



**A REPORT EXAMINING THE
SOCIO-ECONOMIC IMPACT OF THE
WORLD RALLY CHAMPIONSHIP
2007**

**A Report Examining the
Socio-Economic Impact
of the World Rally Championship 2007¹.**

²DR. DAVID HASSAN, SPORT AND EXERCISE SCIENCE INSTITUTE, UNIVERSITY OF ULSTER.

³DR. DOUGLAS MCCULLOCH, SCHOOL OF ECONOMICS AND POLITICS, UNIVERSITY OF ULSTER.

ACKNOWLEDGEMENTS

The authors of this report are grateful for the assistance and co-operation of:

UNIVERSITY COLLEAGUES:

1. Dickson, G., New Zealand Tourism Research Institute, AUT University, New Zealand
2. Ed-media Institute at the University of Applied Sciences, Kaiserslautern, Germany
3. Pogonon, O., Federation Francaise du Sport Automobile (report prepared by Theas, A. and Scrive, T., ESSEC Solutions Enterprises)
4. Paramio, J.L., Zoffio, J.L., Campos, C. Universidad Autonoma de Madrid, Spain
5. Perna, F., Custodio, M.J., Gouveia, P, International Centre of Territory and Tourism Research, University of the Algarve

FIA

6. The FIA Marketing/Promotion Working Group (Mr. Jarmo Mahonen)

TV RIGHTS HOLDERS

7. International Sportsworld Communicators (CEO Mr. Simon Long)

¹ THE AUTHORS WOULD LIKE TO ACKNOWLEDGE THE EXCELLENT SUPPORT AND GENEROSITY OF OUR COLLABORATING PARTNERS IN EACH OF THE SELECTED CASE STUDIES CONTAINED WITHIN THIS REPORT. RALLYE DEUTSCHLAND (PETER BOTHOR, ADAC SPORTMARKETING/ EVENTMANAGEMENT); RACC (ESPAÑA) (DR JUAN LUIS PARAMIO, UNIVERSIDAD AUTONOMA DE MADRID); RALLY NEW ZEALAND (DR GEOFF DICKSON, AUCKLAND UNIVERSITY OF TECHNOLOGY); RALLY IRELAND (DR DAVID HASSAN AND DR DOUGLAS MCCULLOCH, UNIVERSITY OF ULSTER AT JORDANSTOWN); RALLY DE PORTUGAL (DR FERNANDO PERNA, UNIVERSITY OF ALGARVE); RALLYE DE FRANCE (2005) (ANNE THEAS AND STEVEN SCRIVE, ESSEC SOLUTIONS ENTERPRISE). COPIES OF THIS REPORT ARE AVAILABLE FOR DOWNLOAD FROM THE RALLY IRELAND HOMEPAGE WITH HARD COPIES ON REQUEST.

² DR DAVID HASSAN IS A MEMBER OF THE SPORT AND EXERCISE RESEARCH INSTITUTE AT THE UNIVERSITY OF ULSTER. IN 2006 HE RECEIVED THE AWARD OF DISTINGUISHED RESEARCH FELLOWSHIP IN RECOGNITION OF HIS OUTSTANDING CONTRIBUTION TO RESEARCH IN ULSTER.

³ DR DOUGLAS MCCULLOCH IS A MEMBER OF THE SCHOOL OF ECONOMICS AND POLITICS AT ULSTER. A PUBLISHED RESEARCHER, HIS AREA OF EXPERTISE INCLUDES PHARMAECONOMICS AND HEALTH POLICY; HE IS A MEMBER OF THE UNIVERSITY'S ALL-POWERFUL SENATE.

CONTENTS

Executive Summary	2
Introduction	3
2007 Rally New Zealand	5
RallyRACC 2007 (Espana)	9
Rallye Le Touquet Pas de Calais 2005 (France)	15
The 2007 Vodafone Rally de Portugal	19
Rally Ireland 2007	22
Rally Deutschland 2007	27
Monitoring and Evaluation Proposals	31
Conclusion	34

1.1 EXECUTIVE SUMMARY

The proposal is to develop a common approach to the monitoring and evaluation of World Rally Championship events.

The first section of this report outlines the information on which rallies are currently evaluated, with a focus on spectator demographics and spending.

In the second section, a purposive sample of rally reports is reviewed, with a summary of the main points; the reports are those events that took place in New Zealand (2007), Spain (2007), Portugal (2007) France (2005), Ireland (2007), and Germany (2007).

The third section proposes and explains a common approach to the monitoring and evaluation of rallies, on the basis of spectator and other data, which should include assessments of rally attractiveness, organisational success and their economic impact.

2.1 INTRODUCTION

According to Coalter (2006), the Monitoring and Evaluation (M&E) of any activity “should provide the basis for a dialogue, both between organisations and sponsors and within organisations” (p.10). M&E is not in itself prescriptive, though for progress to be made, agreement is required over what evidence is relevant.

In our first section we identify the information that is widely accepted as being necessary for the M&E of a Rally event; this is based on our review of the evidence obtained from a purposive sample of reports produced by those staging WRC events, mainly from 2007, but also including a report on the 2005 French rally. Our second section explains and discusses the reports, on the basis of the essentials defined in the first.

The assessment of a rally’s success will always be a matter of judgement, but progress can be made by measuring outcomes using metrics which are acceptable and meaningful to the WRC fraternity, comprising motor sport clubs, rally organisers, sponsors, and the wider society, where the rallies take place. In our third section, we put forward a common approach to rally monitoring and evaluation, which is based on spectator and other data, including assessments of rally attractiveness, organisational success, and their economic impact.

2.1.1 THE ACCEPTED REQUIREMENTS

The accepted requirements seem (to us) to be: the estimated number of spectators and the size of the sample, the sex, age distribution and group sizes of spectators, spectator origins, rally economic impact, and spectator feedback. Not all of the reports bring out all of these aspects; some add other dimensions, which are mentioned here if they are of general interest, under the heading “Other information or comments”.

2.1.2 THE REPORTS

We are grateful for all the assistance provided by colleagues in other countries to make their results available in our native language (English). We are applying criteria to colleagues' work retrospectively, and hence, some might say, unfairly. Obviously, authors differed in terms of their objectives, and there are important differences between a rally like the event held in Salou (Spain) and the rally held in North-West Ireland. The comments we make on colleagues' frequently excellent work have the constructive aim of developing the sport.

We begin with the New Zealand report, and go on to consider the evidence available from Spain, France (2005), Portugal, Ireland and Germany.

2.1.3 2007 RALLY NEW ZEALAND

Rally New Zealand was held for its 38th year in and around the Mystery Creek Events Centre, in Hamilton, which lies in the Waikato region. The race was held from 30th August to 2nd September 2007, in the surrounding areas of Pirongia/Waitomo, Franklin/Te Akau, and Raglan. The survey was carried out on the Saturday, 1st September, the busiest day of the event, around the Mystery Creek Events Centre and on the Rally stages.



2.1.4 THE ESTIMATED NUMBER OF SPECTATORS AND THE SIZE OF THE SAMPLE

The number of spectators was estimated at 7,000 on Saturday September 1, the day of the survey; the method of estimation is not reported. The sample size was 292.

2.1.5 THE SEX, AGE DISTRIBUTION AND GROUP SIZES OF SPECTATORS

The sample was 77% male, and 50% were in the 20-35 age group.

FIGURE 1: SHOWS THE AGE DISTRIBUTION.

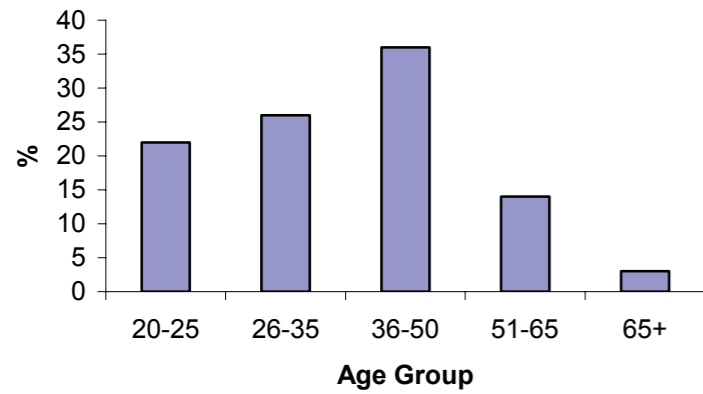
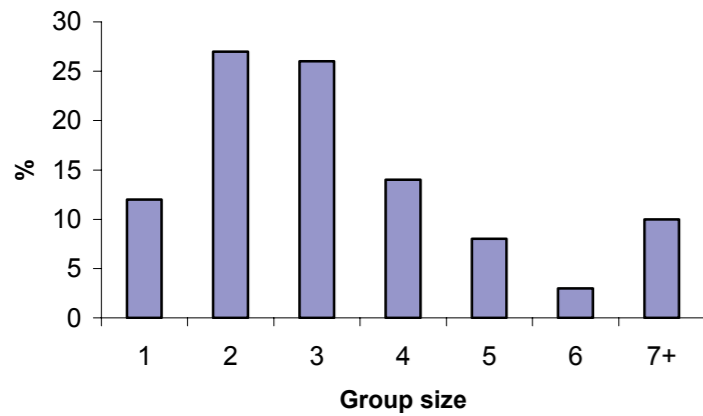


FIGURE 2 SHOWS THE GROUP SIZE DISTRIBUTION.



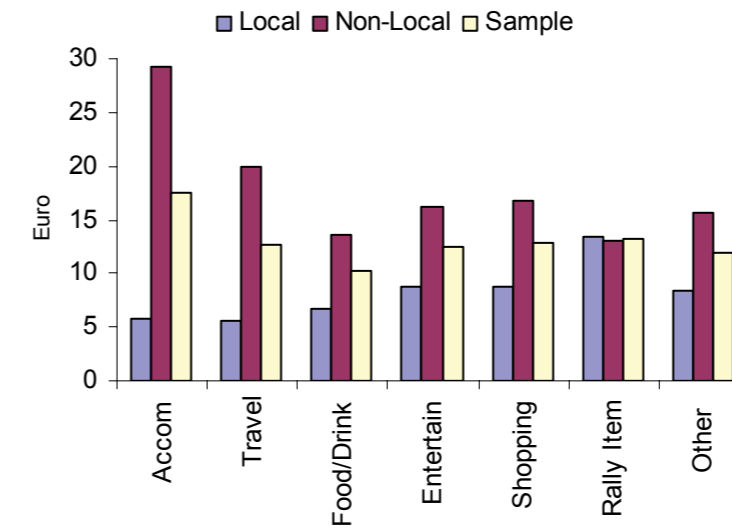
This picture, of the typical spectator as a young adult male traveling in groups (rather than singly or in pairs), is found in other results also.

2.1.6 SPECTATOR ORIGINS

New Zealanders accounted for 91% of all attendees, of whom “Locals” accounted for 42% and “non-locals” 49%. “Local” was defined as a resident of Hamilton or the surrounding area. The focus of the rally on Hamilton made this definition fairly clear-cut; as we shall see, this turns out to be an advantage, in terms of analyzing results. Only 8% had not been to the area before; 42% lived there, and 51% were visitors who had been before, of whom just over a third were in Hamilton for the rally.

2.1.7 RALLY ECONOMIC IMPACT

FIGURE 3: AVERAGE SPECTATOR EXPENDITURE IN EURO



These figures confirm the greater expenditure by non-locals expected from the academic literature.

2.1.8 ECONOMIC IMPACT

There is no estimate of the overall economic impact; an average spend of \$78.91 (NZ) for each of 7,000 spectators makes a total of \$55,237, which at the same rate per day, would amount to \$220,948 over four days, or €117,102 (1\$NZ = €1.89).

2.1.9 SPECTATOR VIEWS OF THE RALLY'S SUCCESS

Hamilton was regarded as a suitable venue by 97% of those surveyed; when asked to provide one comment or suggestion for how the rally could be improved, several different kinds of suggestions were made, but no strong themes emerged.

2.1.10 OTHER INFORMATION OR COMMENTS

Questions about sponsorship were included; they indicated that sponsor's products would be used and recognized.

3.1 RALLYRACC 2007 (ESPANA)

This rally was based in the city of Salou in the Catalunya region, from the 4th to the 7th October. The 43rd year of the event saw almost 3,000 people involved in its organization, on three legs and 18 stages, the busiest day being Saturday October 6th, with 8 stages, from Vilaplana to La Serra d'Almos.



3.1.1 THE ESTIMATED NUMBER OF SPECTATORS AND THE SIZE OF THE SAMPLE

3.1.2 NUMBER OF SPECTATORS

The estimated number of spectators was 15,624, though it does not seem to include day visitors to the rally. It is based on the following ingenious and very novel form of analysis:

The Salou area is a well-developed tourism destination; the number of spectators was estimated from the fact that the level of hotel occupancy for the area during the rally was 48%, compared with 43% in the nearest comparable year, 2005. (A one-off national holiday in 2006 increased occupancy, distorting the picture somewhat.)

This extra 5% represents a total of 24,134 bed-nights over the four-day period of the rally. If all of these bed-nights are attributable to the rally, a reasonable assumption during the tourist off-season, then the 64.4% of respondents who stayed in commercial accommodation accounted for 24,134 bed-nights. According to the authors, it is reasonable to suppose that the remaining 35.6% accounted for a similar number, pro rata, spent (but not paid for) at home or with friends and relatives, that is $(24134/64.4 \times 35.6)$ or 13,341 bed-nights.

The number of spectators can be calculated from the days attended; for example 15.1% of non-residents spent two days, so that each person in this band accounts for 2 of the 24,134 bed-nights. The number of bed-nights attributable to non-residents who stayed 2 nights is 15.1% of 24,134, or 3,644; dividing this number by 2 provides the number of actual people in this category, 1,822. The same procedure can be applied to residents, using the bed-night total of 13,341; this arrives at a figure of 8,722, so that the total number of visitors is estimated at 15,624.

All that remains to make this technique a fairly robust means of estimating spectator numbers is some relationship between “day-trippers” and “over-nighters”. If there are about 8 day-trippers for every over-nighter, the Spanish rally’s numbers are in the same region as the numbers for the Irish rally.

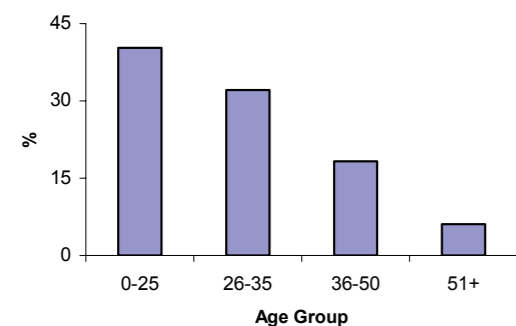
3.1.3 SAMPLE SIZE

The sample size is 850. The authors state that they increased the sample from the original target of 250 to achieve a consistent methodology; certainly, the greater the sample size, the more certain we can be that the results represent the population as a whole.

3.2 THE SEX, AGE DISTRIBUTION, AND GROUP SIZES OF SPECTATORS

The sample was 83% male; in the sample as a whole, 72.4% were in the 0-35 age group.

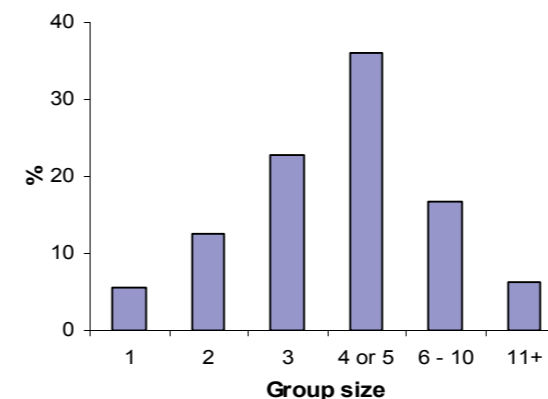
FIGURE 4: AGE DISTRIBUTION



3.2.1 GROUPS

The Group Size Distribution is shown in Figure 5.

FIGURE 5: GROUP SIZE DISTRIBUTION



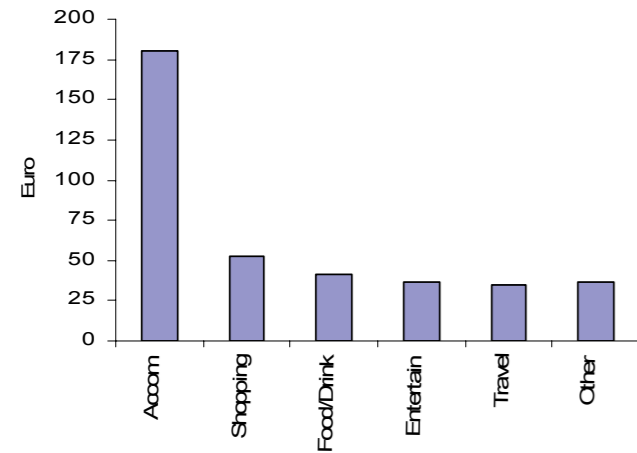
This confirms the results from the New Zealand study, that the majority (here, 81.8%) attended in groups of three or more, and were predominantly young adult males.

3.2.2 SPECTATOR ORIGINS

Spanish nationals accounted for 88% of those who attended the rally, of whom those from the local province, Catalonia, accounted for some 51.2%. In addition 2.6% of attendees came from France, and 2.1% from Britain. Only 16% had not been to the area before; 44.0% had been previously to follow the Rally, and 90% of those not residing in Salou were there for the Rally alone. Eighty-one per cent traveled independently, by car or hired car; 26.5% intended to stay in the region for longer than the rally duration.

3.2.3 RALLY ECONOMIC IMPACT

FIGURE 6: SPECTATOR EXPENDITURE



The economic impact is given as €201.8 per head for residents, and €254.8 for non-residents (including accommodation), making a total of €7,644,521. The disparity between the locals and non-locals in New Zealand is much greater, in percentage terms. Adding an amount for those extending the stay beyond the rally, €702,884, gives a total spend of €8,347,405.

The exact distinction between residents and non-residents, and the contribution of day trippers, are not clear, so that the precise calculation of the spend remains obscure, to us at least. Whatever the basis for the calculations, it appears that at least some of the residents' spending would have occurred anyway, without the rally, so that the total may be an over-estimate of the economic benefit to the area from spectator spending.

3.2.4 NON-SPECTATOR SPENDING

The figures given are:

	€
Teams:	2,361,000
Media:	222,526

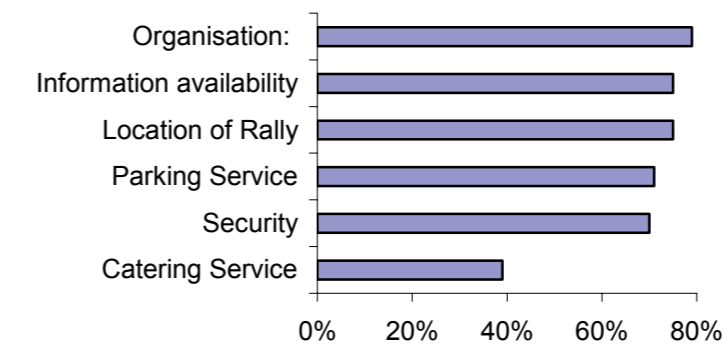
Economic impact

	€
Spectators:	8,347,405
Teams	2,361,000
Media	222,526
Total:	10,930,931

3.2.5 SPECTATOR VIEWS OF THE RALLY'S SUCCESS

Figure 7 shows the percentage of respondents rating each of the following aspects as Average or better.

FIGURE 7: PERCENTAGE RATING ASPECT AS AVERAGE OR BETTER



The value of this information to organizers is obvious; its provision is not difficult, and the data has a high degree of reliability.

3.2.6 OTHER INFORMATION OR COMMENTS

There is a need for a common definition of what counts as “local” and “non-local” spending, and for an agreement about what and how to count different items of expenditure. We hazard a guess that the large number of second homes in the Salou region may have something to do with the opaque character of the calculations. Finally, reliable length of stay data is important to the analysis of residents and non-residents, on which the estimate of spectator numbers relies.



4.1 RALLYE LE TOUQUET PAS DE CALAIS 2005 (FRANCE)

The 45th occasion of this rally took place over two days, 8th and 9th October (2005), in the Cote d’Opale region, about 1 hour’s drive from the Dover-Calais ferry terminal. It was centered on the Le Touquet regional airport, with 10 special stages on the Saturday, and 6 stages on the Sunday, completing by mid-afternoon on the 9th October. This report is included here because it offers additional insights into areas not covered by other reports.

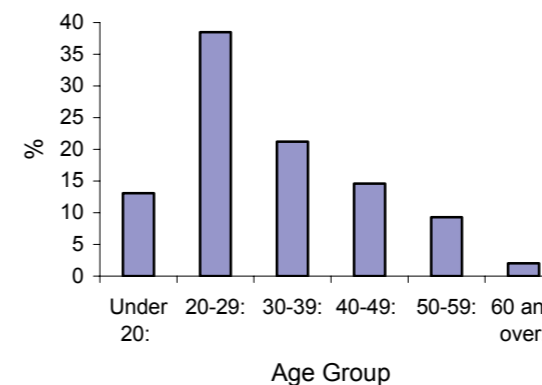
4.1.1 THE ESTIMATED NUMBER OF SPECTATORS AND THE SIZE OF THE SAMPLE

The number of spectators is not estimated; the sample size was 452.

4.1.2 THE SEX, AGE DISTRIBUTION AND GROUP SIZES OF SPECTATORS

The sample was 84.3% male; the % in the 0-29 age group was 51.6%.

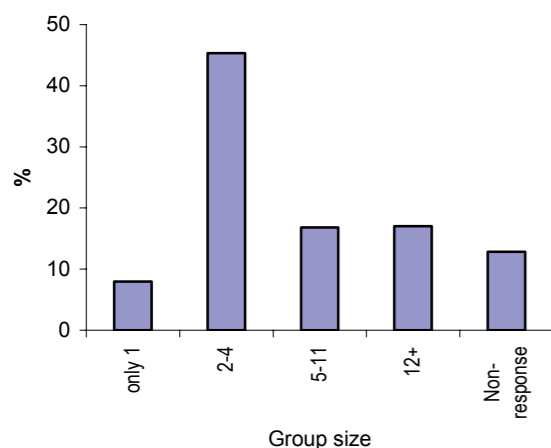
FIGURE 8: AGE DISTRIBUTION



4.1.3 GROUPS

Only 8% of people who patronized the rally attended alone; children were not differentiated from adults in the report.

FIGURE 9: DISTRIBUTION OF GROUP SIZES



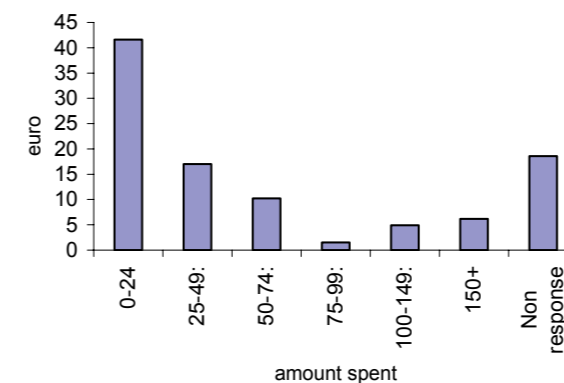
4.1.4 SPECTATOR ORIGINS

The sample was 95.1% French, with 66.8% from the local region (Nord-Pas-de Calais), and 22.0% from neighbouring regions (Normandy, Ile-de-France, and Champagne-Ardenne). No information was collected about accommodation.

4.2 RALLY ECONOMIC IMPACT

4.2.1 SPECTATOR SPENDING

FIGURE 10: DISTRIBUTION OF SPENDING



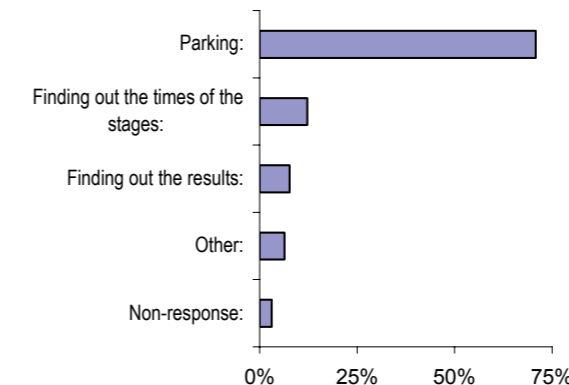
The amounts are not broken down by category; accommodation spending is not mentioned. However the average spend was €46.

4.2.2 ECONOMIC IMPACT

The report does not estimate the economic impact, and without some estimate of spectator numbers, the economic impact cannot be calculated.

4.2.3 SPECTATOR VIEWS OF THE RALLY'S SUCCESS

FIGURE 11: SHOWS THAT THE IMPORTANCE OF THE PARKING ISSUE FOR SPECTATORS, WHICH FAR OUTWEIGHS ANY OTHER FOR THIS GROUP.



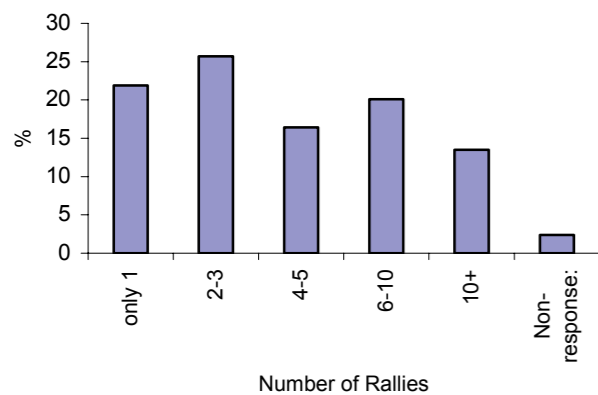
4.3 OTHER INFORMATION OR COMMENTS

The different slant taken throws up a lot of material; here, we focus on information which is of particular relevance to motor sport enthusiasts, regarding rally attendance and sport awareness.

4.3.1 RALLY ATTENDANCE

Of those who had been to a rally before, 11.1% had been once; 23.7% had been twice or three times; 18.9% had been four or five times; 27.1% had been between six and ten times, and 19.1% had been more than ten times. Only 22.6% of the whole sample had not been to a rally before.

FIGURE 12: NUMBER OF RALLIES ATTENDED BY SPECTATORS



4.3.2 SPORT AWARENESS

Forty-four per cent of the sample knew the name of the winning driver of the 2004 Le Touquet Pas de Calais Rally, and 41% knew the name of the winning car. Two out of five supported a particular driver or a particular team, and 75% claimed to read the specialist auto sport press.

Three out of four respondents made a point of finding out the performance times of the cars they saw; the most frequently used sources were radio (45.2%), the internet (43.2%), and the press (36.2%). The responses to the question "Who did you come to see, drivers or cars?" broke down: Cars: 81.0%; Both: 10.6%; Drivers: 7.3%.

5.1 THE 2007 VODAFONE RALLY DE PORTUGAL

This was the 41st year of the event, held from 30th March to 1st April 2007, for the first time, in the Algarve and Baixo Alentejo regions. It was centered on the Algarve stadium, so that the main source of support came from the municipalities of Faro and Loule. There were 18 special stages; 61 drivers finished the rally.

The approach taken in the report is quite different from any of the others. The objective was to "evaluate the impact of the Portugal Rally on the Tourist Economy and Image of the Algarve and Baixo Alentejo 2007"; two volumes of results have been produced to achieve this, while the summary report, considered here, specifies that it will outline the regional impact, tourism and image projection, and the rally organization.

5.1.1 THE ESTIMATED NUMBER OF SPECTATORS AND THE SIZE OF THE SAMPLE

The estimated number of spectators from outside the Algarve and Baixo Salentejo region is given as 141,064; no number is given for the number of supporters attending who were from the region itself. The size of the sample cannot be determined with certainty from the report.

5.1.2 THE SEX, AGE DISTRIBUTION AND GROUP SIZES OF SPECTATORS

The percentage of males was 68.3%; the age group is stated to be "relatively young", with 41.7% of individuals between 25 and 34, and 70.1% traveled in groups of 2-5 people. This data is in line with the picture that has been developing of the supporters at other rallies traveling in young adult male groups.

5.1.3 SPECTATOR ORIGINS

There were 73,495 supporters who were residents of Portugal, and 56,144 who were residents of Spain, predominantly Galicia, Andalucia, and Extremadura. If there were no other substantial national groups, this confirms the expectation developed from the French rally results, that non-resident supporters tend to come from the regions nearest to the rally.

5.2 RALLY ECONOMIC IMPACT

5.2.1 SPECTATOR EXPENDITURES

TABLE 2.1 OF THE REPORT PROVIDES THE EXPENDITURES ASSOCIATED WITH THE RALLY:

	€
Residents:	1,254,339
Non-residents:	39,945,917
Organisation:	1,752,394
Total:	42,952,650

In addition to these direct expenses, there was “an indirect valorization through the projection of the image of the Algarve and Baixo Alentejo assessed at €35,766,108, this formulating a total economic impact of €78,718,756.” It would be interesting to have details of the “indirect valorization”.

The authors state that the Portugal Rally 2007 “in terms of direct impacts, largely exceeded the direct impact of the Ireland Rally 2006 estimated by the University of Ulster, situated at 6.7 million euros, and is found to be on a par with the Cataluña Rally 2006, whose direct economic impact was estimated at €46.2 million.”

Without more details of the calculations involved, it is not possible to comment further on the conclusions. In our view, the overall economic impact is not an acceptable single outcome measure, and would not be valid as such a measure even if a common approach to economic evaluation was in place.

5.2.2 SPECTATOR VIEWS OF THE RALLY'S SUCCESS

On a scale from 1 (very poor) to 5 (very good), spectator assessed:

Algarve Stadium infrastructure:	4.23
Level of spectacularity achieved by Rally:	4.17
Organization of the event:	4.12

These were the best values; the other 8 aspects evaluated also scored above the arithmetic mean (2.5). Whether organizers should be content with values below 4 (good) is worth discussing.

5.2.3 OTHER INFORMATION OR COMMENTS

This is a good example of work which could have contributed a lot to our understanding of rally support and impacts, but, because a common format was not available, most of the possible benefit has not been realised.

6.1 RALLY IRELAND 2007

With joint sponsorship from the governments of the Republic of Ireland and that of the United Kingdom, this cross-border event played its role in the continuing Northern Ireland peace process. It took place in the North-West of the island, from 16th to 18th November 2007; the spectacular opening stage around the Parliament buildings in Belfast was followed by stages held in County Leitrim, Sligo, Cavan and Roscommon, in the Republic of Ireland, and in Fermanagh and Tyrone in Northern Ireland.



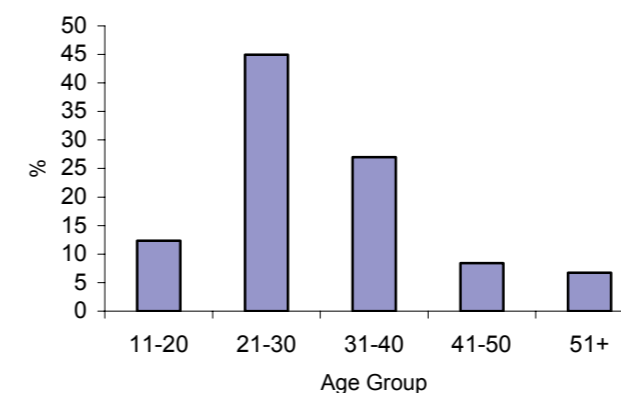
6.1.1 THE ESTIMATED NUMBER OF SPECTATORS AND THE SIZE OF THE SAMPLE

Estimates of numbers by police forces and the organisers at the different stages provided a figure of 257,500. Since we need to know the number of individuals, this amount has to be adjusted for the fact that 23.0% of our respondents intended to spend only one day at the Rally, while nearly half (47.7%) intended to spend either 2 or 3 days. It seems reasonable to suppose that the pre-Rally estimate of 150,000 is probably in the right region; we use 100,000 and 150,000 as lower and upper bounds. The sample was modest, at 178 respondents.

6.1.2 THE SEX, AGE DISTRIBUTION AND GROUP SIZES OF SPECTATORS

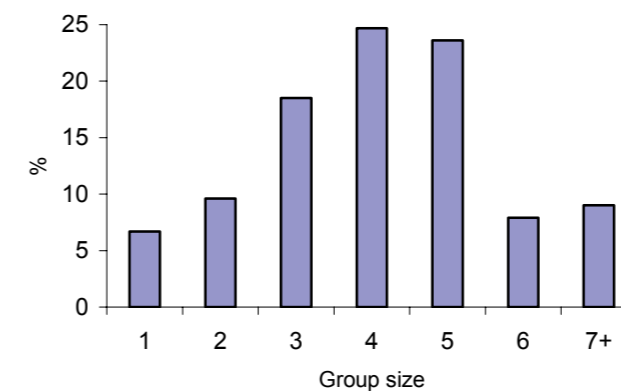
The percentage of males was high, at 87.6%.

FIGURE 13: AGE DISTRIBUTION



6.1.3 GROUPS

FIGURE 14: GROUP SIZE DISTRIBUTION



Of those surveyed, therefore, 83.7% attended in a group of three or more. These results support the view reported from other countries (e.g. New Zealand, Germany) that supporters attend in young adult male groups.

6.1.4 SPECTATOR ORIGINS

Fully 92.7% of those surveyed came from Ireland, 54.5% from Northern Ireland, and 38.2% from the Republic of Ireland. The main other country represented was Britain, at 4.5%; in common with other rallies, this event attracts primarily those who live in the countries where it is organised.

Visitors to the region were 88.2% of those who responded to our survey; only 15.2% came from a town which was less than 75 km from Sligo, whilst the average distance between the home place and Sligo was 121 km. Since Sligo is 50 km from Enniskillen, the other rally centre, the distances actually travelled by respondents may have been less, but an average distance of even 71 km (121 - 50) is still quite large.

6.2 RALLY ECONOMIC IMPACT

6.2.1 SPECTATOR SPENDING ON ACCOMMODATION

Only 32.8% of those surveyed paid for their accommodation; the remainder were staying at home, or with friends or family whilst attending the rally. This figure, plus our attendance estimates (150,000 and 100,000) imply that between 49,200 and 32,800 bed-nights were required. Failte Ireland⁴ (the Irish Tourism Authority) estimated the number of beds in the North-West region of the Republic of Ireland in 2003 at 15,795⁵.

The estimate for the number of beds in the whole of Northern Ireland is 15,719⁶, so that if we generously estimate that one-third of these are available in the North-West market, Rally spectators have available a further estimated 5,240; the total number of beds available can be estimated as 15,795 + 5,240 = 21,035 beds. It seems fairly certain that there was a shortage of accommodation for this event, which may have prevented the full economic potential from being realised.

It follows that the responses to the question, "How much are you spending on accommodation per night per person?" probably give a measure of the potential spend, rather than the actual amount; the average spending figure is €27.45. The mean number of nights to be spent in the Republic at the rally was 0.87, and in Northern Ireland was 0.7, making an average number of nights = 1.57, and an average spend per spectator of €27.45 x 1.57 = €43.10. The potential accommodation spend therefore appears to lie between 100,000 x €43.10, or €4.3 million, and 150,000 x €43.10, or €6.5 million.

⁴ Bord Failte is used in this instance because this was the correct name of this body at the time of the publication of the figures referred to here. The body is now referred to as Failte Ireland whilst its remit remains broadly similar to that which it executed under its previous guise.

⁵ Tables 24c, 27c, and 28b, "Domestic Tourism in Ireland", Dublin: Central Statistical Office, 2006.

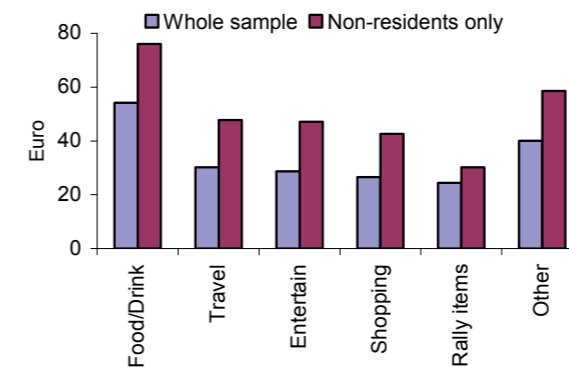
⁶ Table 10, page 89, "Tourism in the Northern Ireland Economy", Belfast: Cogentsi 2007

6.2.2 OTHER SPECTATOR SPENDING

The convention (UK Sport (2007)) is to 'strip out' the spending of residents, that is, of those who are normally resident in the local economy. When the average distance travelled is so large, the definition of "normally resident" seems problematic. In a part of the world where there are few competing attractions, the assumption that residents would have spent the same amounts had the rally not occurred seems pessimistic.

Nonetheless, we have made our spending calculations on the basis of non-resident responses only, that is, all those who said they were living at home have been excluded.

FIGURE 15: SPENDING FOR WHOLE SAMPLE AND FOR NON-RESIDENTS ONLY



The mean number of days visiting the Republic and Northern Ireland respectively was 1.06 and 1.27, a total of 2.33 days. This gives an estimated average spend on other items besides accommodation of 2.33 x €302.35 = €704.48. Since non-residents were 49.4% of the spectators, the total additional spending apart from accommodation is estimated to lie between 49.4% of (100,000 x 704), and 49.4% of (150,000 x 704), that is, between €34.8m and €52.2m.

6.2.3 ECONOMIC IMPACT

Since the total accommodation spend is estimated to lie between €4.3m and €6.5m, the estimate of the total spend overall lies between €39.1 and €58.7m. These are large figures, and we suspect that a more accurate estimate of the number of spectators might reduce them. For comparison, Sports UK reported the total impact of the 2003 World Indoor Athletics at £3.16 million, or €4.51 million.

6.2.4 SPECTATOR VIEWS OF THE RALLY'S SUCCESS

Only 4.4% disagreed that the North-West was a suitable venue for Rally Ireland, despite the long distances they had to travel to get there. Between the Republic of Ireland residents, and the Northern Ireland residents, about the same proportions said that the venue was suitable, 88.2% (RoI) and 86.6% (NI), while 83.8% (RoI) and 80.4% (NI) were coming only for the Rally, about the same, both of which tend to confirm the view that remoteness may, in fact, be an asset.

6.2.5 OTHER INFORMATION OR COMMENTS

The report argues for the systematic reporting of rally costs (safety barriers, lighting, sound systems, personnel), and the accurate estimation of both sponsor and media expenditure, which has a substantial impact on the local tourist economy (in the case of media and sponsor accommodation, hotel expenses in Belfast alone amounted to €675,676).

7.1 RALLYE DEUTSCHLAND 2007

The event was based around the city of Trier, in the Rheinland-Palatinate, about 50 km from Luxemburg. One of the special stages was held in the city, while others took place around the Bostalsee, Bosenberg, St Petersburg and St Wedeler Land areas.

At the time of writing (January 2008), we do not have the German report to hand in English. However, the use of a questionnaire at the German Rally which was similar to the one used at the Ireland Rally enabled us to make direct comparisons between the Irish and German results. The comparison is limited, but it is of some interest.



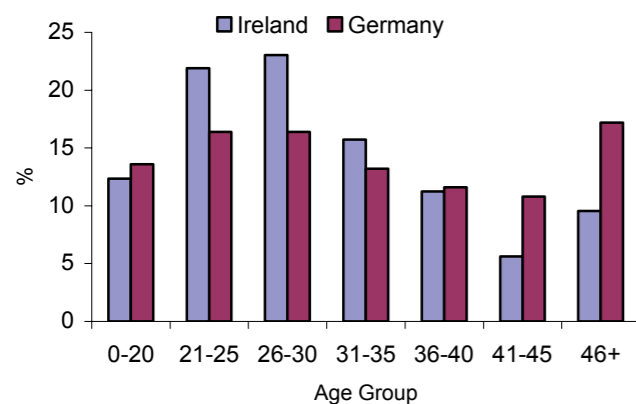
7.1.1 THE ESTIMATED NUMBER OF SPECTATORS AND THE SIZE OF THE SAMPLE

No estimate of spectator numbers is available; the sample size was 250.

7.1.2 THE SEX, AGE DISTRIBUTION AND GROUP SIZES OF SPECTATORS

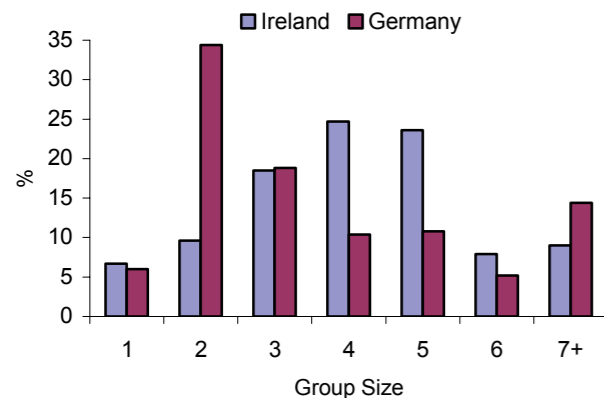
There were relatively more females in the German group, 22.4%, compared to 12.4% in the Irish group, for example. The Age Distribution is shown on the next page.

FIGURE 16: AGE DISTRIBUTION



Clearly the Irish attendees were younger than the German ones, with 73.5% aged 35 or less, compared to 59.6% in Germany.

FIGURE 17 SHOWS THE GROUP SIZE DISTRIBUTION:



It would appear that the relative youth of the Irish spectators leads to more travel in larger groups; 65.2% of the Irish traveled in groups of 3 or more, compared to 40.8% of the German spectators.

7.1.3 VISITORS AND LOCALS

Only 22.5% of Germans had not been to the region where the rally took place before, compared to 38.4% of the Irish. Of those who had not been before, 43% of Irish and 36.4% of Germans thought they would visit again soon. About the same proportions (4.8% and 5.5% in Ireland and Germany respectively) thought the location was a suitable venue; given the relative remoteness of the North-West of Ireland, it is not surprising that 91.8% came solely for the rally, compared with 80.4% in Germany. About the same proportion stayed on (19.0% in Ireland, 20.1% in Germany) after the rally.



7.1.4 ACCOMMODATION

In Ireland, 58.5% stayed at home, or with friends or relations; in Germany the percentage was 41.2%. Unfortunately, the presentation of the German data makes it impossible to calculate the average accommodation spends without making unreasonable guesses about the distribution of spending amounts. The frequency distributions are:

FIGURE 18 ACCOMMODATION SPENDING DISTRIBUTIONS

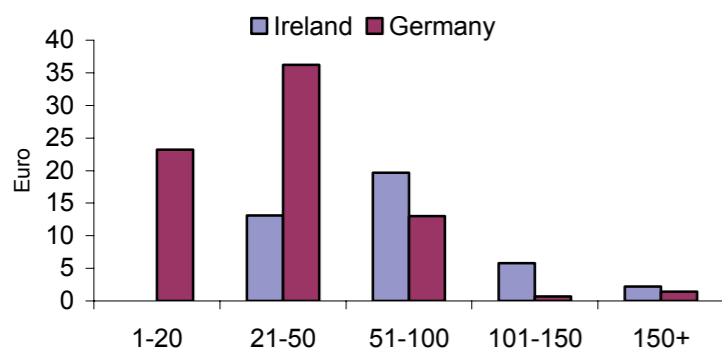
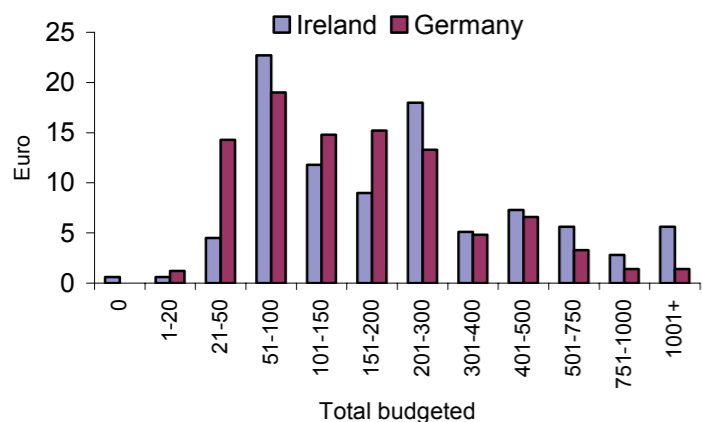


FIGURE 19: OTHER CATEGORIES OF SPENDING DISTRIBUTIONS



Almost half, or 49.3%, of the German group spent €150 or less, compared to 40.2 % of the Irish. The idea that the Irish spent relatively more is also supported by the percentages spending €200 or less, 49.2% in Ireland, compared to 64.4% in Germany.

8.0 MONITORING AND EVALUATION

TOWARDS A COMMON APPROACH TO THE MONITORING AND EVALUATION OF WORLD RALLY CHAMPIONSHIP EVENTS

The purpose of Monitoring and Evaluation (M&E) is the successful development of the WRC “movement”; it involves a mix of enthusiasm, in some cases a degree of altruism, a hard-headed appreciation of the factors driving business involvement, and the ability to present the case for a rally stage to the WRC and to government and business sponsors. Participation in the global rally movement’s development may be expected to include engagement in a debate about what the criteria for a successful rally stage involve.

Economists have a reputation (not always deserved) for reducing all of a project’s benefits and costs to money terms, to establish whether or not a project is “worthwhile”. It is simply not possible in every context to establish money amounts in an acceptable way, and it is certainly not desirable here. In addition to the procedural problems of monetary evaluation, the assumptions and complex analysis required can close off discussion; it is our purpose to encourage debate, by proposing an approach which permits the meaningful comparison of rallies.

The different approaches adopted in the reports summarized above show how various the views of purposes and outcomes are. If we wish to develop a common approach to M&E, what information should be collected, and what should the (random) sample size be? The spectator data is clearly the platform for future development, and it should continue to be a main source of information.

8.1 DATA COLLECTION

In addition to data for spectator demographics (age, sex, and group sizes), data collection should be undertaken to describe the rally on three dimensions, rally attractiveness, organizational success, and economic impact, using the indicators described under each of these headings.

8.1.2 RALLY ATTRACTIVENESS

The data proposed are: number of spectators, the average distance traveled, the number of nights and the number of days at the rally, the number who are being accommodated away from home, the number of volunteers, and the number who are attending only for the rally.

The number of spectators is a crucial variable; its successful measurement depends on expertise in rally organizing, which the authors do not have. It is not too strong to say that rally M&E is unlikely to be successful without a common approach to the measurement of spectator numbers, developed through discussion with and between rally organizers. The other data can be collected using conventional means.

8.1.3 ORGANISATIONAL SUCCESS

Likert scales were successfully used at the Spanish and Portuguese rallies to measure the success of organizers in practical matters such as car parking, or food and drink provision; they should be appropriate to all rally contexts.

8.1.4 ECONOMIC IMPACT

The methods in use for measuring spectator spending are appropriate, though it is not clear what the importance is of the amount “budgeted”, when data on actual spending are being collected. The measurement of spending by non-spectator groups has to be carefully considered, again by rally organizers, who have experience in meeting rally costs, and in ensuring good relations with their sponsors and with the media. Some kind of systematic and consistently applied approach is needed, so that meaningful comparisons can be made.

The most important question is a simple one: would this expenditure have occurred if the rally had not been held? Rallies are mostly attended by the nationals of the country (or in the case of Ireland, countries) holding them; on a “full employment” view, one might argue that the spending would have occurred anyway, and that the rally is simply moving economic activity from the other regions of the economy to the rally’s location. We need to know more about the preferences of rally spectators, but it is entirely possible that, for many spectators, there is no substitute for rally events. The people attending them may well be spending money they would not otherwise have spent, whether they are local or not. This applies to all their expenditures at the rally; people of like minds enjoy congregating, and will spend more in each others’ company than they would elsewhere.

We therefore advocate the reporting of two sets of spending totals, one for the whole group, and one minus the spending of residents (however “resident” is defined). We concur with the view of Sport UK that multipliers should not be used. It is rare to find that a multiplier has been calculated for the specific region in question, and it is a mistake to apply multipliers from other areas, or indeed from the national economy as a whole. The spending breakdown is also a guide to business; when the rally comes, what scale of activity

should hoteliers be ready for, and how should their suppliers react? Overall spending totals, and their components, represent business opportunities, provided they are reliable.

Finally, it is important to assess the capacity of the region to meet the demands of rally participants for goods and services, from accommodation to restaurant meals. In Ireland, there was a large disparity between the number who said they were staying in a hotel or guest house, and the number of beds which seemed to be available in the region.

8.1.5 WHAT SHOULD THE (RANDOM) SAMPLE SIZE BE?

This is not a statistical issue; without knowing much more about the data sets involved, a systematic approach to sample size, which sets confidence limits to the averages found, cannot be adopted. Arbitrarily, we propose that the sample size should be about 0.4% of the estimated number of spectators, and that specific measures should be implemented to ensure its representativeness, that is, respondents should be selected, as far as possible, in a completely random fashion.

9.0 CONCLUSION

Academics can only go so far; at best, we are facilitators. We obviously have a professional interest in developing a project for the assessment of rallies world-wide. So far as we can see, our interest in that outcome has not distorted our analysis, though all comments are welcome. We look forward to participating in the discussions which will develop the Rally "movement" into the 21st century.

10.0 BIBLIOGRAPHY

Coalter F (2006) ***Sport-in-Development: A Monitoring and Evaluation Manual***
Stirling: University of Stirling

Dickson, G (2007) ***2007 Rally New Zealand Spectator Survey***.
New Zealand Tourism Research Institute, AUT University, New Zealand

Hassan, D. (2006) ***A Socio-Economic Impact of Rally Ireland 2006***.
University of Ulster, Jordanstown

Hassan, D. et al (2005) ***A Socio-Economic Impact of Rally Ireland 2005***.
University of Ulster, Jordanstown/Institute of Technology, Sligo.

Paramio, J.L., Zofio, J.L., Campos, C. (2007) ***An evaluation of the economic impact of the 2007 Rally RACC Catalunya-Costa Daurada on the city of Salou***.
Universidad Autonoma de Madrid, Spain

Perna, F., Custodio, M.J., Gouveia, P. (2007) ***Impact of the Rally Portugal on the Tourist Economy and Image of the Algarve and Baixo Alentejo 2007***.
International Centre of Territory and Tourism Research, University of the Algarve

Theas A, Scrive S (2005) ***Rallye Le Touquet-Pas de Calais 2005***.
ESSEC Solutions Enterprises

UK Sport The Economic Impact of Six Major Sports Events
<http://www.uksport.gov.uk> (downloaded 1/10/2007)



