

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

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# Introduction

- Sport events are the great phenomenon of the contemporary world
- Sport events attract lot of media, politicians, VIPs and Fans!
- Sport events are big businesses – lot of money flow into Sport Events

# Czech Republic



## ■ Facts about Czech Republic:

- Position: In central Europe
- Area: 78 666 sq. km
- Capital city: Prague
- Inhabitans: 10.7 milions
- Language: Czech language
- Currency: 1 česká Koruna (CZK)
  - 1 USD = 19.8 CZK
  - 1 EUR = 24.5 CZK
- Avarage Gross Salary: 23 000 CZK
- Politics: Parlamentary democracy, members of EU
- Most popular sports in the Czech Republic:
  - Football, Ice Hockey, Tennis, Athletics, Motorsport, Horseracing
- What are we famous for:
  - Capital Prague, Beer, Cousine, Sport...



# Background Theory

- Sport organizers have tools to develop their knowledge
  - Theories of experts (i.e. Stedman Graham) how to make sport event higher quality
  - Analysis – CBA, EIA, SWOT
- Theories of demand for sport events
  - Szymanski, Simmons – mostly for professional leagues not for annual events
- Price policy
  - The expected threshold of pricing
  - Increasing willingness of customers to pay
  - Tolerance zone
- Sport events
  - Fan oriented
  - Participation oriented
  - Combined



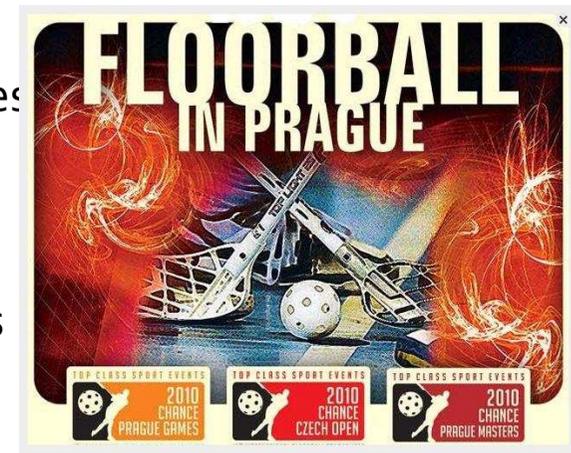
# Hypotheses and research objectives

- Hypothesis 1:
  - Sport events are more and more popular and attendance / participation will raise
- Hypothesis 2:
  - Prices of entrances or fees for participation will raise
- Hypothesis 3:
  - Budgets of sport mega events will raise



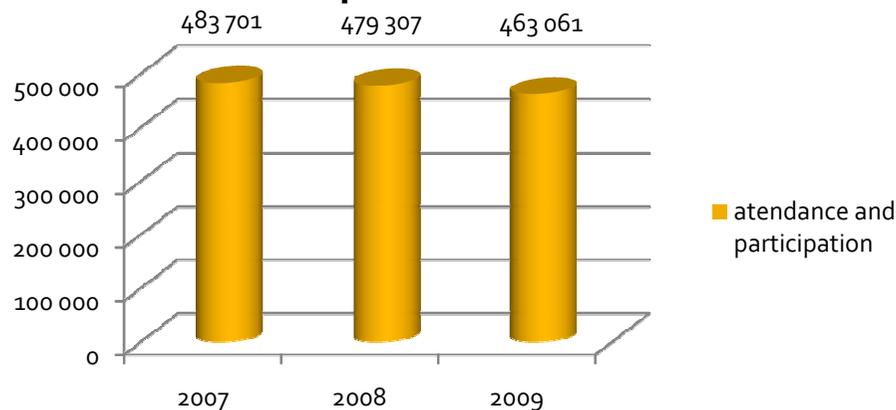
# Methodology

- Data base:
  - 20 sport mega events annually held in the Czech Republic – included are big sports football, motorsports and small sports like Floorball (Unihockey) or Cross country skiing
  - Research took 3 volumes from 2007 to 2009
- Price policy:
  - Average price tickets are as median of price categories
- Data acquisition
  - In Czech Republic big problem
  - Price – on official websites
  - Attendance/Participation – on official websites, news servers websites, somewhere not detected
  - Budgets – difficult to get – correspondence with organizer – most used answer – non of your business
- Comparative method
  - Mostly relative average



# Attendance and Participation at Czech Major Sport Events

Attendance and participation of Sport Events



- Total change from 2007 to 2009: -4%
- Average relative change of 20 events 2007 to 2009 : -3%
- Not success of biggest sport event: GP Brno (big increase of prices)
- Bad weather conditions: Decathlon meeting at Kladno
- Missing sport stars: Tennis Prague Open, Mystic Skate Cup

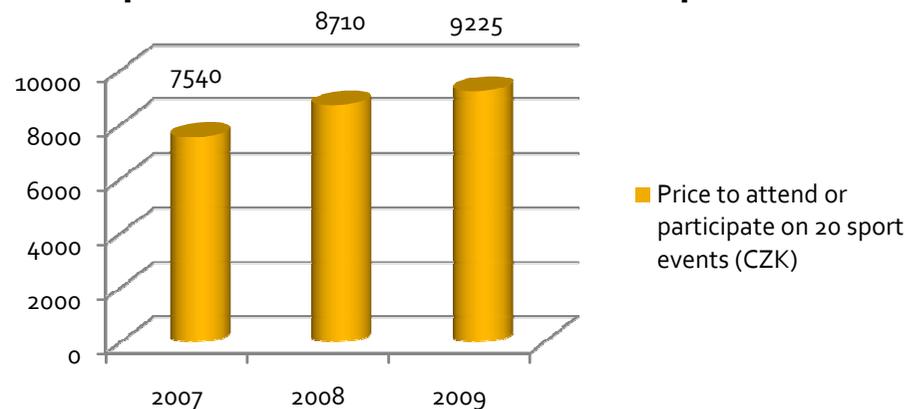
# Attendance and Participation at Czech Major Sport Events

- Negative factors of attendance or participation of sport events:
  - Not attracting foreign stars (Mystic Skate Cup)
  - Not succes of Czech athletes (Tennis Prague Open)
  - High price increase (GP Brno)
  - Bad wetaher conditions (Decathlon at Kaldno)



# Price Policy of Czech Major Sport Events

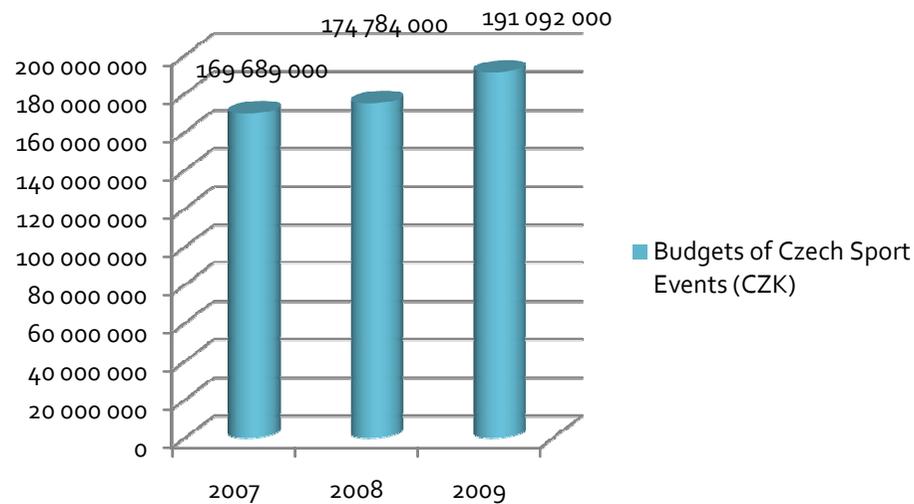
Price to attend or participate on 20 sport events in the Czech Republic



- Total change from 2007 to 2009: +22%
- Average relative change of 20 events 2007 to 2009 : +13%
- Big increases of Grand Prix Brno, Freestyle motocross
- Most of sport events – no change

# Budgets of Czech Major Sport Events

## Budgets of Czech Sport Events



- Total change from 2007 to 2009: +13%
- Average relative change of 20 events 2007 to 2009 : +5%
- 9 of 20 organisers did not provide numbers of budgets
- 5 of 20 organisers did not change budget
- Others mostly raised with double digit

# Hypotheses Confirmation

- Hypothesis 1:
  - Attendance and participation will raise – **Not confirmed**
- Hypothesis 2:
  - Prices of entrances or fees for participation will raise – **confirmed**
- Hypotesis 3:
  - Budgets of sport mega events will raise - **confirmed**



# Conclusion

- What to make successful Sport Event
  - To make higher attendance?
    - Be aware of negative factors which negatively influence attendance or participation
    - Build strong tradition in sport events
  - To make more money from fans and participants?
    - Make single digit raise every year – salaries of people are growing steadily as well
  - To get higher budgets?
    - With higher attendance and higher revenues from attendance organisers have higher potential in case of getting extra money from sponsors or public money
- Sport events and Crisis?
  - Effects will be delayed



# Questions

- Thank you for your attention!!!
- What is the situation in your country???