

## The Korean Hotel Sector's Perspectives on the Potential Impact of Co-hosting the 2002 Football World Cup

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**Abstracts:** The 2002 Soccer World Cup jointly hosted by Korea and Japan was an important mega-event for both countries. However, despite the economic, political and tourist significance of the event relatively little research has been undertaken on its potential impact. This paper discusses the Korean hotel sector's perceived impact of hosting the World Cup in Korea. The goals of the research were to identify the Korean hotel sector's perspectives on the impact of the event on individual hotels, cities, and the nation as a whole; the different perspectives that may exist between hotels in host cities and non-host cities; and the extent to which the ten host cities may benefit from hosting the 2002 World Cup.

To achieve the above goals the 461 member hotels of the Korea Hotel Association were approached to participate in the study. Of the 461 hotels contacted, 431 hotels were open or willing to participate in the research, and were provided with a mail out survey. Two hundred seventy-seven (64.3%) replies were received.

This result showed that there were very significant differences between the perspectives of host cities and non-host cities. The Korean hotel sector believed that Seoul would get the most benefit from co-hosting the Football World Cup 2002. The research findings suggest that there are perceived benefits to hosting the Football World Cup 2002. However, the perceived benefits vary amongst the different on the impact to the individual hotel to the city/town and to the nation.

**Keywords:** Football World Cup, Korean hotel sector, positive, negative impacts, host cities, non-host cities.

Even though the Republic of Korea was a late starter in tourism compared with many other Asian nations (Chon and Shin 1990), the tourism sector in South Korea has become the biggest export industry surpassing the car industry in terms of contributions toward the balance of payments and is a major foreign exchange contributor (Kim and Song 1998). Between 1981 and 2000 receipts from tourism grew from US\$448 million to almost US\$ 6.8 billion. Total visitor arrivals in Korea, increased from 2,340,462 visitors in 1988 to 5,321,792 visitors in 2000 - an increase of 127 per cent (Ministry of Culture and Tourism (MCT) and Korea National Tourism Organisation (KNTO) 2001) (Table 1).

**Table 1** Visitor statistics for South Korea

Year	Visitor Arrivals		Tourism Receipts (US\$ 1,000)	
		G. R (%)		G. R (%)
1961	11,109	28.1	1,353	210.3
1971	232795	1995.6	52,383	3771.6
1981	1093214	369.6	447,640	754.6
1982	1145044	4.7	502318	12.2
1983	1194551	4.3	596245	18.7
1984	1297318	8.6	673355	12.9
1985	1426045	9.9	784312	16.5
1986	1659972	16.4	1547502	97.3
1987	1874501	12.9	2299156	48.6
1988	2340462	24.9	3265232	42.0
1989	2728054	16.6	3556279	8.9
1990	2958839	8.5	3558666	0.1
1991	3196340	8.0	3426416	-3.7
1992	3231081	1.1	3271524	-4.5
1993	3331226	3.1	3474640	6.2
1994	3580024	7.5	3806051	9.5
1995	3753197	4.8	5586536	46.8
1996	3683779	-1.8	5430210	-21.8
1997	3908140	6.1	5115963	-5.8
1998	4250216	8.8	*6865,400	34.2
1999	4659785	9.6	*6,801,900	-0.9
2000	5321792	14.2	6,811,300	0.1

(Source: MCT and KNT0 2001)

Mega-events, such as the 1986 Asian Games and 1988 Seoul Olympics (Kwon 1990; Chon and Shin 1990; Kang and Perdue 1994; Ahn and Ahmed 1994; Lee and Kwon 1995; Lee, Var and Blaine 1996; Hall 1997a; Ahn and McGahey 1997; Kim and Song 1998) and the Daejeon Exposition (Expo) (Lee and Kwon 1995; Kim and Uydal 1998) have been a critical component in Korea's tourism expansion, contributing not only to increased international market awareness and visitor numbers but also to the development of tourist infrastructure. For example, in 1965 Korea had only 37 hotels with 1,837 rooms (Ministry of Transportation (MOT) and Korea National Tourism Corporation (KNTC) (=former KNT0) 1980; Hall 1997a) compared to 127 hotels with 19,296 rooms in 1981. At the time of the 1988 Olympics 265 hotels accounted for a total of 33,189 rooms (Chon and Shin 1990). By 2000, this figure increased to 474 hotels with a total of

## THE KOREAN HOTEL SECTOR'S PERSPECTIVES

**Table 2 Tourist hotels and rooms**

Year	Hotels	Changes (%)	Rooms	Changes (%)
1961	18	-	578	-
1965	37	105.6	1,837	217.8
1971	76	105.4	5,673	208.8
1981	123	61.8	19,296	240.1
1982	137	11.4	20,942	8.5
1983	147	7.3	22,233	6.2
1984	149	1.4	22,415	0.8
1985	155	4.0	23,089	3.0
1986	172	11.0	24,560	6.4
1987	209	21.5	27,180	10.7
<b>1988</b>	<b>265</b>	<b>26.8</b>	<b>33,189</b>	<b>22.1</b>
1989	321	21.1	36,211	9.1
1990	395	23.1	40,386	11.5
1991	424	7.3	42,489	5.2
1992	435	2.6	43,739	2.9
1993	436	0.2	44,285	1.2
1994	435	-0.2	44,043	-0.5
1995	436	0.2	44,479	1.0
1996	441	1.1	45,108	1.4
1997	446	1.1	46,984	4.2
1998	452	1.3	46,998	0.03
1999	457	1.1	47,536	1.1
2000	474	3.7	51,189	7.7

(Source: MOT and KNTC 1978, KHA 2001 in MCT and KNTO 2001)

(Note: Hotel numbers are exclusive of Youth hostels, Family hotels and Traditional Korean hotels.)

51,189 rooms (Korea Hotel Association (KHA) 2001 in MCT and KNTO 2001) (Table 2). The increased interest in Korea from foreign tourists, and greater leisure time and disposable income for Koreans has also corresponded with this growth in accommodation (Chon and Shin 1990; Hall 1997a).

### The Significance of Mega-events

Mega-events, otherwise referred to as hallmark or special events, are major fairs, festivals, expos, cultural and sporting events which are held on either a regular or a one-off basis (Ritchie 1984; Hall 1992, 1997b; Roche 1992). Such events are some of the most important image builders of modern-day tourism (Roche 1992). Mega-events are extremely significant not just for their immediate tourism component and media profile but also because they may have long lasting benefits and costs based on economic, tourism/commercial, physical, socio-cultural, psychological and political impacts on the host community and country (Ritchie 1984; Hall 1992; Kang and Perdue 1994; Deccio and Balcoglu 2002).

The most commonly catalogued physical impacts of mega-events are the new facilities constructed as a result of the event, as well as the improvement of local infrastructures which might not have been politically or financially feasible

without the event (Ritchie 1984). Mega-events also have been recognized for their role in highlighting the international profile of the host country or region (Jeong and Faulkner 1996; Deccio and Balcoglu 2002), and improving the host community's quality of life (Goeldner and Long 1987; Deccio and Balcoglu 2002). Hall (1989) indicated that a mega-event has the power to strengthen regional values and traditions and even lead to cultural understanding among visitors and residents. Mega-events have unique qualities of their own that pose special problems and opportunities because not only the host community but also peripheral communities will be affected by hallmark events given size and scope of the phenomena (Deccio and Balcoglu 2002). Increased long- and short-term employment opportunities are one of the perceived benefits of holding a mega-event (Hall 1989; Jeong and Faulkner 1996; Ritchie and Lyons 1990; Deccio and Balcoglu 2002). Negative impacts created by a major event may include price inflation, increased tax burdens, and mismanagement of public funds by organizers (Ritchie and Aitken 1984). Traffic congestion, law enforcement strain, increased crime, overcrowding and environmental damage (Ritchie 1984; Hall 1992; Mihalik and Cummings 1995; Deccio and Balcoglu 2002) are also potential negative impacts. However, despite the undoubted significance of mega-events, it is only since the 1980s that substantial attention has been paid to their management, marketing, planning, and impacts on host cities (e.g., Ritchie and Aitken 1984, 1985; Ritchie and Lyons 1990; Ritchie and Smith 1991; Hall 1992, 1996, 2001; Getz 1998; Hiller 1998; Page and Hall 2003).

The Federation Internationale de Football Association (FIFA) World Cup is the largest single sporting event in the world (FIFA 1999a). On May 31, 1996, the Korean government proudly announced that another major international sports event, the 2002 FIFA World Cup, was to be held in Korea. Hosted jointly by Korea and Japan, this was the first Football World Cup to take place in Asia and the first Football World Cup of the new millennium (FIFA 1999b). Hosting the World Cup stemmed from Koreans' desire to once again hold international centre stage and therefore increase their international profile (Kim 1996).

However, unlike the Olympic Games there has been relatively little attention paid to research on the impacts of the Football World Cup (Dauncey and Hare 1999). Nevertheless, the need for such research has been long recognised. As Ritchie (1984: 11) noted in his seminal work on the impact of hallmark events, there is a need for 'more definitive and more comprehensive' approaches 'to the assessment of the impact of hallmark events' that are employed in most situations.

This article reports on the conduct of the first phase of a longitudinal survey of the Korean hotel industry's pre-event perspectives of the 2002 Football World Cup. The hotel sector was chosen as the sample population for this study for four reasons. Firstly, the hotel sector is one of the largest sectors of the Korean tourism and hospitality industry in terms of capital investment and tourist

expenditure (Kim and Uysal 1998). Secondly, hotels provide the largest number of jobs, generate the greatest multiplier effect outside the industry, and are major foreign currency earners (Kim and Uysal 1998). Thirdly, satisfactory accommodation was one of FIFA's requirements of the host country to have complied with under FIFA's stipulation of minimum terms and conditions in order to bid for the 2002 FIFA World Cup (World Cup Organising Invite Association 1995). Finally, little research has been specifically undertaken on the perspectives of the hotel sector on the hosting of mega-events. Although focussed on the perceptions of the hotel industry, such research may also help provide a greater understanding of the potential longer-term impacts of hosting mega-events (Jeong and Faulkner 1996). The performance of the hotel industry might also be used as an indicator of general trends in tourism demand for a particular area. Projected events in an area would be a valuable indicator for hotel management in forecasting accommodation demand for the area in the future (Kim and Uysal 1998). Given that previous research had noted the potential for impacts to be perceived as occurring at different scales (Hall 1992), the objectives of this study were therefore to identify the Korean hotel sector's perceptions:

- of the impact of the event on individual hotels, cities/towns, and the nation as a whole;
- of the different impacts that may exist between hotels in host-cities (HCs) and non-host cities (NHCs);
- of the extent to which the ten HCs may benefit from hosting the 2002 Football World Cup.

## Methodology

### The sample population

The sample population was identified from the 1999 and 2000 Korea Hotel Directory (KHD) and Korea Hotel Association (KHA). Initially address list was identified with a population of 452 hotels from the 1999 KHD. However, during the survey period (between February 16<sup>th</sup> and May 18<sup>th</sup> 2000), an updated 2000 KHD was published in mid April 2000, declaring a population of 458 hotels. However, two first class hotels which were in the 1999 KHD and who confirmed that they were still running as a business, were not listed in the 2000 KHD. Additionally, the newly opened (31 March 2000) Lotte Hotel Jeju was not included in the 2000 KHD. Including the above three hotels, the total defined hotel population for this study was 461. All member hotels of the KHA were contacted initially to confirm hotel details (hotel address and name of the general manager (GM) and/or managing director (MD)) with information given by 1999 KHD before distribution the questionnaire to all hotels for the actual survey. After confirming hotel details and comparing the 1999 KHD with the 2000 KHD, it was found that

5 hotels were managed by the same MD and GM, 16 hotels had disconnected telephones, 2 hotels were closed, 4 hotels were temporarily closed and 3 hotels did not want to answer the questionnaire. Therefore, from the entire Korean hotel population of 461, a total of 431 hotels were approached for survey. The GMs and MDs were chosen as the sample population because of their executive position and the likely degree of knowledge they would have about the potential impacts of the event (see Ladkin 1999).

### **Survey instrument**

The data for this research was obtained through a questionnaire using closed question techniques. The questionnaire was designed to identify the Korean hotel industry's perspectives on the positive and negative aspects of the Football World Cup 2002 on their hotel, and at the city/town and national level. These included not only economic impacts but also tourism/commercial, environmental/physical, socio-cultural, psychological and political impacts derived from a review of previous international and Korean mega-event research (Ritchie 1984; Ritchie and Aitken 1984, 1985; Jeong 1988, 1992, Ritchie and Lyons 1990; Hall 1992; Jeong and Faulkner 1996). A five-point Likert scale ranging from 'strongly disagree (1) to 'strongly agree (5) was used to rate 117 impact variables of the 2002 Football World Cup on their own hotel (24 variables), their city/town (40 variables) and nation (53 variables). Reports describe the distribution of respondents along the scale or in the categories when scales are used. Scales are used to obtain responses which will be comparable to one another and may be regarded as both efficient and practical (Alreck and Settle 1995). Jeong's (1987, 1988) study also used a five-point Likert scale, providing a basis for further comparisons of results. The questionnaire also sought to identify the extent to which the ten HCs may benefit from the 2002 Football World Cup and a five-point Likert scale was utilised ranging from number 1 (no benefit) to number 5 (great benefit).

The questionnaire was first drafted in English and then translated into Korean. A self-translated Korean version of the questionnaire was given to the MD of an inbound travel agency in Seoul and a person who works in the Korea Tourism Research Institute for proof reading. They were both fluent in Korean and good in English. The Korean word expression of the questionnaire was modified using comments from the proofreaders.

### **Survey administration**

The survey population was provided with a mail-out and mail-back questionnaire (an initial covering letter providing an introduction to the research and a copy of the survey instrument with a stamped reply envelope attached) between 25 January and 18 May 2000 (pilot test period included). Even though personal interviewing provides the most complete contact with respondents (Alreck and Settle 1995), personal interview surveys were not employed for the purposes of

this study because of the travel costs and time that would otherwise be incurred in visiting hotels throughout the country. Therefore, a mail data collection method was selected. Questionnaires were sent to a specific MD and/or GM by name in an attempt to increase the response rate because they are considered the most responsible person within the hotel. By sending it to specified personnel it was also hoped that all surveys would be answered by an equivalent person in all hotels. If a hotel did not have a GM position, questionnaires were addressed to the MD.

Non-respondents were identified from the initial questionnaire distribution list and telephone follow-up calls were made in order to increase the response rate. During the telephone follow-ups, it was found that some hotels had misplaced or did not receive the questionnaire. Therefore, the questionnaire was sent again to those who still wanted to participate in the survey. Fax and email were also used both for the second distribution of questionnaires and their return to save delivering time. In total 277 replies were received representing a response rate of 64.3%. From these results, even if this sample population approximates the overall distribution of hotel population in Korea, it is clear that hotel samples are skewed toward the Seoul area because of the distribution of hotels in Korea and may therefore be biased. In the discussion below the statements that the respondents evaluated are placed in inverted commas.

## Results and Discussion

### Profile of respondents

Of the respondents 69.5% were GMs and 24.2% had between 16 to 20 years length of work in the hotel industry. 98.1% of respondents were Korean and 97.5% were male. In terms of the characteristics of the respondents' hotels, 42.2% were rated as first class hotels and 22.4% were located in Seoul. 55.2% of respondents were located in cities hosting World Cup games. Of the sample population 41.2% were hotels holding between 51-100 rooms which reflects a high response rate from first class hotels (Pearson Chi-Square Value (PCSV): 240.000, Significant Level (SL): 0.000). Host cities (HCs) have a greater number of deluxe 1<sup>st</sup> class (7.8%), deluxe 2<sup>nd</sup> class (18.3%) and third class (13.7%) hotels than non-host cities (NHCs) (4.8%, 8.3% and 8.1% respectively). The majority of the deluxe (deluxe 1<sup>st</sup> and deluxe 2<sup>nd</sup> class) hotels have over 151 rooms. Deluxe (deluxe 1<sup>st</sup> and deluxe 2<sup>nd</sup> class) hotels have more rooms than first, second and third class hotels.

The surprising predominance of males (97.5%) result when compared to the gender balance of the Korean accommodation and restaurant workers (32.1% male) (National Statistics 1998) supports Peacock's (1995) notion that there is an extremely low proportion of senior female hospitality managers in the hotel industry.

Even though the entire population was sampled, the results are predominantly those of first class hotels because factors other than equal probability of being chosen in each sample may be present. Moreover, 79.8% (n=221) were found to be non-deluxe (first, second and third class) and 20.2% (n=56) were deluxe (deluxe 1<sup>st</sup> and deluxe 2<sup>nd</sup> class) hotels. Therefore, this study's results would more likely reflect the non-deluxe hotels and HC's perspectives of the 2002 Football World Cup.

70.9% of deluxe (deluxe 1<sup>st</sup> and deluxe 2<sup>nd</sup> class) hotels perceived that the World Cup would increase revenue in relation to their hotel. While 55.9% and 45.1% of first and second class hotels showed agreement with 'increases revenue' in relation to their hotel respectively, only 35.5% of third class hotels showed positive agreement (PCSV: 39.461, SL: 0.000). Moreover, deluxe (deluxe 1<sup>st</sup> and deluxe 2<sup>nd</sup> class) hotels showed higher agreement (50.0%) on 'increases international guests after the event' than first (35.9%), second (32.9%) and third (22.6%) class hotels (PCSV: 25.258, SL: 0.014). In other words deluxe hotels perceived that they will get benefits from the Football World Cup even after the event is finished. These results reflect Chon and Shin's (1990) note that deluxe class hotels that cater mostly to international visitors experience the highest occupancy rates in general (Table 3). Deluxe (deluxe 1<sup>st</sup> and deluxe 2<sup>nd</sup> class) hotels showed higher agreement (51.9%) with 'increases hotel room prices' than first (30.7%), second (17.2%) and third (19.4%) class (PCSV: 32.395, SL: 0.001). The deluxe (deluxe 1<sup>st</sup> and deluxe 2<sup>nd</sup> class) hotels perceived they have a greater opportunity to increase their hotel room numbers.

Table 3 Hotel room occupancy rates by classification (unit: %)

Classification	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	Average	2000
Super Deluxe (=Deluxe 1 <sup>st</sup> class)	74.2	73.1	70.4	69.0	75.5	76.2	71.2	71.9	70.1	72.8	72.5	72.0
Deluxe (=Deluxe 2 <sup>nd</sup> class)	70.1	69.5	66.3	69.0	73.7	77.5	73.9	71.3	67.8	72.8	71.2	72.8
First class	59.3	61.9	59.9	62.3	68.3	68.8	63.5	60.1	52.8	58.4	61.5	64.0
Second class	60.4	61.8	61.2	61.5	65.1	63.8	59.6	56.5	47.6	48.6	58.6	53.6
Third class	50.5	54.1	52.0	50.1	51.6	50.4	50.2	45.6	41.8	39.8	48.6	46.1
Public hotels	42.7	46.6	50.9	42.2	57.0	59.5	57.0	42.2	41.5	39.2	47.9	*
Family hotels	-	-	-	-	-	39.3	31.8	38.9	35.9	37.3	36.6	39.1
Traditional Korean hotels	-	-	-	-	-	58.1	57.3	60.9	60.0	63.9	60.0	63.8
Total	63.6	64.3	62.6	63.2	68.7	67.4	65.8	62.7	58.1	61.8	63.8	65.1

(Source: KHA in MCT and KNT0 2000, MCT and KNT0 2001)

(Note: \*=Public Hotels are included in Family Hotels by the revision of related laws, Average=Accumulated year between 1990-1999)

## Results of private sector, city/town and national level

From the perspective of individual hotels, the highest ranking benefit was in terms of tourism and commercial impacts, namely that the mega-event would increase international guests during the hosting of the event (mean=3.79). Economic impact such as 'increases revenues' was the second highest expected benefit which is a surprising result when compared with city/town and national level results. 'Overcrowding in your hotel facilities' (mean=2.68) was perceived as the highest cost followed by 'lack of parking lots' (mean=2.67) (Table 4).



Table 4 The perspectives of the Korean hotel sector on the potential impacts of co-hosting the 2002 Soccer World Cup

R	Variables	Mean	1		2		3		4		5		Total		Missing	
			f	%	f	%	f	%	f	%	f	%	f	%	f	%
<b><u>Tourism/commercial benefits</u></b>																
1	Increases international guests during the event	3.79	14	5.1	31	11.2	44	15.9	97	35.0	91	32.9	277	100	0	0
4	Increases international guests before the event	3.33	19	6.9	54	19.5	55	19.9	109	39.4	37	13.4	274	98.9	3	1.1
5	Increases domestic guests during the event	3.25	21	7.6	60	21.7	69	24.9	82	29.6	45	16.2	277	100	0	0
8	Stimulates conferences before, during, and after event	3.21	31	11.2	40	14.4	74	26.7	96	34.7	31	11.2	272	98.2	5	1.8
<b><u>Physical/environmental benefits</u></b>																
6	Improves/creates congress, conference and exhibition facilities	3.24	38	13.7	28	10.1	74	26.7	103	37.2	34	12.3	277	100	0	0
11	Creates/develops recreation facilities	3.03	41	14.8	47	17.0	72	26.0	88	31.8	24	8.7	272	98.2	5	1.8
16	Increases room numbers	2.82	71	25.6	45	16.2	53	19.1	75	27.1	31	11.2	275	99.3	2	0.7
<b><u>Physical/environmental costs</u></b>																
18	Overcrowding in your hotel facilities	2.68	45	16.2	68	24.5	100	36.1	53	19.1	8	2.9	274	98.9	3	1.1
19	Lack of parking lots	2.67	63	22.7	58	20.9	76	27.4	60	21.7	17	6.1	274	98.9	3	1.1
20	Underutilized hotel facilities after the event has ended	2.50	61	22.0	74	26.7	89	32.1	33	11.9	14	5.1	271	97.8	6	2.2
<b><u>Economic benefits</u></b>																
2	Increases revenue	3.53	13	4.7	29	10.5	83	30.0	91	32.9	54	19.5	270	97.5	7	2.5
7	Creates/increases additional employment	3.22	26	9.4	49	17.7	68	24.5	97	35.0	32	11.6	272	98.2	5	1.8
15	Increases your hotel room prices	2.83	48	17.3	48	17.3	94	33.9	67	24.2	15	5.4	272	98.2	5	1.8
21	Reduces hotel tax	2.46	69	24.9	69	24.9	82	29.6	38	13.7	12	4.3	270	97.5	7	2.5
<b><u>Socio-cultural costs</u></b>																
22	Increases crime around your hotel	1.89	111	40.1	85	30.7	54	19.5	11	4.0	2	0.7	263	94.9	14	5.1
24	Increases prostitution around your hotel	1.78	135	48.7	86	31.0	37	13.4	16	5.8	2	0.7	276	99.6	1	0.4
<b><u>Psychological benefits</u></b>																
3	Increases in your hotel staff's pride	3.38	15	5.4	37	13.4	95	34.3	89	32.1	41	14.8	277	100	0	0

(Note: Scale indicates 1=Strongly disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly agree, R= Ranking among overall 24 variables in individual F= Frequency, %=Percent)

In terms of impacts on the city or town, the highest ranked benefit was 'improves sports facilities' (mean=3.79). The second highest benefit to a city/town was perceived as 'increases hotel occupancy' (mean=3.75) and 'improves road conditions, transportation facilities' (mean=3.75). The economic impact of 'increases revenue' (mean=3.37) was ranked sixteenth. The greatest perceived cost to the city/town was 'increases in traffic congestion' (mean=3.41). The hotel sector also perceived that the event would increase inflation to the city/town (mean=3.38), that there would be a lack of rooms (mean=3.13) and parking lots (mean=3.11) (Table 5).

Table 5 The perspectives of the Korean hotel sector on the potential impacts of co-hosting the World Cup at the city/town level

R	Variables	Mean	1		2		3		4		5		Total		Missing	
			f	%	f	%	f	%	f	%	f	%	f	%	f	%
<b>Physical/environmental benefits</b>																
1	Improves sports facilities	3.79	12	4.3	24	8.7	45	16.2	122	44.0	72	26.0	275	99.3	2	0.7
2	Improves road conditions, transportation facilities	3.75	9	3.2	22	7.9	53	19.1	56	20.2	135	48.7	275	99.3	2	0.7
4	Increases/improves development of the airport infrastructure	3.68	12	4.3	15	5.4	66	23.8	131	47.3	46	16.6	270	97.5	7	2.5
5	Improves congress, conference and exhibition facilities	3.60	15	5.4	22	7.9	58	20.9	142	51.3	37	13.4	274	98.9	3	1.1
12	Increases number of hotels and hotel rooms	3.41	23	8.3	29	10.5	72	26.0	112	40.4	37	13.4	273	98.6	4	1.4
<b>Physical/environmental costs</b>																
12	Increases in traffic congestion	3.41	26	9.4	34	12.3	72	26.0	86	31.0	56	20.2	274	98.9	3	1.1
28	Lack of parking lots	3.11	35	12.6	49	17.7	73	26.4	84	30.3	32	11.6	273	98.6	4	1.4
30	Underutilized event facilities after the event has ended in relation to city/town	3.02	28	10.1	58	20.9	96	34.7	62	22.4	29	10.5	273	98.6	4	1.4
<b>Tourism/commercial benefits</b>																
2	Increases hotel occupancy rates	3.75	10	3.6	18	6.5	64	23.1	123	44.4	60	21.7	275	99.3	2	0.7
6	Increases international visitors to your city/town during the event	3.58	14	5.1	34	12.3	65	23.5	102	36.8	59	21.3	274	98.9	3	1.1
7	Improves the quality of restaurants	3.55	10	3.6	17	6.1	88	31.8	132	47.7	28	10.1	275	99.3	2	0.7
8	Increases the interest of local residents in tourism	3.48	10	3.6	31	11.2	84	30.3	113	40.8	35	12.6	273	98.6	4	1.4
<b>Tourism/commercial costs</b>																
26	Lack of hotel rooms	3.13	30	10.8	65	23.5	60	21.7	68	24.5	46	16.6	269	97.1	8	2.9
<b>Economic benefits</b>																
16	Increases revenue	3.37	20	7.2	46	16.6	69	24.9	90	32.5	49	17.7	274	98.9	3	1.1
20	Creates/increases additional employment	3.27	21	7.6	52	18.8	67	24.2	103	37.2	32	11.6	275	99.3	2	0.7
<b>Economic costs</b>																
15	Increases inflation	3.38	16	5.8	29	10.5	94	33.9	104	37.5	31	11.2	274	98.9	3	1.1
31	Increases real estate prices	2.99	29	10.5	43	15.5	120	43.3	64	23.1	17	6.1	273	98.6	4	1.4
32	Increases hotel room prices	2.95	43	15.5	45	16.2	86	31.0	72	26.0	23	8.3	269	97.1	8	2.9
36	Creates city/town economic deficit	2.58	44	15.9	79	28.5	108	39.0	28	10.1	13	4.7	272	98.2	5	1.8
<b>Socio-cultural benefits</b>																
12	Increases cultural understanding and different lifestyles	3.41	11	4.0	32	11.6	94	33.9	107	38.6	29	10.5	273	98.6	4	1.4
21	Increases personal interaction between the visitors and the host	3.25	16	5.8	37	13.4	100	36.1	103	37.2	17	6.1	273	98.6	4	1.4
<b>Socio-cultural costs</b>																
37	Increases crime	2.38	59	21.3	100	36.1	74	26.7	33	11.9	8	2.9	274	98.9	3	1.1
39	Increases prostitution	2.32	72	26.0	88	31.8	73	26.4	34	12.3	6	2.2	273	98.6	4	1.4
40	Forces eviction and relocation of tenants	2.12	83	30.0	99	35.7	73	26.4	11	4.0	7	2.5	273	98.6	4	1.4
<b>Psychological benefits</b>																
11	Increases in city/town pride	3.42	16	5.8	31	11.2	86	31.0	104	37.5	37	13.4	274	98.9	3	1.1

(Note: Scale indicates 1=Strongly disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly agree, R= Ranking among 40 variables in city/town, F= Frequency, %=Percent)

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The perceived highest ranking benefit at the national level was 'increases international visitors to Korea during the event' (mean=4.22) which is a tourism/commercial impact. The second highest perceived benefit at the national level was 'improves/creates sports facilities' (mean=4.18), followed by 'increases hotel occupancy rates' (mean=4.16), and 'increases in inbound and outbound tourism between Korea and Japan during the event' (mean=4.13). However, at the national level more intangible benefits were also regarded as significant. The fifth highest ranked benefit was that the event would 'increase Korean national pride' (mean=4.03), followed by 'enhances Korea's image tarnished by its recent economic crisis' (mean=4.00), and contribution to 'promotion of Korean products' (mean=3.99) (Table 6). The hotel sector perceived that the highest negative cost to the nation would be 'lack of rooms' (mean=3.76) (rank 21). The impact of 'increases traffic congestion' (mean=3.68) and 'lack of parking lots in tourist areas' (mean=3.53) were also perceived as significant issues (Table 6).

In contrast to some previous research on the negative impacts of hallmark events (Hall and Hodges 1996; Olds 1998) the likelihood that the World Cup 'increases crime' and 'increases prostitution' received a high level of disagreement at the hotel level (mean=1.89 and mean=1.78). There was a more ambivalent response at the city/town (mean=2.38 and mean=2.32) and at the national (mean=2.50 and mean=2.47) level. Similarly, the variable that the event 'forces eviction and relocation of tenants', a situation that occurred prior to the Seoul Olympic Games (Hall 1992), received the highest disagreement at the city/town and at the national level with mean responses of 2.12 and 2.26 respectively.

Table 6 Perspectives of the hotel sector on the potential impacts of co-habiting the World Cup at a national level

R	Variables	Mean	1		2		3		4		5		Total	Missing		
			f	%	f	%	f	%	f	%	f	%		f	%	
<b>Tourism/commercial benefits</b>																
1	Increases international visitors to Korea during the event	4.22	0	0	4	1.4	33	11.9	136	49.1	101	36.5	274	98.9	3	1.1
3	Increases hotel occupancy rates	4.16	2	0.7	3	1.1	35	12.6	144	52.0	91	32.9	275	99.3	2	0.7
4	Increases in inbound and outbound tourism between Korea and Japan during the event	4.13	0	0	3	1.1	37	13.4	153	56.0	79	28.5	274	98.9	3	1.1
6	Enhances Korea's image tarnished by its recent economic crisis	4.00	1	0.4	6	2.2	41	14.8	172	62.1	55	19.9	275	99.3	3	0.7
7	Promotions of Korean products	3.99	1	0.4	5	1.8	45	16.2	169	61.0	54	19.5	274	98.9	3	1.1
11	Opening of new resorts and additional rights from and to other countries	3.93	3	1.1	9	3.2	53	19.4	149	53.8	61	22.0	275	99.3	2	0.7
13	Stimulates conferences, congress and exhibitions before, during, and after event	3.90	5	1.8	4	1.4	51	18.4	168	60.6	47	17.0	275	99.3	2	0.7
45	Decreases the high dependency of Korean tourism industry on the Japanese market	3.20	9	3.2	43	15.5	125	45.1	79	28.5	18	6.5	274	98.9	3	1.1
<b>Tourism/commercial costs</b>																
21	Lack of hotel rooms	3.76	11	4.0	23	8.3	54	19.5	117	42.2	68	24.5	273	98.6	4	1.4
<b>Physical/environmental benefits</b>																
2	Improves/creates sports facilities	4.18	0	0	2	0.7	33	11.9	154	55.6	86	31.0	275	99.3	2	0.7
9	Improves road conditions, transportation facilities and systems	3.98	1	0.4	7	2.5	47	17.0	162	58.5	58	20.9	275	99.3	2	0.7
10	Increases/improves development of the airport infrastructure and systems	3.96	2	0.7	3	1.1	52	18.8	164	59.2	54	19.5	275	99.3	2	0.7
12	Improves/creates congress, conference and exhibition facilities	3.91	0	0	10	3.6	54	19.5	163	58.8	48	17.3	275	99.3	2	0.7
15	Increases number of hotels and hotel rooms	3.87	4	1.4	11	4.0	54	19.5	151	54.5	53	19.1	273	98.6	4	1.4
<b>Physical/environmental costs</b>																
29	Increases traffic congestion	3.68	10	3.6	21	7.6	74	26.7	110	39.7	58	20.9	273	98.6	4	1.4
36	Lack of parking lots in tourist area	3.53	6	2.2	31	11.2	90	32.5	108	38.3	41	14.8	274	98.9	3	1.1
38	Creates unequal distribution of hotel development	3.44	14	5.1	26	9.4	101	36.5	89	32.1	42	15.2	272	98.2	5	1.8
40	Underutilized event facilities after the event has ended	3.35	4	1.4	47	17.0	108	39.0	77	27.8	37	13.4	273	98.6	4	1.4
<b>Economic benefits</b>																
25	Increases government revenue	3.72	2	0.7	14	5.1	86	31.0	127	45.8	44	15.9	273	98.6	4	1.4
29	Creates/increases additional employment	3.68	3	1.1	16	5.8	83	30.0	136	49.1	37	13.6	275	99.3	2	0.7
33	Boost the current economic downturn	3.62	1	0.4	26	9.4	84	30.3	130	46.9	34	12.3	275	99.3	2	0.7
37	Increases inflation	3.59	4	1.4	25	9.0	103	37.2	114	41.2	27	9.7	273	98.6	4	1.4
39	Increases hotel room prices	3.26	16	5.8	37	13.4	82	29.6	109	39.4	30	10.8	274	98.9	3	1.1
42	Increases real estate prices	3.27	10	3.6	40	14.4	111	40.1	91	32.9	22	7.9	274	98.9	3	1.1
46	Creates government deficit	2.85	29	10.5	64	23.1	118	42.6	46	16.6	17	6.1	274	98.9	3	1.1
<b>Socio-cultural intangible benefits</b>																
16	Strengthening of Korean cultural values	3.83	3	1.1	8	2.9	63	22.7	161	58.1	40	14.4	275	99.3	2	0.7
28	Increases cultural understanding and different lifestyles	3.80	1	0.4	11	4.0	92	33.2	159	56.2	31	11.2	274	98.9	3	1.1
<b>Socio-cultural intangible costs</b>																
51	Increases crime	2.50	58	20.9	78	28.2	89	32.1	40	14.4	9	3.2	274	98.9	3	1.1
52	Increases prostitution	2.47	65	23.5	78	28.2	79	28.5	42	15.2	10	3.6	274	98.9	3	1.1
53	Forces eviction and relocation of tenants	2.26	63	22.7	97	35.0	90	32.5	17	6.1	3	1.1	270	97.5	7	2.5
<b>Psychological benefits</b>																
5	Increases Korean national pride	4.03	1	0.4	9	3.2	36	13.0	163	58.8	65	23.5	274	98.9	3	1.1
<b>Political benefits</b>																
14	Improvement of diplomatic relations with other countries	3.88	3	1.1	5	1.8	58	20.9	163	58.8	45	16.2	274	98.9	3	1.1
17	Increases positive tourism image among Koreans	3.90	2	0.7	13	4.7	66	23.8	132	47.9	42	15.2	275	99.3	2	0.7

(Note: Scale indicates 1=Strongly disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly agree, R=Ranking among 53 variables in Korea, f=Frequency, %=Percent)

The capital Seoul was perceived as the city receiving the most benefit among HCs from the 2002 Football World Cup (mean=4.57). The city next likely to gain benefits from the event was perceived to be Busan (mean=3.90), followed by Seogwipo (mean=3.82) (Table 7). Cross-tabulation tests conducted on HCs and NHCs and individual city/town and national variables indicated that there were very significant differences between perspectives on HCs and NHCs. HCs registered higher agreement for both positive and negative impact variables than NHCs on the individual, city/town and nation levels. Surprisingly, only one variable, 'forces eviction and relocation of tenants', was not perceived as significantly different between HCs and NHCs among the 43 city/town variables surveyed. Whereas only two out of 53 variables were found to be significantly different between HCs and NHCs at the national level, namely 'creates unequal distribution of hotel development and 'increases traffic congestion'. Eight variables are perceived as significantly different between HCs and NHCs on the individual hotel level.

**Perspective impacts of private sector, city/town and national level**

The research findings indicate that there are perceived benefits by the Korean hotel sector to co-hosting the 2002 Football World Cup, although these benefits vary at different levels i.e., to the individual hotel, to the city/town and to the nation. HCs are perceived as receiving more benefits than NHCs whilst also incurring more costs than NHCs. The Korean hotel sector believed that Seoul would gain the most benefit from the co-hosting of the

**Table 7: Ranking of hotel managers perceptions of the extent to which host cities would benefit from hosting the Football World Cup**

R	City	Mean	1		2		3		4		5		Missing	
			f	%	f	%	f	%	f	%	f	%	f	%
1	Seoul	4.57	0	0	3	1.1	15	5.4	66	23.8	161	58.1	32	11.6
2	Busan	3.90	2	0.7	3	1.1	63	22.7	130	46.9	50	18.1	29	10.5
3	Seogwipo	3.82	3	1.1	14	5.1	72	26.0	93	33.6	64	23.1	31	11.2
4	Incheon	3.61	0	0	15	5.4	92	33.2	107	38.6	28	10.1	35	12.6
5	Suwon	3.59	1	0.4	14	5.1	91	32.9	109	39.4	24	8.7	38	13.7
6	Daegon	3.44	1	0.4	12	4.3	127	45.8	79	28.5	20	7.2	38	13.7
7	Gwangju	3.35	3	1.1	25	9.0	123	44.4	67	27.2	25	9.0	34	12.3
7	Daegu	3.35	1	0.4	17	6.1	137	49.5	78	28.2	14	5.1	30	10.8
9	Ulsan	3.25	3	1.1	26	9.4	135	48.7	60	21.7	16	5.8	37	13.4
10	Jeonju	3.18	4	1.4	44	15.9	118	42.6	59	21.3	18	6.5	34	12.3

(Note: Scale indicates 1=No benefit, 2=Little benefit, 3=Moderate benefit, 4=Good benefit, 5=Great benefit, f= Frequency)

Football World Cup 2002. In addition, deluxe hotels perceived that they would get more benefits than non-deluxe hotels.

The hotel sector perceived that by co-hosting the 2002 Football World Cup, Korea as a nation would gain the greater benefit than would their city/town or their own hotel. Thus this result confirms Sparrow's (1989) observation that hosting a hallmark event is regarded mainly a national challenge while having significant impact on the HCs and their hotels. Whilst Korea would get more benefits, the nation would also incur more costs than their city/town and their hotel.

However, at the national level, this study produced lower agreement on positive impacts and higher agreement on negative impacts than Jeong's (1988) pre-event study of impact perspectives of the 1988 Seoul Olympics. This result may be because the benefits of the event were considered as less significant while the costs were given more emphasis as a result of the respondents' experience of the 1988 Seoul Olympics. Jeong's (1987, 1988) study's positive results may be influenced by the prospects that his respondents could have had high expectations and were highly optimistic about the positive impact from the 1988 Seoul Olympics, which was the first sporting mega-event held in Korea, whereas the Soccer World Cup which this research examines was seen in light of prior experience.

In addition, this study's results showed that negative impact variables received lower mean agreement and some positive impact variables received higher mean agreement than Jeong's (1992) post-Olympic impacts study and Jeong and Faulkner's (1996) post-Expo impacts study. This outcome may be because a post-event impact study is based on real experiences rather than the possibly optimistic perspectives of future impacts of a pre-event survey such as those found in this study.

### **Tourism/commercial impacts**

The majority of high mean perspectives on the positive impacts of a co-hosted Football World Cup 2002 at the national level were in relation to tourism/commercial impact benefits. This result is consistent with the findings of Jeong (1988) and also reconfirms Ritchie's (1984) notion that tourism/commercial impacts are primarily positive in nature. Similarly, this result supports Hall (1992) and Getz's (1998) observations that governments generally host events because they regard them as inherently 'good'.

Even though the 2002 Football World Cup was co-hosted in two countries, so visitors would be divided between Korea and Japan, the respondents showed the most positive level of expectation that hosting the 2002 World Cup would increase international visitors to Korea during the event. This result supports the notion of Ritchie (1984), Getz (1991, 1998) and Hall (1992) that the key role of hallmark events is the tourism impact which attract large numbers of foreign tourists

during the event. This implies that the co-hosted 2002 World Cup event would increase visitors to Korea during the event similar to the increase in visitor numbers that the 1988 Seoul Olympic brought to Korea. The total number of tourists and participants to the 1988 Olympics was 241,000 and the total number of international visitors to Korea for 1988 was 2,340,000 (Chon and Shin 1990). The first ranking result supports and may make possible Kim's (1996) prediction that the expected number of tourists to Korea in the year 2002 will reach around seven million, making Korea one of the top-ranking tourist countries in the world. Moreover, the respondents showed the highest positive agreement that hosting the World Cup 2002 would bring benefits of 'increase international guests during the event' to individual hotels in relation to tourism/commercial impact benefits. This might reflect the national level's highest positive agreement result.

High positive agreement of 'increases hotel occupancy rates' at a national level (ranked 3<sup>rd</sup>, mean=4.16) and at a city/town level (ranked 2<sup>nd</sup>, mean=3.75) may confirm the school of thought that the event brings benefits to the accommodation sector. These results are consistent with Jeong's (1987) study result of low agreement on 'possibility of low occupancy rate' (2.9). However, since the present study surveyed the hotel industry's perspectives on the impacts of the Football World Cup its perspectives are undoubtedly more directly concerned with its immediate benefits from the event and thus result in a positive agreement.

Due to the co-hosting arrangements between Korea and Japan, it is perhaps not surprising that respondents strongly agreed that the World Cup would increase inbound and outbound tourism between the two countries during the event (mean=4.13). However, respondents perceived a lower agreement for 'decreases the high dependency of the Korean tourism industry on the Japanese market' (mean=3.2) than Jeong's (1988) study (mean=3.9). With this study's finding supporting the traditional dependence on Japan for Korean tourism the highly agreed result that the World Cup would increase the inbound and outbound tourism between Korea and Japan is not expected.

The consistency between the results of this study and Jeong's (1988) findings on the role of the Olympics in modifying Korea's image also supports Getz's (1991, 1998) and Hall's (1992, 1996) observation that one of the key roles of mega-events is to a 'create a positive image' of the host country. This finding may be of substantial importance for the likelihood of increased sales of Korean products as a result of the event's international profile. For example, Korea was seeking to market the Prospects sports brand, Samsung and LG electrical goods and electronics, Hyundai, Daewoo and Kia car brand names to the world through the 2002 Football World Cup (Park and Yoon 1996).

Undoubtedly, the greatest concerns of the respondents were in relation to the lack of rooms available in Korea and increases in room prices as a result of

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increased demand. This result is consistent with Lee's (2000) and Kim's (1996) prediction that there would be a lack of hotel rooms during the Football World Cup 2002 tournament. Interestingly, these problems tended to be more readily identified by hotels in Seoul than outside Seoul (lack of rooms: PCSV: 12.349, SL: 0.015, increases room prices: PCSV: 29.096, SL: 0.000). This finding also confirms this study's result that hotel location in Seoul would equate with higher room occupancy rates (PCSV: 26.012, SL: 0.000) than other HCs and NHCs. This result supports traditional high occupancy rates of hotel location in Seoul (Table 8). In addition, while the World Cup was perceived as increasing the accommodation stock, the relative increase was less than when compared to growth prior to the 1988 Summer Olympics (Lee 1999).

**Table 8 Hotel room occupancy rates by city/province (unit: %)**

City/Province	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	Average	2000
Seoul	72	71	70	73	78	79.0	74.4	76.9	78.0	81.4	75.4	80.8
Busan	60	64	60	60	67	69.7	67.8	61.4	55.8	59.7	62.5	62.0
Daegu	62	67	67	68	74	70.3	66.8	61.6	47.2	48.5	63.2	49.7
Incheon	64	65	60	63	73	72.6	70.6	66.3	48.2	58.1	64.1	66.2
Gwangju	70	68	68	66	72	63.9	57.8	53.9	43.3	50.8	61.4	51.9
Daejeon	54	53	48	54	49	51.4	53.8	51.1	44.3	49.0	50.8	55.1
Ulsan	-	-	-	-	-	-	-	72.5	57.3	63.1	64.3	61.5
Gyeonggi Province	59	60	61	64	70	64.7	64.3	57.3	47.5	54.5	60.2	62.5
Gangwon Province	43	44	46	45	48	49.5	46.4	44.5	33.1	39.1	43.9	39.8
Chungbuk Province	58	57	57	54	59	55.3	50.6	46.2	35.3	41.3	51.4	49.6
Chungnam Province	44	49	47	46	50	49.3	46.6	43.8	36.7	39.9	45.2	56.2
Jeonbuk Province	50	50	49	51	56	39.8	54.3	31.1	28.5	34.3	44.4	37.0
Jeonnam Province	56	56	54	53	56	55.1	50.2	41.0	45.6	41.0	50.8	47.3
Gyeongbuk Province	53	54	53	49	56	54.2	55.1	48.1	41.4	43.2	50.7	48.5
Gyeongnam Province	53	55	53	51	59	60.0	57.2	49.3	45.9	50.3	53.4	51.1
Jeju Province	64	69	68	66	70	71.7	68.4	69.1	62.4	67.1	67.6	72.0
Average	64	64	63	63	69	67.4	65.8	62.7	58.1	61.8	63.9	65.1

(Source: KHA in MCT and KNT0 2000, MCT and KNT0 2001)

(Note: \* = Public Hotels are included in Family Hotels by the revision of related laws, Average = Accumulated year between 1990-1999) Suwon city located in Gyeonggi Province, Jeonju city located in Jeonbuk Province, Seogwipo city located in Jeju Province

### Physical/environmental impacts

In contrast to national and individual level, the majority and the highest positive perceived benefits were physical/environmental impacts at the city/town level. The respondents perceived that the improvement or building of sports facilities as a result of the 2002 World Cup would be a major environmental/physical impact at the city/town and at the national level. This result was perhaps likely because in order to successfully bid to host the 2002 Football World Cup Korea had to have sufficient quality football stadiums which met FIFA's requirements including a new stadium for each HC (WCOIA 1995). Other FIFA requirements included accommodation and transport in the host country (WCOIA 1995). Because of Football World Cup 2002 bid requirements, it is not surprising that the statement 'improve/creates sports facilities' received a high perception ranking as developing such sporting facilities was a prerequisite for hosting the tournament. Undoubtedly, such facilities may provide a lasting legacy to HCs and the nation as a whole that could contribute substantially to future social and economic well-being.

The higher rank result of 'improves/creates sports facilities' at the city/town rather than at the national level might be explained by the fact that unlike other hallmark events where the venue is in one city, a character of Football World Cups is to share the event around 8-10 host venues. This ranking perspective is probably due to the fact that the World Cup 2002 event will be staged in 20 HCs, shared equally between Korea and Japan. This notion is also supported in this study's results in that HCs perceived a higher agreement than NHCs for this variable. 86.8% of HCs agreed that the World Cup would improve/create sports city/town facilities (PCSV: 52.437, SL: 0.000). This is the highest agreement of all the significant relationship results between HCs/NHCs not only at the city/town, but also at national and individual hotel level.

These results as to the benefit to the city and the nation do not support Getz's (1998) argument, in the Korean context at least, that in many cases there is no clear evidence that a facility or infrastructure development would not have been provided without the event or has not just been accelerated because of an event. This study's majority of high mean variables in the physical impact category result at the city level and the results of previous studies (e.g. Jeong 1992; Jeong and Faulkner 1996) also conflict with Getz's statement. On the other hand, respondents' concern about underutilized event facilities after the event featured both at national and city/town levels. This finding supports Getz's (1998) argument that special-purpose facilities created for specific sports in fact only have limited economic potential depending on the extent of use and crowd-pulling capacity once the event is over. Significantly, Cho (1999) noted that the Korean government loses money every year on the Olympic stadium and the Daejeon Expo facilities through poor management in relation to their long-term use.

The highly positive perception of 'improves road conditions, transportation facilities' and 'increases/improves development of airport infrastructure' at a national and city/town level reconfirms Kim (1996) and Hall's (1997b) observations that the hosting of hallmark events is often deliberately exploited in an attempt to redevelop urban areas. This result can be confirmed with the actual redevelopment in each HC (Korean Organising Committee for the 2002 FIFA World Cup Korea/Japan (KOWOC) 2000) and Korea as a whole in order to meet FIFA's successful bid requirements with respect to stadia, accommodation and transport infrastructure.

Consistent findings at a national level (a high agreement as a negative impact) and at city/town (the most negative impact) between this and Jeong's (1992) study indicate that the World Cup would also increase traffic congestion and create lack of parking lots. The significant relationship between 'increases traffic congestion' and both HC/NHC (PCSV: 29.877, SL: 0.000) and Seoul/non-Seoul (PCSV: 21.789, SL: 0.000) variables found that Seoul would experience the greatest increase in traffic congestion.



The consistent results of this study on the majority of high mean variables being in the physical impact category at the city/town level support the idea that event legacies are mostly associated with tangible urban development impacts (Jeong 1992; Jeong and Faulkner 1996). These also reflect Hall's (1992, 1997) belief that most city level benefits are physical benefits as a result of hallmark events being used as a catalyst for both tourism development and urban renewal.

### **Economic impacts**

'Increases government revenue' (3.72) receiving less agreement than other tourism/commercial impact variables is also consistent with the low agreement result of 'boost the current economic downturn' (3.62). Overall the rankings imply that there is a lower expectation of economic benefits than tourism/commercial benefits from the co-hosting of the Football World Cup. A lower expectation of economic impacts as compared to tourism/commercial impacts was consistent with Jeong's (1987) study. This may be explained by the fact that no recent Olympic Games has shown a short term economic profit (Jeong 1987; Ahmed et.al. 1996), nor has anyone expected them to and the same could be said about the 2002 Football World Cup with the predicted sharing of World Cup profits (as against receiving the total profits in a one-country-one-tournament bid). Given the halo effects from the 1988 Olympics, 1988 tourism receipts for Korea reached US\$ 6,865 million which ranked it 16<sup>th</sup> in the world in terms of tourism earnings (WTO 2001 in MCT and KNTD 2001). Thus, while there was undoubted growth while the World Cup was being conducted, a longer-term study of economic benefits is desirable (Ritchie 1984; Hall 1992; French and Disher 1997; Cashman 1999).

In contrast to the national and city/town level, the hotel sector highly agreed that individual hotels would benefit economically during the World Cup (2<sup>nd</sup> highest ranking). This perception is probably due to a direct correlation between 'increase guest numbers' (1<sup>st</sup> ranked) and their accommodation expenditure. In addition, individual hotels do not have to contribute to the costs of staging such a national event so therefore their income from the World Cup would be expected to be greater.

The respondents were more concerned that the World Cup would increase inflation at the city/town level. Increase inflation result might reflect the high agreement that the World Cup would improve or build sports facilities that would be of benefit to the city. Each HC spent massive amounts of money (nearly US\$ 1,513 million overall South Korea) to build a new soccer stadia for the event (Haruo and Toshio 2002). These results showed HCs should both experience the merits and demerits of staging the 2002 World Cup. 'Improvement or building of new soccer stadiums' were major benefits for HCs. On the other hand a major concern was the burden of long term inflation.

The 'reduce hotel tax' (mean=2,46) result at the hotel level indicates that respondents disagreed with this variable despite the government having implemented a series of measures since 1997, including financial and tax incentives, to stimulate the development of tourist hotels in order to expand accommodation for foreign visitors (MCT 1999). This study's finding might be explained by the probability that the availability of tax incentives from the government is limited to just a few hotels and that such incentives benefit hotels less than other industries who receive a greater level of tax incentive.

### **Socio-cultural impacts**

Despite preparing the rehabilitation and beautification of numerous areas of Seoul for the 1988 Olympic Games, many communities were evicted from sites with about 750,000 people being forcibly relocated (Asian Coalition for Housing Rights 1989 in Olds 1998; Shapcott 1998). Similarly, Hall (1994) and Hodges and Hall's (1996) identification such issues in the case of other events. Given this history it was surprising that the statement regarding 'forced eviction and relocation of tenants' received little agreement from respondents. This result may imply that this issue is possibly more unique to western countries such as Canada, where Toronto rejected a proposal to bid for the 1996 Summer Olympics in part because of protests against displacing community groups at proposed venue sites (Olds 1998). Unlike Toronto, Korea may be viewed as having gained benefits from the host event in terms of the gentrification and redevelopment of their residential areas. For example, Sang-Am area in Seoul (where Seoul World Cup Football stadium is located) is the only place left that needs redevelopment done because it was a landfill area for a long time (Min 1998).

Not unsurprisingly, the hotel sector highly disagreed that the World Cup would increase crime and prostitution around hotel areas, in the city/town and in Korea during the event. This is consistent with Jeong's (1987, 1992) findings and indicate that unlike other countries or destinations, event related crime and prostitution is perceived as being less likely to happen in Korea because of the fact that Korea has strict anti-prostitution laws (Jeong 1992).

### **Psychological impacts**

Highly ranked (5<sup>th</sup>) in Cho's (1999) findings and in this study (mean=4.03, ranked 5<sup>th</sup>) was 'increase Korean national pride' as a psychological impact. This result supports Kim's notion (1996) that co-hosting the World Cup will be a distinguishing honour for both nations. Like the Seoul Olympics (Larson and Park 1993), the World Cup undoubtedly contributed to an outburst of national pride.

### **Political impacts**

The respondents expected that the Football World Cup 2002 event would improve diplomatic relations with other countries (mean=3.88). Korea holding the World

Cup event would be at an advantage to improve closer diplomatic relations with European nations because the Korean tourism market still lacks European visitors (MCT and KNTA 2000). However, despite Korea and Japan co-hosting the World Cup 2002, respondents perceived that the mega-event is less likely to improve diplomatic relations with Japan (mean=3.71) than any other countries, which is surprising. This is probably because of the long historical differences between the two nations. However, some say that the Football World Cup 2002 may provide the two countries with a new stage for cooperation and friendship. Both have to make a greater effort to sweep away past negative feelings while honourably and successfully co-hosting an international mega-event and approach each other for mutual prosperity (Kim 1996).

### **Different perspectives between Host Cities and Non-Host Cities**

The Korean hotel sector perceived that HCs would get more benefits than NHCs whilst also incurring more costs than would NHCs. This result indicates that benefits and costs generated from hosting the sports event could be differentiated by the degree of direct (e.g., HCs) or indirect (e.g., NHCs) involvement in the event. The 'direct involvement group' has significantly more agreement perceptions towards positive and negative impacts than the 'non-involvement group' and the findings of Jeong's 1992 study support this notion.

It is interesting to note that the analysis of significant relationships between Seoul/non-Seoul and the study variables showed higher agreement for both positive and negative impacts than the analysis of significant relationships between HCs/NHCs and variables. This result indicates that respondents' believed that Seoul would receive more benefits and incur more costs than other HCs.

Moreover, two cross-tabulation tests between Seoul and Busan/non-Seoul and Busan and variables, and between Seoul, Gyeonggi and Incheon (Seoul metropolitan area)/non-Seoul, Gyeonggi and Incheon (non-Seoul metropolitan area) and variables also found that there were significant relationships. Surprisingly, most of the above significant relationship results again received a higher level of agreement for positive and negative impacts than the result of significant relationships between HCs/NHCs and variables. This implies that respondents perceived that Seoul and Busan, would get more benefits and costs than the other HCs. Additionally, Seoul, Gyeonggi and Incheon would get more benefits and costs than the other HCs. However, each HCs' actual benefit from the World Cup may differ from this study's results because it depends on actual tournament outcome in terms of teams bringing fans and spectators to the HCs. Therefore, long-term post World Cup 2002 impacts need to be measured.

### **Conclusions**

This study has examined the views of the hotel sector on the potential impacts of co-hosting the 2002 Football World Cup as part of a long-term study of pre and

post event impacts. Because the survey was conducted solely within the Korean hotel industry, the results are valid only in this context, that is, a different sample population may have different perspectives on the impacts of co-hosting the Football World Cup 2002. Further research in the area of different sample population perspectives on the co-hosting of the Football World Cup 2002 is needed. Nevertheless, the study provides perspectives on both hotel industry attitudes towards the impacts of hosting a mega-event as well as the perceived impact of a World Cup in soccer. Both of these areas are under researched in the event literature.

Despite the perceptions of some negative impacts, in general, the present study found that the Korea hotel sector was overall highly positive towards the co-hosting of the 2002 Football World Cup which was perceived by the Korean hotel sector as bringing significant benefits to both individual hotels in host cities as well as host cities overall. Therefore, this result may confirm the belief that the accommodation sector gains benefits from the such a mega-event. In addition, all respondents noted significant benefits at the national level, although also of importance is the extent to which there are differences between perceptions as to the impacts of hosting such an event between HCs and NHCs.

Overall at the individual hotel, city/town and national levels, the hotel sector's perceived costs ('overcrowding hotel facilities', 'lack of rooms', 'lack of parking lots', 'increased traffic congestion', 'inflation', and 'underutilised event facilities after the event has ended') were related to the construction cost and physical capacity of accommodation, roading and parking. The generally higher means for variables at a national level and individual level provide support for Hall's (1992) observation that events are generally seen in a positive light by government and private industry because of the perceived tourism/commercial, economic and promotional benefits in the hosting of such events. Surprisingly, however, the highest rank and the majority of high mean variables in the physical impact category at a city/town level indicated that the legacy of sports facilities was considered the greatest benefit from the hosting of the Football World Cup at the city level. In general the Korean hotel sector perceived some potential impacts of the Football World Cup as similar to the impacts of an Olympic Games and Expo. However, some results are significantly different from previous hallmark study impacts. From the study, therefore, it may be said that impacts generated from hallmark events differ from host country to host country.

To conclude this study's findings, the significant benefit and cost impacts of hallmark events differ for each particular hallmark event, over time, for each host community (country or region), each level of host community (private sector, city/town and nation), each sample population (private sector, government or residents) and for the involvement groups (direct or indirect). Thus, from the largest of mega-events through to the smallest not for profit event, the perspective of many stakeholders must be considered. Different planning and policies are

thus required to suit different hallmark events in order to maximise benefits and minimise or ameliorate costs and negative impacts. Therefore, on-going monitoring is also required to better manage impacts generated from hallmark events (Hall 1992). The next stage of the study to be conducted in 2004 will examine the post event perceptions of the Korean hotel industry with respect to the benefits of hosting the Football World Cup.

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