

EFFECT OF SPORTS: A CASE STUDY OF ICC MEN'S CRICKET WORLD CUP 2023

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INTRODUCTION

International tourist arrivals reached almost 1.3 billion in 2023, recovering to about 88% of pre-pandemic levels and reaffirming tourism as an important contributor to the global economy across all regions of the world (UNWTO, 2024). Tourism is one of the largest and fastest growing economic sectors, contributing a significant share of the world's GDP and of global exports of services, and generating employment for a large section of the workforce worldwide. Recent trends indicate that tourists are increasingly attracted towards developing and emerging economies, which makes tourism a primary source of foreign exchange earnings and a major economic factor for these countries. Tourism may be defined based on three dimensions – spatial, temporal and the purpose or activity engaged in during the travel. Sport, in turn, can be understood through three characteristics – goal oriented, competitive and contest based (Hinch & Higham, 2001).

Cricket is by far the most followed sport in India and enjoys an emotional and cultural connect that few other events can match. The ICC Men's Cricket World Cup 2023, hosted entirely by India from 5 October to 19 November 2023, was therefore not only a sporting spectacle but also a mega event with the potential to influence the country's tourism industry, its infrastructure and its image as a global destination. This paper examines the effect of this mega sporting event on Indian tourism through the lens of direct revenue, infrastructure development and foreign exchange earnings.

OBJECTIVES OF THE STUDY

The study tries to explore the effect of a mega sporting event on the host country. The main objective of the study is to identify the contribution of the ICC Men's Cricket World Cup 2023 to the encouragement and growth of the Indian tourism industry.

RESEARCH METHODOLOGY

The framework mainly considers the effects of sports events on the tourism industry. The focus of this article is on direct revenue, infrastructure development and foreign exchange earnings. The paper reviews relevant literature from respective journals, which are the most important source of the study, and draws on secondary data published by the Ministry of Tourism (Government of India), the Bank of Baroda Economic Research team, the International Cricket Council (ICC) and the Board of Control for Cricket in India (BCCI). The paper covers a wide collection of academic literature on sports tourism which specifies different approaches and emphases of research in diverse disciplines.

LITERATURE REVIEW

Tourism has many socio-economic impacts on India, positive as well as negative. Tourism adds a significant part to the GDP and economic growth, employment generation, development of infrastructure, roads and buildings, conservation of the natural environment and flora and fauna, and preservation of historical monuments; on the other side it is also responsible for some undesirable social and cultural change (Kakkar & Sapna, 2012). Economic impact studies are conducted to determine the effect of specific activities in a particular geographical area – it may be a city, state, region or country – and the effect is also measured over a specific time period, whether quarterly, half-yearly or annually. This type of study includes the cost and benefit of tourism activities to the residents of an area. The benefits of tourism are observed in tourist spending, employment, business receipts and profits, personal income and government revenues. Local communities also require investment in areas visited by tourists. Thus economic studies include direct primary costs and benefits as well as indirect or secondary benefits and costs, and the balance of these benefits and costs (Ritchie & Goldner, 1994).

The P-VAR approach supports the bilateral relationship between tourism development and economic growth: a push in one automatically pushes the other, and a push in both proves beneficial for both. This is the reason the government should intervene in the tourism industry and make efforts to develop and promote tourism in such a way that it attracts more and more tourists (Samimi, Sadeghi & Sadeghi, 2011). Using a panel of 42 African countries for the years spanning 1995 to 2004, one study explored the potential contribution of tourism to economic growth and development and found that it significantly contributes to the current level of gross domestic product and to investments in physical and human capital (Fayissa, Nsiah & Tadasse, 2007). Data on the Sri Lankan economy from 1978 to 2008 relating to employment, GDP, income and growth of the tourism industry reflect that this industry is identified as a single large economic contributor and plays a crucial role in macroeconomic and political stability, with political stability having a positive impact on the tourism industry (Ranasinghe & Deyshappriya). In India, pilgrim tourism has great significance in socio-economic development and contributes to raising the living standard and alleviating the poverty of local communities at pilgrim destinations by providing employment opportunities close to home (Vijayanand, 2012).

The Indian government spends a large amount of money on the development and promotion of tourism every year because it creates employment and income that lead to economic development. Gross Domestic Product (GDP) is the quantitative measure of the tourism impact on economic growth, and Gross Value Added (GVA) is arguably a better measure than GDP because it includes all primary incomes (Ivanov & Webster, 2006). India has great potential for different types of tourism – coastal, rural, mountain, eco, heritage, adventure and medical, among others. The government plays a significant role in the development and promotion of this industry and provides incentives to promote private investment, such as declaring the hotel industry and other tourism-related industries as high priority industries, allowing foreign direct investment, reducing import duty and providing tax exemptions (Mishra, Rout & Mohapatra, 2011).

Among the various types of tourism, sports tourism is an important area that has recently attracted the attention of industrialists, academicians and researchers. Sport and tourism cannot be separated as two isolated fields; sports tourism is an important part of tourism, and tourism is a fundamental characteristic of sport (Hinch & Higham, 2001). Sports tourism contributes to employment, prosperity and great respect for the host country, and to attract

sport tourists the host country should maintain good natural and man-made infrastructure (Homafar & Honari, 2011). A primary function of a sports event is to provide the host community with an opportunity to secure a strong position in the tourism market place. Hosting a sports event has been a focus of destination marketers as a strategy to enhance the destination image and differentiate its tourism products, creating awareness, improving image with visitors and attracting tourism business to generate future inbound travel (Candrea & Ispas, n.d.). Any sports tourism event promotes not only sport tourism but also other types of tourism such as heritage, medical and adventure tourism, and its impact is felt not only in the host city but across the country and its various industries; it also attracts foreign investment into India (Misra & Dubey).

Studies on the impact of mega events may under- or over-estimate the benefits of the event if time horizons are not carefully considered (Song, 2010). The effect of the 2010 FIFA World Cup hosted by South Africa reflected a substantial positive impact on infrastructure and the transport industry and created a number of jobs, while also positively affecting other industries and real GDP (Bohlmann & Heerden, 2005). Although mega events have a limited duration, they have a huge impact on the host country in terms of tourist volumes, visitor expenditure, heightened awareness and a positive image of the city, along with related infrastructural and organizational developments that increase a destination's competence and attractiveness (Fayos-Sola, 1997). The economic impact of mega events varies among host cities depending on the economic scale of the host country in terms of its Gross Domestic Product (Nishio, Lim & Downward). Sport has become an international matter that attracts substantial media attention, money and political interest, while tourism remains one of the world's largest and fastest growing industries; sport and tourism are key elements of today's culture and have a specific influence on the behaviour of society (Dalarna & Heilbronn, 2007).

India's great history and diverse rich culture provide great potential for the tourism industry, and the government makes efforts to develop it by increasing the tourism budget and executing many projects. Even so, there remains a need to work on areas such as transportation, hygiene and amenities, sound marketing and promotion strategies, maintenance of heritage, issues regarding security and harassment, trained professionals, adequate capacity and information about tourist places, so as to fully utilise the tourism potential of India (Patel, 2012). The tourism industry has a significant contribution to make to the Indian economy and has the power to accelerate the economy's growth rate, but challenges such as infrastructure, destination management, sanitation, hygiene and security must be addressed (Jauhari, 2009).

The benefits of event tourism can be determined on the basis of volume and value – volume through international and domestic tourist counts derived from accommodation establishments, household surveys and destination or visitor surveys, and value through expenditure estimates by visitors on various activities – along with the multiplier effects captured by various multiplier models; sport tourism thus has three types of effects: direct, indirect and induced (Bond, 2008). It is argued that there is no significant difference in growth between countries that host mega events and those that do not, except in the construction industry, yet hosting mega events carries a great deal of non-economic benefit such as prestige (Edds, 2012). Good planning is required for the sustainable growth of the tourism industry and helps a community to increase its potential benefits and reduce its potential costs, as impacts of tourism span economic, environmental, social and cultural, crowding and congestion, service, tax and community-attitude categories, each carrying both positive and negative effects (Kreag). At the same time, a one-time spike in government

expenditure to host a mega event may exert a long-run detrimental effect on GDP per capita if investment demand and consumption force output back to pre-event levels (Mehrotra & Saez, 2011). In the specific context of cricket, the Bank of Baroda Economic Research team estimated that the ICC Men's Cricket World Cup 2023 could add a substantial one-time boost to India's economic output through spending on tickets, travel, hospitality, food and beverages and merchandise (Bank of Baroda, 2023).

CRICKET WORLD CUP 2023 WORKS AS A CATALYST TO BOOST THE TOURISM SECTOR OF INDIA

The ICC Men's Cricket World Cup is a One Day International (ODI) cricket tournament and one of the most watched sporting events in the world. The first edition was held in 1975 in England, and since then the tournament has been conducted approximately every four years. The 2023 edition was the thirteenth edition of the event and was hosted entirely by India for the first time; on earlier occasions India had co-hosted the tournament with other nations (1987, 1996 and 2011).

The 2023 tournament was contested by ten teams in a single round-robin league followed by knockout rounds, comprising 48 matches played from 5 October to 19 November 2023 across ten cities in India. The final was played between India and Australia at the Narendra Modi Stadium in Ahmedabad – the largest cricket stadium in the world by capacity – with Australia winning to claim their sixth World Cup title. Hosting an event of this scale is a matter of prestige and, as the following sections show, acts as a catalyst for revenue generation, infrastructure development and tourism promotion across the host cities.

REVENUE GENERATION

A mega event of this scale generates revenue and economic activity directly through ticket sales, broadcasting and media rights, sponsorship, merchandise, travel, hospitality and food and beverages. The Bank of Baroda Economic Research team estimated that the ICC Men's Cricket World Cup 2023 had the potential to generate an economic impact in the range of Rs 18,000 to Rs 22,000 crore. The estimated category-wise contribution is shown below.

Estimated category-wise economic impact of CWC 2023 (in crores).

Spending / revenue stream	Estimated value (Rs crore)
Ticket sales	1,600 – 2,200
Broadcasting, digital & advertising	10,500 – 12,000
Air travel	450 – 550
Hotels & hospitality	3,000 – 4,000
Food & beverages (incl. delivery)	4,000
Merchandise & miscellaneous	300
Total estimated economic impact	18,000 – 22,000

Source: Bank of Baroda Economic Research, “Economics of the ICC Cricket World Cup 2023” (estimates).

The organisation of an event of this scale involves a huge capital investment that supports the generation of revenue and economic activity for a long time in the future, well beyond the six weeks of the tournament itself.

FOREIGN EXCHANGE EARNING OF TOURISM INDUSTRY (IN CRORES)

Year	2019	2020	2021	2022	2023
FEE	2,11,661	50,136	65,070	1,34,543	2,31,927
% change over previous year	—	-76.3	29.8	106.8	72.4

Source: Ministry of Tourism, Government of India.

Foreign exchange earnings from tourism collapsed in 2020 and 2021 owing to the COVID-19 pandemic and then recovered strongly. By 2023 – the year of the World Cup – earnings had surpassed the pre-pandemic peak of 2019, reflecting the broad-based revival of inbound tourism into which the tournament fed.

ACCOMMODATION DEVELOPMENT

The tournament produced a sharp, if temporary, surge in demand for accommodation across all ten host cities. During match days, hotel occupancy in the host cities rose steeply and average room rates in many cities multiplied, particularly around marquee fixtures such as the India–Pakistan match and the final in Ahmedabad. The hospitality sector responded through the following:

- A steep rise in hotel occupancy and average daily room rates in host cities such as Ahmedabad, Mumbai, Kolkata, Chennai, Bengaluru, Delhi, Hyderabad, Lucknow, Pune and Dharamsala.
- Expansion of alternative accommodation – serviced apartments, guest houses and homestays – to meet the shortfall during peak match days.
- Fresh investment and refurbishment by hotel chains in anticipation of higher long-term footfalls in tier-2 host cities such as Lucknow and Dharamsala.

The strong demand added positive momentum to a hotel industry that was still recovering from the pandemic, and reinforced the image of the host cities as capable of absorbing large-scale international events.

SPORTS VENUE DEVELOPMENT

Ten stadiums across the country were used and upgraded for the tournament:

- Narendra Modi Stadium, Ahmedabad (world’s largest cricket stadium)
- Eden Gardens, Kolkata
- Wankhede Stadium, Mumbai
- M. A. Chidambaram Stadium, Chennai
- M. Chinnaswamy Stadium, Bengaluru
- Arun Jaitley Stadium, Delhi
- Rajiv Gandhi International Stadium, Hyderabad
- Himachal Pradesh Cricket Association Stadium, Dharamsala
- Bharat Ratna Shri Atal Bihari Vajpayee Ekana Cricket Stadium, Lucknow
- Maharashtra Cricket Association Stadium, Pune

Renovation, upgrading of pitches, seating, floodlights and spectator facilities at these venues has prepared the country to host international sporting events in the future.

CITY IMPROVEMENT

In the run-up to the tournament, host cities undertook a range of civic improvements, including the upgrading and cleaning of roads and approaches to stadiums, improved street lighting and signage, beautification drives, enhanced airport and metro connectivity in several cities, and strengthened security and crowd-management arrangements. These improvements benefit residents and visitors long after the event.

Promotion of heritage tourism

The presence of a large number of domestic and foreign visitors in the host cities also gave a boost to heritage and cultural tourism at iconic sites located in and around these cities, such as:

- Sabarmati Ashram and Adalaj Stepwell – Ahmedabad
- Gateway of India and the Chhatrapati Shivaji Maharaj Terminus – Mumbai
- Victoria Memorial and Howrah Bridge – Kolkata
- Charminar and Golconda Fort – Hyderabad
- Red Fort, Qutub Minar and Humayun's Tomb – Delhi
- Bara Imambara and Rumi Darwaza – Lucknow

The increased footfall and visibility of these monuments during the tournament supported heritage tourism in the host cities.

FOREIGN TOURISTS

The tournament attracted cricket fans from participating nations such as Australia, England, New Zealand, South Africa, Afghanistan, Bangladesh and Sri Lanka, adding to the wider recovery in foreign tourist arrivals in 2023.

Year	2019	2020	2021	2022	2023
FTA	1,09,30,355	27,44,766	15,27,314	61,90,000	92,36,108
% change over previous year	—	-74.9	-44.4	305.3	49.2

Source: Ministry of Tourism, Government of India (figures for 2022–2023 provisional).

Foreign tourist arrivals recovered strongly in 2022 and 2023 after the pandemic-induced collapse. The World Cup fell in the peak arrival months of the year and contributed to this revival, while training in soft skills was provided to hospitality and transport staff to ensure that visitors had a good experience.

The successful organisation of the ICC Men's Cricket World Cup 2023 reinforced India's image as a world-class host for major international sporting events and provided a meaningful, if concentrated, boost to the country's tourism industry.