

The Marketing of International Sports Events to Local Small Island Hosts: A Guam Case Study

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Abstract

A number of small islands around the world rely on tourism from mainland communities as a primary revenue source. One of the more popular methods to attract visitors to these islands is by hosting international sports events, such as marathon competitions. What is necessary to make an international sports event successful in a small island environment where the participation of host communities is required? Some events are organized without much thought to the importance of local buy-in, resulting in a short-term life span for the events. This study reviews a case on the island of Guam, utilizing the Guam International Marathon with participants from Japan, South Korea, Philippines, and other countries from around the Asia Pacific region. The economic impact of the event, including the multiplier effect, is presented to highlight the importance of the event. The period of study is from October 2012 through October 2014 and utilizes the case study method. The findings show that the full engagement of the local population from the early planning stages of events is critical, and that local participation in the actual event as well as in support services must be in place for growth of the event in its initial years.

Keywords: Small islands, Sports tourism, Economic impact, Community buy-in.

1. Introduction

Many small island territories or nations, like the ones in Micronesia, face challenges within their tourism industries. These include vast distances from source markets (cities and countries where tourists come from), too much reliance on foreign investment and the resulting leakage of revenue, over-dependence on tourism (mono-structured economy), dependence on imports, and an overburdened infrastructure, just to name a few (Gössling 2003; Harrison, 2004; Mc Elroy, 2006). Tourism and leisure industries are undeveloped in the majority of these small islands. Most island destinations around the globe rely on stake holders from not only a single sector, but from both private and public sectors to tackle these issues (Buhalis, 2000; Schumann 2011). One of the methods used to attract visitors to these islands is to host events that encourage tourism from source markets that have a larger population base, like nearby mainland communities. Some popular events that have been successful in increasing visitor numbers in small island destinations are international sports events, such as marathons, triathlons, and open water swimming competitions.

However, some events are organized without much thought to importance of the local buy-in, resulting in a short-term life span for the events. This leads to some questions that destination leaders may have about hosting such events in their communities: What is necessary to make an international sports event successful in a small island environment

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where the participation of host communities is required for a variety of roles? How can these events be sustainable so that adequate participation levels can be maintained year after year? Other than marketing to target markets from mainland communities for participation, how should the event be marketed to the host community?

Residents are relied upon for a number of reasons. They are the source for local participants as athletes in the event and they are necessary for volunteer work to support the events. The local government collaboration is a must for services, in terms of logistics, safety, and other aspects of event. Sponsorship funds from businesses in the community are required to allow for the management and organization of the events. And finally, others who are not directly involved in the event but are stakeholders in the island destination are expected to exhibit a welcoming attitude toward visitors.

2. Literature Review

Over the last couple of decades, there has been a growing interest about economies of islands with small populations and territories, which overwhelmingly rely on tourism as a source of exports. Shareef and Hoti (2005) write about Small Island Tourism Economies that depend heavily on financial aid from their former colonists for infrastructure development. They also describe how economies profiled in his study are developing countries, which need a consistent inflow of Foreign Direct Investment to maintain economic growth.

On the topic of competitiveness of small island destinations, Croes (2010) discusses the theoretical underpinnings of the competitiveness theory as it applies to the tourism development debate and also focuses on the empirical testing of four propositions derived from the tourism competitiveness literature. The four propositions are: small island destinations engage in fierce competition; simplicity rather than richness is a more useful benchmarking criterion for small island destinations; non-price competition is the most significant driver of destination competitiveness; and finally, tourism competitiveness increases the quality of life for the citizens (Croes, 2010).

Literature that captures research specifically on marketing of small island settings and their events can be found, but there is little that primarily address sports tourism events like the marathon in small islands of less than a million people. Cassidy et al., (2006) address a gap in the literature showing what influences tourists to select specific small island destinations. They found the cost of airfares was a very important influence on the decision to visit the region under study. However, those who did not travel to an outer island felt that additional advertising and marketing as well as more exposure in travel brochures was required, whereas those who did visit outer islands considered that cultural awareness was the most important factor influencing their decision.

Literature can be found concerning how festivals and cultural events provide an opportunity for tourists to interact with the host community. Such events revitalize indigenous cultural heritage, highlighting the uniqueness of the island destination (WTO, 2002). The offering of cultural experiences combined with healthy activity is an area that has attracted attention in tourism, specifically in spa and wellness activities. The demand for healthy longevity and discipline of the body through exercise, diet or meditation have been gaining popularity among travelers as well as the consumption of unique experiences that foster personal transformation and development (Rego, 2012). While literature is available about marketing these activities to potential visitors, the topic of marketing events to local host communities in a small island destination is rarely approached in tourism literature. More primary research needs to be undertaken to enable more cost effective decisions in tourism development and marketing for small islands (WTO, 2002). This case study aims to address some of the gaps that exist in sports tourism marketing to host communities in small island destinations.

3. The Methodology and Model

This study selects the case study method, utilizing the business school approach that emphasizes analyzing decisions and actions of managers and their consequences through using real world examples. This method will better prepare destination and event management leaders for the challenges related to situations described in the study. The case will also be utilizing the field case study method, which involves the gathering of original research by gathering data within the context being studied. Direct observation, data analysis and interviews are mainly used in this study.

This paper examines the efforts of organizers of the Guam International Marathon (GIM), which incorporates a full marathon, half marathon, 10K, and 5K races in one event as a way to improve visitor arrivals and generate revenue for the island community. The inaugural GIM was held in April 2013. The study describes GIM's methods used in targeting the various segments of the host community, including the local participants, sponsors, government, volunteers, and overall community. This is accomplished by reviewing GIM's marketing materials, participant data, and interviews with event organizers. Data collection and analysis was conducted from October 31, 2012, through October 31, 2014.

4. The Findings

This case study examined efforts by GIM race organizers to establish community buy-in in support of an international sports event that would bring thousands of visitors to a small island destination of 160,000 residents. Community buy-in refers to the shared visions and goals that are collaboratively shared by individuals and community organizations. Citizen participation and education are key to achieving community buy-in as well as a by-product of buy-in. The segments of the local community that GIM organizers focused on were sponsors, government, local runners, volunteers, and the general island community.

From the early stages of establishing the Guam International Marathon, organizers deliberated at length on considerations and strategies for encouraging citizen participation and establishing community buy-in. Discussions at early meetings included reviews of past international sporting events held in Guam that had fizzled out after a few annual editions. Organizers concluded after talking with island residents that this was either due to lack of interest by local residents or realization by residents that they were just being used as bit actors and actresses in an event that was mainly to benefit businesses and residents from "off-island." Residents needed to be convinced that there was some form of reciprocity with the support of the event—the benefits resulting from the event had to be viewed as being mutual.

One of the critical components of organizing the inaugural Guam International Marathon event was to gather enough support from local corporate sponsors in order to have funding available to manage a large-scale international event. Funding would be required to purchase much needed supplies, such as start and finish line infrastructure, traffic cones, race timing equipment, T-shirts, finishers' medals, awards, refreshments, etc. for purchase, as well as fees for rental equipment including port-a-potties, tents, aid station tables and coolers. Different levels of sponsorship based on contribution minimums were offered to companies doing business locally on Guam. Because Guam has a number of relatively large corporations doing business on the island, a pool of potential top-level sponsors was available from various industry sectors. These sectors included areas such as airline, banking, health insurance, telecommunications, oil and gas, and retail. One major sponsor from each of these industry sectors was targeted, with backup companies identified in case the first company chose not become a sponsor. Only one for each industry segment was selected in order to allow for exclusivity as a major sponsor in the relatively small island market. For the majority of the major sponsors, organizers had little trouble signing on corporate sponsors. This was due to a variety of reasons, mainly resulting from strong relationships between sponsor company representatives and organizers, as well as affiliation

The Marketing of International Sports Events to Local Small Island Hosts: A Guam Case Study...Fred R. Schumann with a potential high quality event that appears to have promise in benefitting the island community in the long-term (T. Cruz, 2014, pers. comm., 31 October).

The month of April was selected to host the new event due to it being one of the historically slow months, along with the month of October, in visitor arrival figures. Organizers prepared a presentation to introduce the Guam International Marathon to the community and scheduled a number of public presentations to reach a wide audience for community support. Presentations were given to major civic organizations as well as government offices for two primary purposes: for community buy-in and for commitment of sponsorship dollars. Organizational meetings where presentations were given were heavily attended general membership luncheon meetings, such as Guam Visitors Bureau, Guam Hotel and Restaurant Association, and Rotary Club Meetings.

Governments on small islands generally face limited funding due to the constraints they have on generating revenue via diversified economic activities. Past experience with events indicated that support from government agencies was spotty at best due to unavailability of patrol cars, ambulances, and lack of funding for personnel. Because of this, organizers prioritized garnering the buy-in of government leadership, and in this case, it was with the Governor's Office. Once this support was in place, organizers were able to share the "big picture" in terms of the importance of the event. Direct, indirect, and induced spending, as well as the resulting multiplier effect and tax revenue, was explained as a way for the Government of Guam to generate more revenue for government services.

In addition to the Government of Guam, another key partner for the GIM with close ties to the government and private sector businesses was the Guam Visitors Bureau (GVB). As the official marketing agency for the Government of Guam, the Guam Visitors Bureau, a quasi-governmental agency, serves to promote and develop Guam as a viable destination overseas. GVB also has programs and activities to support tourism and awareness of the local community in regards to the importance of tourism. A challenge facing organizers was the fact that GVB has its own sports tourism calendar, including its own signature half marathon event, The Guam Ko'ko' Race. The Guam Ko'ko' Race is Guam's elite ekiden relay and half-marathon, so named to raise awareness of the plight of Guam's territorial bird, the Guam rail or ko'ko'. A flightless bird endemic to Guam, the ko'ko' population was decimated to near extinction by the brown tree snake, pesticides and other introduced detractors. The GVB race was held annually in the month of October to generate visitor days in one of the historically slow months in visitor arrivals. The first event was held in 2006 and participant numbers and prestige have grown with each succeeding year. Organizers felt that working together to complement the sports event calendar of the GVB by incorporating a full marathon was one way to generate support. Another way was to establish a relationship with GVB to mutually benefit each organization's event via partnerships at promotional events, such as the annual JATA expo in Tokyo. Organizers continue to work closely with GVB with the common goals of increasing visitor arrivals during slow periods and providing opportunities for residents to interact with visitors via sports events.

Reaching the community of local runners may seem simple, however, like many small island communities with close kinship ties and tight-knit groups of people with common interests, it is imperative to introduce new events cautiously with residents. One of the challenges facing organizers was whether or not the new event could jeopardize the relationship with the island's well-established Guam Running Club (GRC) that already had a full marathon on its calendar. The Guam Running Club's marathon was an annual event that had been in existence for over four decades, but never aspired to grow into an internationally marketed event. Adding to the challenge was the scheduling of the GIM, which was just two weeks after the GRC's marathon. Meetings with GRC officials with discussions that highlighted the positive aspects of adding an international marathon to the local marathon proved successful. Additionally, social media, specifically Facebook, was utilized heavily aiming post and promotional activities targeted at local runners and their connections.

The key group of local residents that could not be neglected were volunteers. Events such as the GIM required the assistance of numerous people at aid stations all along the 42.195-kilometer course. Not only were people needed to provide refreshments, but the marathon also required personnel at aid stations that had the ability to speak the languages of the major source markets, namely Japanese or Korean. Corporate sponsors were given opportunities to have their employees assist at aid stations, with the incentive of allowing a chance for logo placement at the station to which they are assigned. Civic organizations were also tapped to provide opportunities for volunteerism and the chance to be a part of a large event benefitting the community. As an extra incentive, awards were developed to recognize and reward the most vocal and vibrant cheering squads.

In the meantime, strong marketing efforts were being made at source markets of visitors, primarily in Japan and South Korea. Other markets were viewed for potential visitors, but flight schedules limited the feasibility of attracting large numbers from these markets. With the marathon scheduled to take place on a Sunday and stays averaging three days, infrequent flights from source markets like Taiwan discouraged to attract large numbers of runners and accompanying members.

The Inaugural Event

Participation results of the event's first year were encouraging. Over 1,000 overseas runners participated along with accompanying visitors. Based on calculations using the standard 3-day stay of Guam visitors, an estimated number of accompanying members, and the island's output multiplier, organizers were able to estimate the economic impact of the event in the first year. The output multiplier involves the direct, indirect, and induced spending as a result of the one-day sports tourism event. The median output multiplier of 1.66 was used as Guam economists' output multipliers range from 1.5 to 1.81 (Ruane, 2009). In total, the one-day event generated USD\$4.6 million in spending that would not have been accomplished had the event not occurred. This does not take into account the additional revenue generated by taxes associated with the various forms of spending.

The goal of reaching at least 1,000 overseas runners had been reached in the first running of the event, out of a total of 2,200 participants. The breakdown of fifty percent local runners and fifty percent visiting runners was ideal to allow for greater interaction between visitor and resident. An added bonus was in seeing the accompanying visitors that added extra visitor days and resulting revenues to Guam's tourism figures during a historically slow period (See Table 1).

Table 1. 2013 GIM Economic Benefits

Overseas Runners	1,028
Number of Accompanying Visitors	2,570
Average Length of Stay	3 Days
Visitor Days	10,794
Estimated Spending/Day	\$256. 83
Gain of Direct Visitor Expenditures	\$2.8 million
Output Multiplier	1.66
Total Sales Generated by Additional Related Expenditures (Direct + Indirect + Induced)	\$4.6 million

Source: Guam International Marathon Organizing Committee (2013)

Although the figures are not near the high levels of the Honolulu Marathon, the Guam International Marathon moved up to number two in the ranking of events with the largest

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 number of Japanese overseas marathon participants, with 860. The Gold Coast Marathon in Australia was third with just over 700 participants out of 24,000 total, and the Hong Kong Orchard Marathon next in fourth with 650 Japanese overseas runners out of 68,535 (K. Nagano, 2013, pers. comm., 9 April).

The 2nd Annual Guam International Marathon

A number of adjustments were made for the second running of the Guam International Marathon, based on feedback received from first-year participants. Feedback was gathered from runners and race supporters to determine what worked and what areas needed attention. After meeting with key organizing personnel, improvements were made to enhance the experience of runners, sponsors, volunteers, and other supporters.

Organizers found that most of the feedback was regarding the intense heat even with the 4am start time for the marathon. Temperatures on Guam rise very quickly after sunrise and can easily reach 32 degrees Celsius with high humidity throughout the year. As a result of feedback, the start time was changed to 3am to allow for more running time during cooler temperatures. In addition, adjustments were made in improving access to drinking water and refreshments, before, during, and after the races. The number of tents was increased to provide more shaded areas for runners, volunteers, and spectators. Finally, a change was made in scheduling the beach side awards ceremony to the evening in order to minimize exposure to the hot sun. The latter change resulted in mixed reviews from some runners wanting immediate recognition for their accomplishments with awards given out immediately following the race. Despite some mixed reviews about the changes, results were encouraging with growth seen in both local and overseas participation (See Table 2).

Table 2. 2014 GIM Participation By Country

<i>Country</i>	<i>Marathon</i>	<i>Half</i>	<i>10k</i>	<i>5k</i>	<i>Total</i>
<i>Guam</i>	174	337	418	420	1349
<i>Japan</i>	394	262	205	149	1010
<i>Korea</i>	11	15	27	292	345
<i>USA</i>	24	45	31	14	114
<i>Hong Kong</i>	4	2	4		10
<i>Taiwan</i>		7		2	9
<i>NMI</i>	1	2	5		8
<i>Philippines</i>	1	2	2		5
<i>China</i>	3		2		5
<i>Australia</i>	2				2
<i>Netherlands</i>	1				1
<i>Ireland</i>	1				1
<i>Denmark</i>		1			1
<i>Unknown</i>	4	2	20	24	50
	620	675	714	901	2910

Source: Guam International Marathon Organizing Committee (2014)

Marketing personnel for the GIM are now prioritizing the encouragement of citizen participation in future editions of the event (T. Cruz, 2014, pers. comm., 31 October). The focus of participation is not only in marathon participation, but also on the course in isolated

areas between aid stations where cheering support can enhance the experience challengers of runners. Organizers are still learning and will most likely encounter new challenges. However, efforts continue to market heavily to the internal market (See Figure 1) with the realization that local buy-in is just as important to the success as acceptance from visitors from the major source markets.

Figure 1. Guam International Marathon 2015 Image



5. Summary and Conclusions

The Guam International Marathon achieved some successes in the first two editions of the event. Organizers reached targeted goals for overseas runners in two consecutive years, thereby increasing visitor days and resulting spending from overseas runners and accompanying members. Organizers were also able to establish a positive relationship with corporate sponsors, local runners, volunteers, and general community in the first year and continued to grow local participation in the race and sponsorship in the second year.

However, there are challenges that lie ahead in order to reach future targeted goals. Organizers acknowledge that the highest priority is to increase sponsorship dollars to promote more to local runners (T. Cruz, 2014, pers. comm., 31 October). With targeted overseas runners increasing to 2,000 in 2015 and 2,500 in 2016, GIM will need 2,000 to 2,500 resident runners in order to maintain the fifty percent local participation level that it has produced in the first two years.

Organizers also need to leverage relationships with Guam's NTO (Guam Visitors Bureau) for government support. This will involve maintaining strong ties with government leaders, even with potential changes in political leadership. At the same time, face to face visits to source markets will be required to encourage potential visitors and tour companies in those markets to select GIM over the vast array of international destination marathon experiences that are available throughout the world.

Probably the most challenging will involve the next level of internal marketing to the island community. There is a need to achieve a wider reach with the general community of stakeholders that are not yet directly involved in the event in order to grow future generations of participants, volunteers, and corporate sponsors. An area that is still lacking is something that is common in other large marathons, and that is the lining of the streets along

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the course with spectators to encourage residents and visitors along their journey. This can do much to enhance the experience and increase repeat visits from visitors. Organizers also must address the still existent challenge of getting all island businesses to understand that it is not just those directly affiliated with the event that will benefit financially from the event (B. Ferguson, 2014, pers. comm., 7 November). Identifying beneficiaries that affect the well-being of island residents is another important aspect of marketing to residents and this must continue as it has, ensuring that the proper organizations are identified as recipients for maximum effectiveness of this marketing effort.

Ultimately, for the future success of GIM and other similar sports tourism events in small island destinations, local residents must acknowledge that the event is good for the island community. Members of the host community must also be convinced that organizers are interested in the long-term sustain ability of the event, that they are on the island to stay as key stakeholders, and that organizers are just as interested in the success of the event as they are in improving the quality of life for island residents.

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