

Festival and special event management



IMPACT OF DLF IPL ON THE SOUTH AFRICAN COMMUNITY AND INDIAN ECONOMY

INTRODUCTION

There exists no such event whose effects can be annulled in any way. No event takes place in an isolated way, defeating the very purpose of the event. The event has direct or indirect influence on every aspect of our lives and these include social, cultural, economic, environmental or political aspects (Allen et al., 2002). The payback from an event is enormous. A lot of constructive and encouraging associations are formed during the event. This is one of the most important reasons for the attractiveness and fame of an event (Bowdin et al., 2006). It is inevitable to measure the various impacts of an event, thus ensuring the proper monitoring, control and evaluation.

Recent literatures have revealed an interesting fact, that the methods used to measure the event, and also the aspects measured differ significantly (Wood, E. H., 2005). Primarily, constructive social, cultural as well as economic impacts are normally recognized to be the probable advantage to event hosts (Veres et al., 2008). It is obvious for the hosts to have an inclination towards giving more importance to the economic impact, highly influenced by the tourism research. Economic advantages of an event are very vital to the host. Hence it is very imperative to have good frameworks for the measurement of this aspect. However, an accepted fact is that economic benefits are not the only advantage which comes with an event. Various elusive benefits have to also be measured to know how successful an event has been (Bowdin et al., 2006); Jones (2001) suggests that even if the former unconstructive effects are included having a limelight merely on straight expenses payback will still give an unfinished image. However, it is

also to keep in mind that events can sometimes have negative and unplanned consequences and these penalties can lead to the event having both media and public attention for the wrong reasons (Allen et al., 2002). This has to be kept in mind during the planning and execution of the event. The power of media in deciding how an event is shown is formidable. The media can have a strong social and cultural impact upon society. Thus the media can influence how the event is perceived, and also how it is shown to remote audiences (Getz, D., 2007). Events can basically have two kinds of outcomes i. e., positive and negative impact on the host communities and stakeholders (Allen et al., 2002). Event failures can be very devastating, bringing in negative publicity, humiliation and expensive lawsuits (Bowdin et al., 2006). Hence a lot of importance is placed on the financial impacts of an event. Factors leading to this are that both the employers and government need to meet budget goals, deadlines, and also be ready with explanations for the expenditures and an important factor is that financial impacts can be easily measured (Allen et al., 2002). Getz, D. (2002) suggests four main costs and benefits that have to be evaluated: tangible benefits, tangible costs, intangible benefits and intangible costs. Also the methods of measurement or assessment used vary with the impacts to be measured or assessed. To calculate the overall impact of the event, social and cultural benefits cannot be left out. However, rather than following a statistical approach calculating them may require a narrative approach (Bowdin et al., 2006). The impact of an event is sometimes calculated well before the event actually takes place. This is because in many scenarios, after the event policy focus shifts elsewhere (Jones, 2001). Long-term effects of an event are very crucial. No matter the event being attended or not by the local

community, the effects will be felt by them (Ritchie and Smith, 1991). The host society can be provided with a policy for putting forward their knowledge, hosting probable shareholders and endorsing new business opening by the event (Bowdin et al., 2006). These events can create possible employment opportunities during the construction phase (Allen et al., 2002). One of the most important impacts of a mega-event is on the tourism industry which would bring in lot of visitors to a particular place which has never been a tour destination before (Getz, D., 2006). This paper focuses on the various impacts of DLF IPL on the South African community and how it has contributed towards the Indian economy. It also discusses the various advantages and disadvantages that are involved with DLF IPL.

OVERVIEW OF DLF IPL

The DLF IPL is organised by the well established event management organisation IMG WORLD, LONDON. The Indian Premier League (IPL) has been produced by the joint venture between IMG and the Board of Control for Cricket in India (BCCI). For the IPL IMG explored the most favourable fair as well as mercantile model and a huge amount of \$724m were raised by carrying out the notable authorization sale procedure (IMG World, 2009). In India, IPL is one of the most economically victorious sports idea ever initiated. The IPL is played according to the most up-to-date cricket layout which is Twenty20; this decreases match playing time to three hours, and thus makes it ideal for major time television as well as live in-stadia spectators. The television production and distribution rights, franchise rights, event and venue management and sponsorship sales for the IPL is handled

by the IMG. The shifting of the venue to South Africa in the year 2009 was taken care by IMG.

IMPACT ON INDIAN ECONOMY DUE TO IPL SWITCH TO SOUTH AFRICA

All the businesses in India right from the road trader to the publicity organizations holding millions of dollars of shares are faced financial crisis because of the shift of IPL from India to South Africa due to security reasons as the IPL dates conflicted with the general election dates in India. The market analysts sensed that this sudden move from India to South Africa has grinded down from the Indian market an ample amount, adding up to the already existing despair of global financial slump. Last year the IPL had contributed up to 1 billion rupees to the Indian economy, but due to the shift to South Africa which involved a lot of additional expenditure the BCCI did not incur a lot of income. The media houses in India did undergo a major income loss, which was estimated to be from 500 million to 700 million rupees. The estimated loss when it came to the gate receipts was 500 million rupees. The hospitality industry as well as tourism industry had a major impact. But there was an advantage tagged to this shift as well which was that IPL is now seen by people as a tournament with international value.

OVERALL IMPACT OF DLF IPL ON THE SOUTH AFRICAN COMMUNITY

According to Getz (2007) all events have a direct social and cultural impact on their participants, and sometime on their wider host communities. But, some events leave a legacy of greater awareness and participation in sporting and cultural activities (Bowdin et al., 2006). The Indian Premier League (IPL) has contributed a lot towards the education in South Africa (The

Hindustan Times, 2009). According to Getz (2007) the financial profits are gained when the particular event can pull in extra income for the community benefits which is either in the form of endowments or funding. As stated by Fakir Hassen (2009) Lalit Modi, who is the man behind IPL proclaimed a scholarship of over eight million and this was one of the best programme towards community development in South Africa by a sports oriented organisation. This money given towards education benefits (Torkildsen, G., 2005) has also helped in the initiation of Help Educate and Teach (HEAT) programme that was commenced at the Alexander Sinton High School in the suburb of Athlone. The schools and individual learners will be benefited by this programme. Lalit Modi stated that any attempt towards development and strengthening of individuals as well as nation always remains as a soul of superior education. He also stated that India has emerged as a successful nation because of its strong education basis: “ This emphasis on education is now paying off many times over as India has grown into an economic powerhouse far better equipped to lift people out of poverty”(The Hindustan Times, 2009). The investment of DLF IPL in the in the education of South African community targets towards a prospect return (Getz, D., 2007) and cautious analyses of this is vital. According to one of the strategies set out by Bowdin et al. (2006) i. e., Local area strategy; the DLF IPL created a carnival atmosphere by celebrating cultures of the South African community which in turn led to the enhancement of community unity. According to the report by the Hindustan Times 32 schools have benefited from the HEAT programme. For the learners who attended the DLF IPL matches, with the cooperation of the producers of the television five learners were recognized at individual

matches and their faces were displayed on the monitors in the stadium. Each one of these received 15, 000 rands as part of their school fee.

Cricket South Africa (CSA) chief Gerald Majola stated that the IPL model could be used to make this game a global sport event and this in turn would help other set-up's take a great leap as well. The benefits gained economically were considerable. During this period of economic crisis the IPL has built a strong base for the South Africa's tourist industry (Bowdin et al., 2006) and also proved to set out to the world that it is capable of hosting the FIFA 2010. According to Allen et al.(2002) other than the expenses of the event the people who came for the event put in their money on tour, lodgings, and other services in South Africa and there was a increase in hotel room bookings by 40, 000 which otherwise is normally very low during winter season in South Africa. The South Africa government is majorly focusing on tourism sector as an upcoming industry that is competent of increasing the economic benefits and employment opportunities (Bowdin et al., 2006). In addition to the tourism produced throughout this event, IPL has also involved a lot of media reporting (Allen et al., 2002) and due to this the South African community profile has gained importance (Getz, D., 2006). The IPL has not only boosted the confidence of the youthful South African cricket players but has also provided with an opportunity to take part in a sporting event that is recognized worldwide (The Business Standard, 2009). “ It is still sometimes argued by event ‘ boosters’ that mega events generate benefit from the legacy of infrastructure and venues, but this assertion can easily be wrong” (Getz, D., 2007), because the basic purpose of IPL is very fruitful considering the fact that it brings the cricket stars worldwide who are against each other

on nationalized defences into single squad (The Business Standard, 2009). This event has created a long lasting bond between the two countries (India and South Africa). Hosting the IPL in South Africa has not only made IPL a global brand, but has also brought billions of income to the South African economy.

SWOT ANALYSIS OF DLF IPL

Based on the details in Indian Premier League (2009) the following have been identified to be the:

STRENGTHS OF IPL:

The Indian Premier League (IPL) follows the Twenty20 format of cricket. This is the shortest version of the game, thereby finishing within two and half hours of game play. Unlike the One day format, which takes a full day to complete, or the Test format spanning five days of play, the Twenty20 is fast-paced and electrifying. Thus pulling in a large crowd to watch the game even on weekdays. Also the IPL has employed people who can really market goods well. These highly trained economists maximize the revenue with their very clean and methodological approaches. This makes IPL an integrated sport. Further each team has players from different countries. This causes a wide range of support of different communities to a single team, thus making cricket globally accepted. The supremacy of the BCCI in the control of ICC has a lot of benefits to DLF IPL. The financial backing from BCCI and also the power to manipulate the dates of international cricket matches favours the IPL.

WEAKNESS OF IPL

The pace at which people lead their lives now, they hardly have time to lavishly spend on watching a sport. Since IPL has satisfied this need of theirs, people are happier to watch the twenty20 format. Lots of talk has been going on about the status of other formats of the game and how to revive it. But the truth is, IPL has damaged the image of One day cricket and Test cricket. Further, a lot of money is involved in the IPL. Failure of a team can hurt the management's financial position a lot. Teams also spend a lot on advertisement, cost of players, brand promotion. Hence sponsorship is hard to find for their overpriced rates. A team doing well will fare well. If not tough times lie ahead.

OPPORTUNITIES OF IPL

IPL has a budding fan following. Since it is striking and very attractive, a lot of potential sponsors and advertisers are willing to invest a lot in this event. The IPL has eight leagues. Each being responsible for itself in every sense. Every franchise has to market its team well and get a large fan following behind their team. This in the long term will generate a lot of revenue for them. There is a nice opening for teams to sell their brand name in forms of shirts, accessories and other memorabilia. Another important and vital opportunity for IPL is to target the teenagers. The older people will naturally have a stronger inclination to the traditional form of cricket. But the youth today will like this thrilling and breathtaking format. Each franchise will continue to pay the same fees till 2017-2018. Hence the teams need not worry about inflation, which has been a drawback in India for the past few years.

THREATS OF IPL

If the top players in world cricket can't be brought into IPL teams, it will lose its popularity. Further, the domestic season in Australia runs concurrent with IPL. If the Australian players are not allowed to choose IPL instead of their local teams, a lot of fan following will be lost.

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