

## **Abstract**

The World Rally Championship (WRC) is an international event, staged in 12 different countries and attracting up to 225,000 spectators in some of its European stages. However, while WRC events provide opportunities for destinations around the world, there is a lack of empirical research on the impacts of these events on host communities, or their contribution to tourism. The purpose of this paper is to provide a case study of the WRC stages held in Australia in 2009 and 2011. The study examines the event in terms of its perceived tourism value, its promotional value and the resultant opportunities for local business within the context of regional tourism in Australia. Issues for measuring the media value of events are discussed in relation to the two WRC events, along with implications for maximising local business and media opportunities. The analysis in this study has shown that the WRC does have the capacity to attract visitors, provide opportunities for local business and generate international media attention, but there are limits and restrictions to the efficacy of these outcomes.

## **Keywords**

Motorsport, business impact, event, destination development, rally, perceived image

## **Introduction**

International sports management companies espouse the two main benefits of hosting an event as bringing visitors, and therefore their expenditure, into a local economy and providing worldwide publicity of the region through media coverage. In response, governments often accept this promise of economic and promotional gain, and create expedited conditions for the event to be run on public lands (Hall, 2006). However, research in this field indicates that these opportunities can be maximised only if the specialised event visitor markets are well understood and media opportunities are appropriately leveraged (Beesley and Chalip, 2011; Brown, 2011).

The World Rally Championship (WRC) is an international event, staged in 12 different countries and attracting up to 225,000 spectators in some of its European stages. Despite its size and potential to provide opportunities for destinations around the world to attract a niche tourism market, there is a lack of empirical research on the impacts of the WRC on host communities, or their contribution to tourism. The purpose of this paper is to contribute to filling this gap in knowledge by providing a case study of the World Rally Championship (WRC) stages held in Australia in 2009 (in the Northern Rivers) and 2011 (on the Coffs Coast). The objectives of the study are to examine the event in terms of its perceived tourism value, its promotional value and the resultant opportunities for local business within the context of regional tourism in Australia. Issues for measuring the media value of events are discussed in relation to the two stages, along with implications for leveraging local business and media opportunities.

## **Background**

The WRC is an international sports event attractive to both media and onsite audiences. Staged in 12 countries it attracts varying numbers of Rallysport spectators at each event, from 80,000 in Australia to 225,000 in Finland. Beyond the onsite spectators, the event generates specialised media content with broadcasts in 228 different countries reaching an estimated cumulative viewing audience of 633 million (Long, 2009). An international media crew follows the event to each country, covering the event stages as well as producing a lifestyle entertainment programme called *WRC All Access*. The programme explores elements of each country visited, including culture, food, people and attractions, as well as the WRC event itself. The potential for both on-site visitation and world-wide media programming is of great interest to tourism marketers who seek to maximise the value of the event. In this paper we argue that events of this size and scale should be evaluated on numerous levels to not only understand the likely impacts on host communities (Dwyer et al., 2005), but also to fully understand the extent of the opportunities available to leverage benefits from the event (Chalip, 2004).

### *The study location: New South Wales, Australia*

In 2009, the WRC Commission of the Federation Internationale de l'Automobile (FIA) made an agreement with the state government of New South Wales (NSW) to run the Australian stages of the event in regional NSW for a period of 11 years. Subsequently, the event was run in the Northern Rivers in 2009 and on the Coffs Coast in 2011.

The Northern Rivers region lies on the northeast coast of NSW, bordering the state of Queensland in its northern limits. It covers seven local governments and shires,

including the internationally renowned tourism destinations of Byron Bay and Tweed Heads, as well as the more rural areas of Kyogle and Lismore. It has an area of approximately 21,000 km<sup>2</sup> with a population of just under 300,000. Although the region encompasses a large area, the 2009 WRC event was mostly concentrated within the relatively small shire of Kyogle with a population of less than 10,000 (Australian Bureau of Statistics, 2011). Marketing strategies, however, positioned the event within the wider region in order to leverage the already established image of the destination. With tourism organisations within the region working together to brand the entire region as the destination (Northern Rivers Tourism, 2012), the efforts during the WRC event fitted well with the broader tourism strategy for the region (Northern Rivers Tourism, 2009).

In 2011 the Australian leg of the WRC was staged within the boundaries of four different shires in the mid-north coast region of NSW: Bellingen, Clarence Valley, Coffs Harbour and Nambucca shires. In total, the four shires cover just under 15,000 km<sup>2</sup> and together have a population of little over 155,000. Although only Coffs Harbour and the Bellingen Shire are part of what is branded the 'Coffs Coast', the 2011 WRC event was promoted as a Coffs Coast event and for marketing purposes included the two other local government areas (LGAs) in their event tourism strategy. Event activities were concentrated in the Coffs Harbour council area, with only one small village in the Nambucca Shire having a refuel and tyre change area in the middle of town. All other shires and districts encountered cars travelling through dirt roads or driving back and forth from the 'special stages'.

In terms of visitation, the two regions attract very similar visitor markets, with international visitors representing only 11% (235,400) and 4% (153,200) of all overnight visitors - being predominantly from the UK (approximately 30% of yearly visitors) and Germany (10%). Emerging markets such as China and India are still very small (less than 1.5%) in these regional areas (Destination NSW, 2010).

### **Sport tourism and events**

The study of sport tourism events utilises interdisciplinary knowledge gained from studies of tourism (e.g. motivation, impacts and management), sports management (e.g. competitors, sports development and sponsorship) and events (e.g. risk management, impacts and programming). Events are considered a core part of many sport tourism experiences - incorporating an element of competitive sport—as opposed to recreation—and attracting spectators, competitors as well as officials (Deery et al., 2004). Getz agrees that events are a core part of sport tourism, suggesting events are ‘perhaps the most significant in terms of tourist numbers and economic impact. Sport event tourism is internationally recognised as a substantial and highly desirable niche market’ (Getz, 2003: 49). However the value of tourism generated from sports events goes beyond the direct economic impact, contributing to other aspects of community and urban development (Ohmann et al., 2006), place marketing (Whitson and Macintosh, 1996) and social wellbeing (Cheng and Jarvis, 2010). Larger sporting events can be the catalyst for urban redesign, and the provision of new sports facilities and infrastructure (Carlsen and Taylor, 2003). So too small-scale sports events in regional areas can generate positive benefits to enhance communities through increased sport tourism (Gibson et al., 2012). Conversely, researchers have also found a range of negative

impacts which both sport and cultural events can inflict on host communities, which include overcrowding, noise pollution, inconvenience to daily routines and vandalism (Fredline et al., 2003; Small et al., 2005).

While it is acknowledged that sports events have the potential to contribute to the economic and social wellbeing of a community, it is also acknowledged that this depends on the willingness, skills and knowledge of public and private organisations to leverage benefits from the event (Chalip and Leyns, 2002). Sports events such as the WRC have the potential to contribute to the local economy by attracting visitors to local businesses, and yet it is essential that the business can maximise the opportunities provided. Similarly, public organisations such as tourism marketing agencies can also leverage opportunities provided by sports events to create awareness of the destination and develop place marketing strategies (Chalip and Costa, 2005). The model of sport event leverage developed by Chalip (2004: 228) suggests that strategies can be developed to leverage both immediate and long term outcomes.

#### *Leveraging media value*

Maximising media value of sport events has been a contentious issue in motorsports. Planners at state and local levels view sport events generally as an opportunity to reimagine destinations, broadcast images of the destination to the world and implement place marketing strategies (Smith, 2005). Motorsport events, in particular, are recognised as making an important contribution to place marketing strategies 'by which cities attempt to distinguish themselves in an increasingly global economy' (Tranter and Lowes, 2009: 61). While this is a common strategy, there is very little empirical

research to assess the effectiveness of motorsport in improving a destination's image, with some commentators questioning the value of the strategy at all (Hall, 2006).

Representatives in the NSW Government undoubtedly felt that the WRC offered an opportunity for worldwide exposure of a regional destination. According to Ms Jodi McKay, Minister for Tourism – Newcastle, the WRC represented:

...an unprecedented opportunity to showcase the northern rivers region of New South Wales to a worldwide audience. More broadly, the event will reinforce the international profile of New South Wales as a tourist destination and enhance its reputation as a host for global events (Parliament of NSW, 2009).

As evidenced by this statement, place marketing was a key motivation to host the event, and yet this can be notoriously difficult to measure. Getz (2003) suggests that the value of media coverage of a sport event is often over-estimated, that its effectiveness in reaching and effecting potential consumers needs more attention and, specifically, that market research should be undertaken to demonstrate the fit between events, sponsors and consumer attitudes.

While more research is needed in this area, a study of the Macau Grand Prix (McCartney, 2005) found little change in tourists' perception of the area because of the event, and also a lack of rigorous measurement in assessing the value of the event to place marketing. Moreover, Chalip (2001) suggests that the impact of an event may depend on how the event is fitted into the destination's overall marketing and communication strategies. There has to be a natural or easily comprehensible link

between the event and the destination for associative links to form, and a good match-up between the event and the location is essential (Chalip, 2001; Fredline et al., 2003). More importantly, research has demonstrated that this link may take time to develop.

One common way for perceptual links to be formed between the event and the destination is to gain naming rights to the event, which creates awareness of the destination in the minds of event audiences. This technique is also considered as a variety of co-branding, where event sponsors are engaged to cooperatively brand the event (Groves et al., 2003). In this case, the 'Coffs Coast Rally' allowed the destination promoters to co-brand the event with the WRC, although that was not the case with the Northern Rivers event in 2009. Moreover, each WRC rally stage is also co-branded with numerous other corporate sponsors such as cola, cars and telecommunications companies (e.g. Vodafone Rally Sweden, Philips Rally Argentina). The WRC, therefore, coordinates the varying needs of its many sponsors for each event, of which the destination is just one. As is the case with many other hallmark events, the event provides an opportunity for the destination, but also to transnational corporations to promote their brand and products at the tourist destination and through the international media (Peterson, 2009). As suggested by Getz (2003), destination marketers need to understand the sponsorship environment of the event and proactively manage the opportunities. This may include managing the physical space around the event, as well as strategically placing signage for the TV audience to locate the event in their minds.

### *Rallysport fans and spectators: A niche tourism market*

An important perspective in the analysis of the WRC event is that of the specialised or niche characteristics of the event audience. The event's TV audience far outweighs its onsite audience and yet the two are intrinsically linked, with approximately 40% of Rallysport TV audience fans in Europe attending a WRC event in the past 12 months (Long, 2009). As highlighted in sports market research, Rallysport fans are very much a niche audience that are devoted to their sport, as much as NASCAR fans are to theirs (Cavins and Groves, 2000). When Rallysport audiences attend sports events they can be considered niche tourists, thus conceptualising them differently to mass tourists who undertake structured and standardised packages to mass destinations (Novelli, 2005).

It is considered in this study that Rallysport fans also are a niche market possessing their own specialised needs and interests. Market research provided by the WRC suggests that Rallysport fans are a highly specialised group of predominantly young males loyal to the sport, and interested in accessing sport specific information (WRC, 2009). While the profile of Rallysport fans is documented, what is less certain is the ability or propensity to travel to long-haul destinations such as Australia and New Zealand, and the likely travel behaviours once in that destination. However, research into the travel behaviours of other sports fans has highlighted several key characteristics that may also be relevant to Rallysport fans:

1. Regular benefits of tourism may not be seen in sports fans (Garnham, 1996).
2. Sports fans have a focus on their chosen sport and not on cultural or other attractions (Faulkner et al., 1998).

3. Expenditure is often related to either sport paraphernalia (Gibson et al., 2003) or accommodation, food and drink (Garnham, 1996), and usually not retail.

There is very little empirical research into Rallysport spectators. Studies by Hassan and McCulloch (2008) and by Hassan and Connor (2009) established a baseline profile of spectators, which is consistent with the profile provided by WRC for Rallysport fans (WRC, 2009). Both studies examined data from six events on the WRC circuit in the northern and southern hemisphere. Analysis of the results suggests a common profile of predominantly young males from within the country attending the events (see Table 1). Spectators were fans of the sport, often returning to the same WRC events. Other limited research into motorsport fans also suggests that return visitation to the event is a familiar trend, and that these fans are unlikely to go to other forms of motorsport (Cavins and Groves, 2000). This makes it unlikely that these fans would return to the destination at times when the event is not on.

**Table 1. Visitor attendance comparison at WRC rallies 2007.**

Source: Hassan and Connor (2009); Hassan and McCulloch (2008)

In summary, both the research from the WRC and the studies by Hassan and Connor (2009) and Hassan and McCulloch (2008) reinforce the suggestion that Rallysport visitors belong to a specific niche market in sports tourism, and that they have specific event-based motivations to travel.

It is therefore surprising that there is a lack of empirical research on the impacts of the WRC event given its international popularity or its potential contribution to tourism. As noted by Getz (2007), events of this size, designed to create event tourism opportunities, should be studied from multiple perspectives to understand the event impacts. This study uses a case study approach to investigate the event within its context, and seeks to assess the event from a tourism and business perspective.

## **Method**

The research employed a case study method using survey data and qualitative interviews as well as other sources of supporting data such as government reports, websites, local media and council documents. The design, as described by Yin (1994), aimed to seek evidence from multiple sources so as to gain a complete picture of the phenomena and its context. The use of case studies as a form of analysis is common in business disciplines such as marketing and increasingly in sports and event studies (Ntloko and Swart, 2008). According to Muthaly et al. (2000: 141), many researchers have recognised that case studies are likely to 'provide more meaningful results in examining complex relationships and transactions than research methods that are solely based on quantitative analysis.'

Research was undertaken in both WRC event locations using similar methods and survey questions. However, the studies for each event were commissioned by different local government areas and were conducted independently by two different research centres. Therefore, some methods of data collection differ and results need to be analysed taking these limitations into consideration. These limitations notwithstanding,

the similarity found between the two survey instruments used for data collection allowed the researchers to compare the results between the two regions, and further confirmation of each study's results was therefore made possible. There were similarities in both regions in the size and types of businesses, consisting of predominantly small and medium sized enterprises operated by the owners, with a small number of employees. These include general stores, farmstays, bed and breakfasts, coffee shops and taverns in villages. Some larger resorts and businesses also operate in the region in the coastal towns, facilitating much of the accommodation for the event.

In both studies the survey questions were developed from previous studies into the impact of events on business and communities (Fredline et al., 2003; Gibson and Stewart, 2009; Ohmann et al., 2006; Small et al., 2005; Yang et al., 2010) therefore presenting comparable questions and responses. By focusing on the impacts felt by the local business community each study aimed to identify the issues and opportunities derived from the event from a local business perspective within the context of regional tourism in Australia. Below, the methods employed by each independent study are described.

#### *Study 1 - The WRC 2009*

The primary collection instrument for the 2009 WRC event was a questionnaire distributed by email to all businesses in the Kyogle LGA, where most event activities were located. The Chamber of Commerce facilitated distribution of the survey to its members, which ranged from large retail shops in the main town, to small boutique bed and breakfasts and farmstays in the rural areas. Businesses who were not members of

the Chamber also had access to the survey via a website link and a member of the Chamber distributing surveys to shops in the main street. Businesses in all sectors were targeted including manufacturing and automotive businesses as well as real estate agencies and professional services. A total of 132 surveys were distributed and 72 businesses responded, with 61 surveys considered complete. While there are no specific counts of the businesses in the effected event area, this represents approximately 13% of the 458 registered businesses in the Kyogle region – excludes farms (Australian Bureau of Statistics, 2012).<sup>1</sup>

Semi-structured interviews (n=15) with business and tourism managers were also undertaken to further understand how and why businesses were able to leverage benefits from the WRC event. The interview selection process began with the key tourism and business leaders in the Shire, and then used a snowball technique to identify other businesses who were considered to have relevant experiences with the event. These interviews were later analysed for emerging themes using methods of transcription and thematic analysis.

#### *Study 2 – The WRC 2011*

The 2011 study was focused solely on the surveying of local businesses through online questionnaires, and did not include interviews. The survey format, however, was similar to the 2009 survey, including closed and open-ended questions distributed by email to local business managers. The geographical distribution of the 2011 survey was also slightly wider than in 2009, including all four LGAs involved with the event. This

strategy aimed at expanding the reach of the study to investigate how far impacts were felt by local businesses.

Chambers of Commerce and Tourism Associations of the four LGAs were requested to identify businesses in their region and subsequently email managers with all the necessary information about the research. Businesses that were contacted received a link to the survey instrument which they responded at their will. The emails were distributed two weeks after the event finished and the survey was available online for four weeks. An email reminder was distributed two weeks after the first invitation was sent in order to increase response rates. A total of 616 surveys were distributed and 282 businesses accessed the online questionnaire. Of the total, 56 responses were removed from the analysis due to incomplete responses or for not representing a local business, allowing for an 80.1% usability rate. The total of valid responses represents approximately 12% of the 2420 registered businesses in the total Coffs Coast region (Australian Bureau of Statistics, 2012).<sup>2</sup>

#### *Data Analysis*

Data from the surveys were analysed in Excel spreadsheets to produce frequency tables for analysis. Further statistical data on event visitation was sought from Destination NSW for both events, but only 2009 figures were available to the public at the time of writing.

Analysis of the media and tourism value of the event was gained from a thorough and systematic document analysis (Bowen, 2009) of related event documents, survey

findings, interviews, newspaper articles, visitation reports, government reports (e.g. Cahill, 2010), tourism and motorsport websites, and council documents.

## **Results and Discussion**

The results from the two studies have been organised into sections examining the effects of the event on the business communities in terms of tourism and media value, and the resultant opportunities for local businesses.

### *Tourism Value*

For businesses, the value derived from a sports event comes from an increase in revenue, as well as from other intangible benefits such as increased awareness and worldwide publicity. In both studies there was considerable variation in the perception that the event provided these benefits. When asked 'did this event have an impact on your business?' around half of Northern Rivers respondents (52%), and 35% of Coffs Coast respondents suggested that it had a positive impact. Within each study the overall perceived benefits to business were inconsistent across different business sectors, with transport receiving the most benefit, and only half of accommodation businesses receiving value from the event. Interviews with accommodation business managers in the Northern Rivers study revealed that visitors were being encouraged by the event promoter to stay in other larger parts of the region, and in one case room bookings were made by the event organisers, only to be cancelled at the last moment. Accommodation managers were also unsure how to reach the potential visitors to promote their products. Those with a negative perception of the event suggested the event had deterred their

usual corporate customers from staying, or had deterred those with an interest in ecotourism.

While 66% of food and beverage businesses perceived a positive impact in the 2009 study, this was not the case in 2011 where only 27% had the same perception. Even within this sector, varying responses were felt. In both studies there was an expectation from managers of food and beverage businesses that visitors would stop in the town, and wander the streets for food and shopping. In reality they rushed into town between stages, bought something quick and easy and left just as fast. As a result, fast food businesses and bakeries received good sales from the event. As noted by one business owner in Kyogle, 'For much of the day during the event the town was dead.'

**Table 2. Perceived impact on business by sector**

As highlighted in Table 2, the perceived benefits were dispersed across many sectors in both studies, with businesses reporting positive, negative and neutral results. Data from both studies suggest that businesses perceived other types of benefit from the event, even though they did not receive direct benefit from sales. Interviews with Kyogle business owners and extended responses to the Coffs Coast online survey suggest a positive perceived impact related to aspects such as promotion, learning and business development. The multiple aspects to their perception is noted in this quote, where for specific individuals the positive benefits related to a mixture of sales, employment, image, learning and knowledge:

The event was of great benefit to my business, my Saturday taking being up 200%, this in turn employed more staff etc. I would say that the rally has benefited our entire area and all businesses plus flow-on. It was a good learning curve from Council down.... I certainly would like to see the event here again in two years (Northern Rivers' online survey respondent).

### *Change in revenue*

In regards to the financial costs and benefits to businesses, participants were asked to indicate if there was a difference in revenue during the time of the event compared to the same time the previous year. In both studies, less than half of businesses reported an increase in their sales during the week of the event compared to the same period in the previous year (43% Northern Rivers, 25% Coffs Coast). Positive changes in revenue varied greatly from between an estimated 10% and 200%, dependent mostly upon the proximity to the Rally route. As demonstrated in studies of other sports events (Fredline and Faulkner, 2002), businesses operating closer to the event route and activities benefited more from the event than businesses in the wider region. For the 2011 study, results indicate that businesses located in the Coffs Harbour area, where most of event activities were based, were more impacted, positively and negatively, than businesses located in the other shires that also hosted tracks for the event but that had less spectator sites and activities. More than 60% of Coffs Harbour respondents indicated a change in revenue due to the event, whereas only 45% did so in the wider Coffs Coast region. This result demonstrates how proximity to event activities is a crucial factor in assessing the impact of events on businesses.

Secondly, respondents in both studies reported also negative impacts to revenue (19% Northern Rivers, 13% Coffs Coast) with a decrease in their sales during the week of the event compared to the same period in the previous year. Individual businesses in the retail and accommodation sectors both in the town of Kyogle and other outlying towns such as Bonalbo and Cougal (in Northern Rivers) reported losses from local regular customers, and from visitor aversion. The same pattern was found in the Coffs Coast business survey, where accommodation providers from the Nambucca shire, for instance, presented a very low week compared to the same time the previous year. However it is interesting to note that some businesses whose revenue was reduced maintained an optimistic outlook, considering the overall benefits of the event for the community. One retail business in Kyogle had a 50% decrease in revenue made this comment: 'the enjoyment benefit to the community cannot be measured but would have to be the most benefit of all, many visitors, monetary benefit. They will come back'.

#### *The perceived promotional value of the WRC event*

As suggested in the literature, local and state tourism marketers appeared to engage in sports media management to leverage the benefits from the event. According to Destination NSW, they were 'particularly involved in ensuring destination signage and visual postcards were inserted into the domestic and international dedicated broadcasts of the event' (Parmenter, 2010). Following the event the media value of the Northern Rivers event was evaluated by TNS Sport, an international media monitoring agency. TNS reported that the 2009 event had 862 international rally broadcasts, 487 hours of coverage and a worldwide TV audience of 54 million, providing an estimated global media value of US\$1.1 million (Cahill, 2010). Data from the Coffs Coast event in 2011

had not yet been released at the time of writing this manuscript (more than one year after the event).

Since that time, there has been no reported in-market follow up of this media, and no research undertaken to assess whether the messages were understood by consumers – let alone influenced their decision to travel in the future. Accordingly, the measurement issues identified and discussed by Getz (2003) in relation to estimating the true media value of a sport event are still prevalent. The estimations provided by TNS were accepted as the true estimate of media value by local community businesses and government agencies that supported the event. While these were certainly impressive, the connection between media coverage and future demand has not been researched systematically and the link remains tenuous.

Despite the lack of empirical data to suggest that this type of motorsport can enhance a destination's profile, the local perception as to the benefit of the event was largely positive. The two studies examined the perceptions of the host business communities in regards to the potential of the event to change the image of the destination (Hritz and Ross, 2010). The results suggest that more than half of the Northern Rivers' respondents (n=61) believed that the WRC had some impact in this area, with 61% of respondents indicating the image of Kyogle had been altered in a positive way through increased awareness, publicity and exposure as a result of the WRC. Interestingly, several respondents (17.4%) referred to the WRC as putting Kyogle 'on the map': 'This event has put Kyogle on the world map. Many visitors commented on what a beautiful town we have.'

This response was repeated in Coffs Coast where 57% of respondents strongly agreed or agreed that ‘the event enhanced the image of the community’ and also commented on the benefits of increased exposure for the region:

Although we did not benefit from the rally, I believe the town and surrounding areas did. The exposure the area received on an international level was positive. I would love to see the rally here again in 2013, which should be bigger and better.

Although we didn't see any extra customers during the rally, I think more people would have seen this area and hopefully return for a holiday at some point. Extra exposure has to be [a] good thing in the long term.

This event could really help put Coffs Harbour back on the map.

Clearly responses like this indicate that some respondents felt that the event had positively marketed the destination. Their repeated reference to putting them ‘on the map’ is interesting and appears to relate to a desire to be acknowledged as a part of a global community. However, most businesses do not see the end result of the international media coverage and rely on the reports from WRC promoters and government tourism agencies.

Conversely, there were also negative perceptions of the event from a small minority of business owners (n=2) in the Northern Rivers who had aligned themselves and their marketing strategies with the recent ecotourism strategy, to create boutique ecotourism

businesses. To them the Rally was inconsistent with other images portrayed to visitors stating: 'the gateway to the rainforest brand has been seriously compromised, peaceful town has been compromised' and 'from an environment rich in ecological treasures to an environment set in greed'. Further, in the lead up to the 2009 event there were publicly visible tensions between sections of the local community, the event organisation and the state government, resulting in public protests and an alleged rock thrown at a competitor's car (Grant, 2009). Despite the government claiming the event was an overall success, there was reported concern by the NSW government over the negative publicity caused by the protests, and the potential for more negative publicity in future years is likely to have contributed to moving the event to the Coffs Coast region in 2011 (Dredge and Whitford, 2011). While there were some objectors in the Coffs Coast event, the outcomes were not as obvious and received little to no publicity.

#### *Flow-on benefits and tourism development*

In both studies there was a predominantly positive feeling towards the future flow-on benefits from the Rally. Two thirds of surveyed businesses in the Northern Rivers (66.6%) felt that there would be flow-on benefits through returning visitors to the region and that, again, positive impacts were gained in terms of image. Specifically, respondents felt there was potential for direct increases in visitation from the people who attended: 'people will return to visit and look around in [sic] quieter time', and the idea that this is building tourism for the future: 'Nice place, pretty scenery, the effects may be long term but will happen'.

Very similar ideas were expressed from respondents in the Coffs Coast who suggested that the exposure of the destination will bring positive effects in the future:

I did not get any benefit from the rally, however I believe that any exposure is good exposure and I am positive that there will be a flow-on effect during the year. I was really a little bit out of the way for guests to drive past and book.

Other survey respondents commented on the same topic: 'The exposure for our region has been great and there should be a flow-on indirect effect from this'. However, when Coffs Coast participants were asked whether they expected any repeat sales because of the event, in general respondents were not optimistic, with only 19% of businesses indicating they expected repeat sales as a consequence of the WRC. Again, this figure was slightly higher in the Coffs Harbour area (27%), reinforcing the significance of location when assessing an event's impact.

The analysis of the literature and market research suggests that perceptions of flow-on benefits may be somewhat misguided, and that while fans may return for another rally event, there is currently little evidence they will return at other times (Taks et al, 2009).

The issue of support for the event is of significance here because while studies of destination image are often conducted from the consumer's perspective, the perspective of the tourism businesses is one of some relevance, as demonstrated by Tkaczynski et al. (2008) – the way they see themselves will affect the way they market and present themselves to potential consumers. This is important to the perception of themselves and the capacity and capabilities of the region/s to host major events. In both studies

comments were made as to the ability of the area to host a world-class event and the flow-on benefits from this. For example, in the Coffs Coast study one survey respondent indicated that 'tourism is our future and being recognised for being able to successfully host large events and for having a welcoming local population will ensure growth within this sector and for Coffs Coast as a whole'. Similarly, a Northern Rivers' participant noted that hosting events such as the WRC 'shows they could hold world class events there'.

Similarity between the results for the two WRC events was striking, and suggests that future rallies, if operated and promoted in the same way, could also achieve similar visitation and business outcomes. If more detailed information about visitor profiles for non-European events is not thoroughly gathered then the potential to fully leverage the event is considerably reduced. Despite the missed opportunities, however, the two regional communities seemed to believe that the image of the region was promoted in a positive light that would encourage visitation. Notwithstanding the fact that only some businesses received benefits, the vast majority of respondents in both regions indicated that they want the event to return to the region (79% Northern Rivers, 78% Coffs Coast).

Issues remain, however, in measuring the real impact of viewing a sport event on viewers' perceptions, images and travel decisions. In the case of the WRC, the co-branding of the event with a range of consumables provides complex images for the consumer to decipher and for researchers to interpret. While there is no question that the event provided worldwide distribution of media materials into a wide range of

geographical markets, this may have been more effective for marketing transnational cola and telecommunication companies than for the destination. More research into the perceptions of Rallysport spectators, and their behaviour as consumers of brands, travel and events is essential for the continued development of Rallysport. Importantly businesses in host regions need this information to assist their own planning for their event.

## **Conclusion**

The analysis of the two WRC events in NSW, Australia, has shown the value of the event to businesses to be highly variable in terms of visitation and promotional value, and found issues related to management and measurement in both these areas. The aims of hosting the WRC events in 2009 and 2011, for the NSW State Government and local stakeholders, were to attract visitors, provide business opportunities for local businesses and generate international media attention. The analysis in this study has shown that the event does have the capacity to achieve these aims, but there are limits and restrictions to the efficacy of these outcomes. The WRC does attract interstate and overseas visitors to the area, many of whom are competitors, crew and media, as well as spectators who are predominantly Rallysport fans following the event from one destination to the next, in Europe and other overseas locations. While many businesses in the host community feel confident that these fans will return to the destination outside the event, this fact remains in question, with no current research to ascertain repeat visitation after the event. This is a specific area of research which needs further investigation to confirm the accuracy of this perception within motorsport, but also in other areas of sport events tourism.

Business opportunities were provided to local businesses from these visitors; however, the ability for businesses to leverage visitor expenditure was highly dependent upon their proximity to the event and by the accuracy of information provided to the host community by the event managers and host governments. Information on the size, type and characteristics of the niche market would have increased their ability to leverage business from the event, as would more specific information about the logistics and operations of the event.

### **Acknowledgments**

The authors would like to acknowledge the funding support of the Kyogle & District Chamber of Commerce, Centre for Tourism, Sport & Service Research, Coffs Harbour City Council, Bellingen Shire Council, Nambucca Shire Council and Clarence Valley Council.

### **Notes**

The sample used for the study focussed upon the event area, and therefore did not include some of the outlying areas of the ABS region.

### **References**

Australian Bureau of Statistics (2011) National Regional Profile: Kyogle Local Government Area. Canberra.

Australian Bureau of Statistics (2012) Counts of Australian Businesses, including Entries and Exits, Jun 2007 to Jun 2011. Canberra.

- Beesley LG and Chalip L (2011) Seeking (and not seeking) to leverage mega-sport events in non-host destinations: the case of Shanghai and the Beijing Olympics. *Journal of Sport & Tourism* 16(4): 323-344.
- Bowen, GA (2009). Document analysis as a qualitative research method. *Qualitative Research Journal* 9(2): 27-40.
- Brown G (2011) Sport, tourism and the Olympic Games: lessons from and blind spots among the research community. *Journal of Sport & Tourism* 16(4): 279-283.
- Cahill M (2010) *A Review of the Impact on the Northern Rivers Region of the World Rally Championships 2009* (Vol. 1). Sydney: Homebush Racing Authority.
- Carlsen J and Taylor A (2003) Mega-events and urban renewal: the case of the Manchester 2002 Commonwealth Games. *Event Management* 8(1): 15-22.
- Cavins B and Groves D (2000) An exploration of the benefits of NASCAR sponsorship. *Journal of Sport & Tourism* 6(1): 23-29.
- Chalip L (2001) Sport and tourism: capitalising on the linkage. In: Schilling DKG (ed) *The Business of Sport*. Oxford: Meyer & Meyer, pp. 78-89.
- Chalip L (2004). Beyond impact: a general model for sport event leverage. In: Ritchie B and Adair D (eds) *Sport Tourism: Interrelationships, Impacts and Issues*. Clevedon: Channel View Publications, pp. 226-252.
- Chalip L and Costa C (2005) Sport event tourism and the destination brand: towards a general theory. *Sport in Society* 8(2): 218-237.
- Chalip L and Leyns A (2002) Local business leveraging of a sport event: managing an event for economic benefit. *Journal of Sport Management* 16(2): 132-158.
- Cheng E and Jarvis N (2010) Residents' perception of the social-cultural impacts of the 2008 Formula 1 Singtel Singapore Grand Prix. *Event Management* 14(2): 91-106.
- Deery M, Jago L and Fredline L (2004) Sport tourism or event tourism: are they one and the same? *Journal of Sport Tourism* 9(3): 235-245.

Destination NSW (2010) Regional Tourism Statistics. Available at:

[http://archive.tourism.nsw.gov.au/Regional\\_Tourism\\_Statistics\\_p625.aspx](http://archive.tourism.nsw.gov.au/Regional_Tourism_Statistics_p625.aspx) (accessed 2 August 2012).

Dredge D and Whitford M (2011) Event tourism governance and the public sphere. *Journal of Sustainable Tourism* 19(4-5): 479-499.

Dwyer L, Forsyth P and Spurr R (2005) Estimating the impacts of special events on an economy. *Journal of Travel Research* 43(4): 351-359.

Faulkner B, Tideswell C and Weston A (1998) Leveraging tourism benefits from the Sydney 2000 Olympics. Paper presented at the Sport Management Association of Australia and New Zealand, Gold Coast.

Fredline E and Faulkner B (2002) Variations in residents' reactions to major sport events: why residents perceive the impacts of events differently. *Event Management* 7: 115-125.

Fredline E, Jago L and Deery M (2003) The development of a generic scale to measure the social impacts of events. *Event Management* 8(1): 23-37.

Garnham B (1996) Ranfurly Shield Rugby: an investigation into the impacts of a sporting event on a provincial city, the case of New Plymouth, Taranaki, New Zealand. *Festival Management and Event Tourism* 4(3): 145-149.

Getz D (2003) Sport event tourism, development and marketing. In: Hudson S (ed) *Sport and Adventure Tourism*. New York: Hayworth Hospitality Press.

Getz D (2007) *Event Studies: Theory, Research and Policy for Planned Events*. Amsterdam: Elsevier Butterworth-Heinemann.

Gibson C and Stewart A (2009) *Reinventing rural places: the extent and impact of festivals in rural and regional Australia*. Wollongong: University of Wollongong.

Gibson HJ, Willming C and Holdnak A (2003) Small-scale event sport tourism: fans as tourists. *Tourism Management* 24(2): 181-190.

Gibson HJ, Kaplanidou K and Kang SJ (2012) Small-scale event sport tourism: a case study in sustainable tourism. *Sport Management Review* 15(2): 160-170.

- Grant R (2009) Rock-throwing protesters halt WRC. *Sydney Morning Herald*, 4 Sept, 1.
- Groves D, Obenour W and Lengfelder J (2003) Colas and globalization: models for sports and event management. *Journal of Sport & Tourism* 8(4): 320-334.
- Hall CM (2006) Urban entrepreneurship, corporate interests and sports mega-events: the thin policies of competitiveness within the hard outcomes of neoliberalism. *The Sociological Review* 54: 59-70.
- Hassan D and Connor SO (2009) The socio-economic impact of the FIA World Rally Championship 2007. *Sport in Society* 12(6): 709-724.
- Hassan D and McCulloch D (2008) *A Report Examining the Socio-Economic Impact of the World Rally Championship 2007*. Belfast: University of Ulster.
- Hritz N and Ross C (2010) The perceived impacts of sport tourism: an urban host community perspective. *Journal of Sport Management* 24(2): 119-138.
- Long S (2009) *WRC Factbook World Rally Championships*. London: International Sportsworld Communicators Ltd.
- McCartney G (2005) The impact of the 50th Macao Grandprix on Macao's destination image. *International Journal of Event Management Research* 1(1): 19.
- Muthaly S, Ratnatunga J, Roberts G and Roberts C (2000) An event based entrepreneurship case study on futuristic strategies for Sydney 2000 Olympics. Paper presented at the Events Beyond 2000: Setting the Agenda. Sydney.
- Northern Rivers Tourism (2009) *Northern Rivers Tourism Incorporated Strategic Plan 2009 – 2011*. Byron Bay: Northern Rivers Tourism.
- Northern Rivers Tourism (2012) Byron Bay and Beyond. Available at: <http://www.byronbayandbeyond.com/aboutus/> (accessed 2 August 2012).
- Novelli M (2005) *Niche Tourism: Contemporary Issues, Trends and Cases*. Oxford: Elsevier, Butterworth-Heinemann.

- Ntloko NJ and Swart K (2008) Sport tourism event impacts on the host community: a case study of Red Bull Big Wave Africa. *South African Journal for Research in Sport, Physical Education and Recreation* 30(2): 79-93.
- Ohmann S, Jones I and Wilkes K (2006) The perceived social impacts of the 2006 Football World Cup on Munich residents. *Journal of Sport & Tourism* 11(2): 129-152.
- Parliament of NSW (2009) Motor Sports (World Rally Championship) Bill 2009. Available at: <http://www.parliament.nsw.gov.au/Prod/parlment/hansart.nsf/V3Key/LA20090624033>. (accessed 12 March 2012).
- Parmenter, G (2010) Homebush Motor Racing Authority - Submission: Events NSW. Available at: <http://bellingenchamber.com/files/2011/04/WRC-ENSW-Post-Event-Review-Report.pdf>
- Peterson W (2009) The Singapore Arts Festival at Thirty: Going Global, Glocal, Grobal. *Asian Theatre Journal* 26(1): 111-134.
- Small K, Edwards D and Sheridan L (2005) A flexible framework for evaluating the socio-cultural impacts of a (small) festival. *International Journal of Event Management Research* 1(1): 66-77.
- Smith A (2005) Reimagining the city: the value of sport initiatives. *Annals of Tourism Research* 32(1): 217-236.
- Taks M, Chalip L, Green BC, Kesenne S and Martyn S (2009) Factors affecting repeat visitation and flow-on tourism as sources of event strategy sustainability. *Journal of Sport & Tourism*, 14(2-3): 121-142.
- Tkaczynski A, Rundle-Thiele SR and Beaumont N (2008) Insights into how regional tourism operators view their markets. *International Journal of Organisational Behaviour* 13(1): 16-27.
- Tranter P and Lowes M (2009) The crucial 'where' of motorsport marketing: is motorsport now 'a race out of place'? *International Journal of Sports Marketing & Sponsorship* 11(1): 60(20).

Whitson D and Macintosh D (1996) The global circus: international sport, tourism, and the marketing of cities. *Journal of Sport & Social Issues* 20(3): 278-295.

WRC (2009) *FIA World Championship Rally Yearbook*. London: International Sportsworld Communicators.

Yang J, Zeng X and Gu Y (2010) Local residents' perceptions of the impact of 2010 EXPO. *Journal of Convention & Event Tourism* 11: 161-175.

Yin RK (1994) *Case Study Research: Design and Methods*. Thousand Oaks: Sage Publications

ORIGINAL