derby in VelkáChuchle	7 000	7 600	7 000	0%
14.	Golden Helmet Pardubice	12 000	12 000	12 500	4%
15.	Golden Spike Ostrava	18 000	18 000	22 000	22%
16.	World Cup Canoe Slalom at Trója	N/A	2 000	N/A	N/A
17.	Tennis Czech Open	N/A	N/A	N/A	N/A
18.	Czech Truck Prix Most	50 000	55 000	57 000	14%
19.	Weekend of Champions	12 000	13 300	15 070	26%
20.	Ski Sprint in Prague	N/A	N/A	N/A	N/A
	Total	483 701	479 307	463 061	-4%
			Average of relative changes		-3%

SE = Sport Event

N/A = data no available

Notes:

- 1 data for 2009 is as of 2010 because the sport event was canceled in 2009
- 2 number of spectators on the final day of the tournament
- 3 participants only of Sunday main race on 50km from years from 2008 to 2010, 2007 race canceled
- 4 number of participants of three main races - Marathon, Half-Marathon and Grand Prix for 10km
- 5 2009 there was no class World Cup but only World Race

Source: Author

As it is obvious, the data on attendance or participation are largely available. However, there are several events where the main organizers do not detect, disclose, or even record these data. I consider it a significant mistake, because in such a case they miss a valuable basis for negotiations with a potential partner. I understand that when a sports event is free of charge for spectators, the registration is very difficult, but in such a case, I propose that the symbolic entrance fee is set down. Entrance fee in tens of Crowns would not discourage the viewers. Revenue from ticket sales will be a small contribution to the total budget but if the organizers don't want to use this income, they may donate that amount to charity e.g., which will certainly ensure a positive PR of the sports event.

Research has shown that the variability in attendance of sport events is very high. In more than half of the events we can observe double-digit change in attendance. The largest decline recorded Decathlon Meeting at Kladno, where attendance was influenced by bad weather conditions. Further significant declines are due to presence or absence respectively of such stars as in the past - Mystic Skate Cup is the example. Another reason of decline is that the Czech athletes at the event failed badly – this is the case of Tennis Prague Open. A sizeable drop in viewers can be observed at Grand Prix Brno. This decrease is probably due to the price policy, because from 2007 to 2009, the average ticket price has risen by two thirds.

Growth in attendance and participation can be attributed to following factors. Organizers managed to attract big stars. Great example is Golden Spike in Ostrava and Usian Bolt. There is another event with positive change, which benefited the move to another region, such as the Czech Hockey Games, which have moved from Liberec to Carlsbad, where no such an event has been held in recent years, and there was a great hunger for hockey. Carlsbad constructed a new arena and the national team did not play there for a long time before. Then there are sports events like the Golden Helmet, VelkáPardubická, Czech Truck Prix or Prague International Marathon, where organizers have been working on image of a high-quality sports event and try to offer better services to the audience, while making no compromises in the quality in terms of attracting at least the same stars as in previous years.

However, the first research hypothesis is not confirmed here. As in absolute numbers, we can observe a decrease of visitors/participants of more than 20 thousands of people, which represents just over 4%. The relative change is a decrease of nearly 3%. Why has there been a decline? Unequivocally, the mix of all the above-mentioned factors, both acting to increase and reduce the number of visitors. And how will the situation evolve in the future? I believe that number will not significantly alter but due to the influence of the financial crisis there will be more of a downward trend. It will also depend on the success of the Grand Prix in Brno, because this event makes about half of the total attendance of all events.

Price Policy of Czech Major Sport Events

Average Entrance and Participation fees at Czech Major Sport Events					
No.	Name of Sport Event	Fee at SE	Fee at SE	Fee at SE	Relative Change
		2007	2008	2009	2007-2009
1.	VelkáPardubická	550	550	550	0%
2.	Mystic Skate Cup	790	790	590	-25%
3.	Floball Czech Open	120	120	100	-17%
4.	Tennis Prague Open	125	125	175	40%
5.	Euro Hockey Tour	170	195	190	12%
6.	CIAF in Hradec Králové	300	300	300	0%
7.	Freestyle Motocross	720	770	1090	51%
8.	Grand Prix Brno	1790	2590	2990	67%
9.	Memorial of Josef Odložil	0	0	0	0%
10.	Jizerská 50	800	900	900	13%
11.	Prague International Marathon	925	1000	1000	8%
12.	Decathlon Meeting at Kladno	50	90	100	100%
13.	Czech derby in VelkáChuchle	200	200	200	0%
14.	Golden Helmet Pardubice	300	300	300	0%
15.	Golden Spike Ostrava	300	300	290	-3%
16.	World Cup Canoe Slalom at Trója	0	50	0	0%
17.	Tennis Czech Open	0	0	0	0%
18.	Czech Truck Prix Most	250	280	300	20%
19.	Weekend of Champions	150	150	150	0%
20.	Ski Sprint in Prague	0	0	0	0%
	Total	7540	8710	9225	22%

Average of relative changes 13%

SE = Sport Event
Data are in CZK, 1 EURO = 24, 780 CZK
N/A = data no available
according to Czech National Bank on 9th Aug. 2010

Notes:

- 1 Entrance fee for 3 days, entrance fee for 2009 is from year 2010 because 2009 the event was canceled
- 2 2009 there was only World Race - lower category than World Cup
For years from 2008 to 2010, 2007 race was canceled, fee is to the end of September, period when
- 3 89 % of Czechs are registered
- 4 Entrance fee for one match
- 5 Entrance fee for one day
- 6 Entrance fee for the final day
- 7 Entrance fee for 2 days
- 8 Entrance fee for 3 days
- 9 Average price for participation at three main races
- 10 Entrance fee for 3 days

Source: Author

Research managed to find prices of all sport events, which is very positive fact, although in some cases it was not easy. On the other hand, what else should the event organizers disclose than how much money they want from the audience or participants?

As for reductions in admission, we can follow them in a few instances. A slight reduction (which I regard unjustifiable) can be traced in the sports event of floorball Czech Open and Golden Spike in Ostrava. Admission price fell significantly only in the event Mystic Skate Cup (the latest data are from 2010 because this sports event was canceled in 2009). It already is the result of the economical crisis because the organizers failed to attract big stars as in previous years and they feared that due to the financial crisis viewers would not be able to buy expensive tickets.

In other cases we can observe either constant or increasing trend in prices for entrance and participation fees. Raising ticket fees can be justified by improving the organization constantly and thus offering better comfort for visitors and participants, but it can be also dedicated to a willingness to pay more for the most popular events such as the Grand Prix in Brno or Freestyle Motocross at the O2 arena. The sports event Czech Truck Prix Most can be described as an event where the price policy is regarded an exemplary one. Its organizers respect contemporary research in the field of sports economics (either intentionally or unintentionally). They increase the average ticket price gradually by approximately 10 % per year. In such a case the customer does not perceive this price rise, what would happen in a situation when organizers would keep the price of tickets at the same level for five years artificially and then they would double it.

Overall, the admission price of twenty prestigious sports events in the Czech Republic increased by almost 1700CZK (approx. 22%) in two years. An important component of this increase is the Grand Prix Brno. As the average relative change of all sports events shows (average increase in ticket prices makes 13%), raising of entrance or participation fees is not an accidental phenomenon and thereby research confirms the second hypothesis. We'll have to wait whether current global economical recession will effect this situation. With the exception of the Grand Prix in Brno, I consider the fees associated with participation or entry not that high. We can assume the Czechs will probably attend these sport events in the future as well, so I do not expect the rises to fall radically.

Budgets of Czech Major Sport Events

Budget of Czech Major Sport Events					
No.	Name of Sport Event	Budget of SE	Budget of SE	Budget of SE	Relative Change
		2007	2008	2009	2007-2009
1.	Velká Pardubická	18 000 000	18 000 000	18 000 000	0%
2.	Mystic Skate Cup	N/A	N/A	N/A	N/A
3.	Floball Czech Open	5 000 000	4 000 000	5 000 000	0%
4.	Tennis Prague Open	20 000 000	22 000 000	15 000 000	-25%
5.	Euro Hockey Tour	6 600 000	6 350 000	6 350 000	-4%
6.	CIAF in Hradec Králové	N/A	N/A	N/A	N/A
7.	Freestyle Motocross	N/A	N/A	N/A	N/A
8.	Grand Prix Brno	N/A	N/A	N/A	N/A
9.	Memorial of Josef Odložil	13 000 000	13 000 000	13 000 000	0%
10.	Jizerská 50	12 500 000	12 500 000	12 500 000	0%

11.	Pražský International Marathon	50 589 000	52 434 000	69 242 000	37%	
12.	Decathlon Meeting at Kladno	5 500 000	6 000 000	6 500 000	18%	
13.	Czech derby in Velká Chuchle	6 000 000	6 000 000	6 000 000	0%	
14.	Golden Helmet Pardubice	4 500 000	4 500 000	4 500 000	0%	
15.	Golden Spike Ostrava	28 000 000	30 000 000	35 000 000	25%	
16.	World Cup Canoe Slalom at Trója	N/A	N/A	N/A	N/A	
17.	Tennis Czech Open	N/A	N/A	N/A	N/A	
18.	Czech Truck Prix Most	N/A	N/A	N/A	N/A	
19.	Weekend of Champions	N/A	N/A	N/A	N/A	
20.	Ski Sprint in Prague	N/A	N/A	N/A	N/A	
	Total	169 689 000	174 784 000	191 092 000	13%	
					Average of relative changes	5%
SE = Sport Event					Data are in CZK, 1 EURO = 24, 780 CZK	
N/A = data no available					according to Czech National Bank on 9th Aug. 2010	
Notes:						
1 2007, 2008 there were men tournament in addition						
2 data are for years 2008, 2009, 2010 - 2007 race was canceled						
3 Financial results are for whole company PIM Inc.						
4 data are from there last events one in year 2008 and two tournaments in 2009						

Source: Author

Budgets are still something very top secret in case of sports events or sports clubs in the Czech Republic. Many organizers declare that they do not provide this information to anyone. Most of them answer the question what size budget of sports events is in a very vague way. They state that the budget founds itself between certain amounts constantly, it remains roughly the same, or their answer is very approximate. It follows that the explanatory power of this research remains rather limited, since nine out of twenty organizers refused to disclose this information. Among the remaining events both increases and decreases can be traced.

Rather noticeable decline can be observed as for the sports event Tennis Prague Open. The above-mentioned considerable decline is due to the fact that in previous years with women assigned to the tournament series WTA the men's Challenger had been organized concurrently. We have also noticed a decline in the Euro Hockey Tour, where the Czech Hockey Association used financial sources more thriftily while the level of quality of the particular sports event did not decrease.

Regarding the growth, it can be seen at the Decathlon meeting at Kladno. Explanation is that this is a relatively young sports event which has been building its tradition up. Further increases can be traced at the Golden Spike in Ostrava - with each passing year, this event increases its prestige what attracts the world's athletic stars. Logically, they cost more money, thus the budget grows. Finally, growth is

found with the Prague International Marathon, too. However, as we examine financial results of the whole company, we cannot clearly say what led to the success of this company specifically. As for remaining sports events, they are those very traditional, where the organizers managed to stabilize the budget.

Overall, it can be agreed on that the hypothesis is being fulfilled, but the relative increase of five percent is not great. We'll see what will budgets do in 2010 and subsequent years. I expect the following two years to be very difficult for the organizers of sports events as they will have a very complicated mission to raise funds mainly from sponsors and advertising partners. The above-mentioned Tennis Prague Open will not be held in 2011 because its titular partner ECM will no longer fund the tournament what is just one example for all.

Conclusion

Research should be concluded by evaluating hypotheses. Two of the three hypotheses were confirmed.

The first hypothesis, concerning the attendance of the most prestigious sports events in the Czech Republic, remains unfulfilled. Decline in viewers or participants interest in the Czech major sport events can be explained by above-mentioned factors (numerous domestic athletes failed in these competitions, the organizers failed to attract big foreign stars, the increase in ticket prices was too high, the decline was influenced by external factors, such as bad weather, which remains one of the decisive factors for open-air events). As for sports events, where organizers do not record attendance, I recommend the establishment of the symbolic entrance fee which might serve a useful tool when negotiating with partners and sponsors.

The second hypothesis concerning the ticket price increase was confirmed. This acknowledges the fact that viewers are increasingly willing to pay more for high-quality sports events in the Czech Republic. The relative increase of 13% from 2007 to 2009 is clear evidence of that. I believe that the organizers of sports events can raise the price of admission, firstly due to macroeconomic data, because real income of population has still been rising in the Czech Republic and secondly, under the condition they improve the quality and prestige of the respective sports event. Increasing revenue from visitors or participants means that organizers become less dependent on other types of income such as sponsorship or income from selling television rights. Optimal increase is around 5-10% per year, so that the relative increase is not too high for a payer to realize it.

The third hypothesis dealing with increasing the budgets of sport events is also confirmed. This part possesses the worst explanatory power because data collection was complicated and sometimes due to the reluctance of organizers nearly impossible, but overlay this section confirms that sport attracts more and more money. Traditional sports events, which maintain a high level, stabilized their budgets. Sports events that want to develop and enhance the prestige increase their budgets necessarily, especially in order to lure domestic and foreign international stars in the particular sport. Organization of sports events is managed on the rather good level by local organizers. In some cases they should consider the better comfort for the viewer as one of the potential sources of finances. Sports events organizers are recommended to grasp the marketing, which is not quite mastered. In the near future I see the problem in raising funds from sponsors and advertising partners due to financial crisis, which caused a global recession. It can be estimated sport branch will be affected as well.

And what the future of sports event management is? What sports events will develop during the crisis period and after the crisis, time will tell. I expect prices will continue to rise. Attendance at sports events will remain roughly at the same level while budgets will be slightly reduced.

References

- [1] ČÁSLAVOVÁ, E., *Management a marketing sportu*, Olympia, Praha 2009, ISBN 978-80-7376-150-9, p. 148-152
- [2] GRAHAM S.: *The Ultimate Guide to Sports Marketing*, McGraw-Hill, 2nd edition, New York 2001, ISBN: 0-07-136124-3
- [3] ANDREFF, W., SZYMANSKI, S.: *Handbook on the Economics of Sport*, Edward Elgar, Northampton 2006, ISBN: 1-84376-608-6
- [4] GRATTON, C., TAYLOR, P.: *Economics of Sport and Recreation*, E & FN Spon, London 2000, ISBN: 0-419-18960-2
- [5] HOWARD, D. R., CROMPTON, J. L.: *Financing Sport 2nd Edition*, West Virginia University, 2004, ISBN: 1-885693-38-9
- [6] Official web pages of the Czech Major Sport Events