

# The impact of sports tourism on the UAE – a case study of the Indian Premier League (IPL)

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## Abstract

Sport tourism is undoubtedly becoming one of the fastest growing market segments in the tourism industry and is receiving increased attention for its social, environmental, and economic impacts upon the hosting tourism destinations. Sports events have become an instrument for host countries to use to brand their destination. The United Arab Emirates (UAE) which is recognized as the fastest growing tourism hot spot with a growth rate of 10.4% in 2013 (according to the UNWTO), is combining sport and tourism to boost its economy and improve its already superb brand image. In this paper efforts are made to explore the impacts of one of the fastest growing sporting events, namely Indian Premier League (IPL) on different tourist destinations in the UAE. The strategies adopted by these destinations, to handle this sporting event are also considered.

**Keywords:** sports tourism, IPL, UAE, cricket, leisure



Source: <http://ipt20wiki.com/ipl-7-in-uae-from-16-april-2014-will-come-to-india-on-may-13/6370/>

## INTRODUCTION

### About the UAE

The United Arab Emirates is a constitutional federation comprising of seven emirates: Abu Dhabi, Dubai, Sharjah, Ajman, Umm Al-Quwain, Ras Al Khaimah, and Al Fujairah. It stretches over 1448km from the west coast of the Persian Gulf and the Gulf of Oman to the Arabian Peninsula. Rich in pearls which have been sustaining the UAE population for centuries, the coastline is studded with islands, coral reefs and ridges. Nearly 200 islands fall under the UAE territory in the Persian Gulf, including Abu Dhabi Island, the capital of the United Arab Emirates, Das Island which is rich in Oil, Delma Island which is rich in pearls, Umm Al Nar Island, Saadyat Island, Hamra Island near Ras Al Khaimah, Abu Moosa Island, Greater Tunb Island, Lesser Tunb Island, and other islands which have left their mark on the UAE.

The mainland varies from narrow plains surrounded with desert throughout the west and the south to the highlands stretching into the Far East and southeast to the borders of Oman. According to recent discoveries, human settlement in UAE dates back several thousand years and probably, to the Stone Age (5500 B.C. or 7500 B.C.), when the weather was humid with frequent rainfall.

The UAE has the second largest economy in the GCC (after Saudi Arabia) with a gross domestic product (GDP) of \$377 billion (1.38 trillion AED) in 2012. Since independence in 1971, UAE's economy has grown almost 231 times to 1.45 trillion AED in 2013. The non-oil trade has grown to 1.2 trillion AED, a growth of about 28 times from 1981 to 2012. In 2011, the UAE was ranked as the 14th best nation in the world for conducting business by the World Bank Group based on its economy and regulatory environment. In 2009, its GDP, as measured by purchasing power parity, stood at US\$ 400.4 billion. With a population of just under 900,000 Abu Dhabi was labelled "the richest city in the world" in a CNN programme.

## UAE Statistics

Total Population	8.9 million
Native Population	8 million
Population growth rate	3%
GDP	\$358.1 billion
GDP per capita	\$48,500
GDP real growth rate	3.3%
Age Structure	
0-14 years	20.4%
15-64 years	78.7%
65 years and over	0.9%

Source: CIA World Fact book 2013

## Sports in the UAE

### Camel Racing

A unique sport that is an integral part of the heritage of the UAE is Camel Racing which takes place during the winter season at special tracks around the country.

### Canoeing or Kayaking

Canoeing or Kayaking through the dense mangroves are literally a stone's throw from one of the main thoroughfares into the city of Abu Dhabi.

### Car Rallying

Although Formula One is a relative newcomer to the UAE motorsports scene, rally driving has been an extremely popular sport in the UAE for many years.

### Cricket

Top world teams regularly compete in purpose-built cricket stadiums in the Emirates. Zayed Stadium, Dubai Sports and Sharjah Cricket grounds are some of the finest around the world.

### Golf

The UAE is home to some incredible golf courses and the list is growing exponentially with the inauguration in Abu Dhabi of Saadiyat Beach course and Yas links. There are many golf courses which host major golfing events featuring all the top players in the world.

### Horse Racing

A love of horses runs in the blood of most Emiratis, especially a fondness for the classical Purebred Arabian horses that were stalwart companions for centuries. This passion is expressed in many forms, including horse-racing, endurance racing, show jumping, dressage and polo.

### **Water sports**

Emiratis are at home on the water, sailing, and boating in general, having sustained the country in one form or another for millennia. Not surprisingly, the warm and usually calm blue water of the Gulf provide great scope for a range of water sports and clubs throughout the Emirates provide superb facilities.

### **Other Sports**

Many sports like Tennis, Snow Skiing, Rugby, Rock Climbing, Football and Shooting/Archery are also being enjoyed in the UAE by many sport enthusiasts, both local and from abroad

### **Sports tourism in UAE**

The UAE tourism sector grew by 6.5% annually between 2011 and 2014 and has become a regional hub for MICE (meetings, incentives, conventions and exhibitions), as well as VFR tourism (visiting friends and relatives). The UAE is ranked as the 28th among 139 countries and first in the Middle East in the World Economic Forum's "Travel & Tourism Competitiveness Report 2013". Whereas, Dubai plays a leading role, holding up to 66% share of the UAE's tourism economy, with Abu Dhabi having 16% and Sharjah 10%. Dubai welcomed 10 million visitors in 2013.

Tourist arrivals in the UAE are estimated to grow up to a compounded annual growth rate of 5.3% between 2012 and 2022, with hotel supply also expected to increase from the current 96,992 hotel rooms in Dubai and Abu Dhabi, to a total of 125,383 hotel rooms in 2016. Hosting the participants and the spectators of the various sporting tournaments held in the UAE helps contribute to the tourism segment. Similarly, with its year-long sunny weather, modern and sophisticated sporting infrastructure and year-long offerings of sports events, the UAE is ideally positioned to develop its sports tourism industry into a major contributor towards GDP. Through developing its sports tourism the country benefits from the revenue and enhanced branding, all of which cycles back to increased demand

for development and investments for the country in general. Sporting events like Tennis, Golf, Formula1, Marathons, Cricket, Rugby, Sailing, and Sky Diving also contribute greatly in strengthening the UAE status on the world circuits as a leading international sport tourism destination of choice.

### **About Indian Premier League (IPL)**

The Indian Premier League (IPL), Indian professional Twenty20 (T20) cricket league was established in 2008. The league which is based on round-robin, group and knockout formats, has teams emanating from major Indian cities and the rivalry is fierce and exhilarating for fans and cricket fans across the globe. As the brainchild of the Board of Control for Cricket in India (BCCI), the IPL has developed into the most lucrative and most popular outlet for the game of cricket. Matches generally begin in the late afternoon or evening so that at least a portion of them are played under floodlights at night to maximize the television audience for worldwide broadcasts. Initially, league matches were played on a home-and-away basis between all teams, but, with the planned expansion to 10 clubs (divided into two groups of five) in 2011, that format changed so that the matches between some teams would be limited to a single encounter.

The top four teams contest three play-off matches, with one losing team being given a second chance to reach the final. This is aimed at maximizing potential television revenue. The play-off portion of the tournament involves the four teams that finished at the top of the tables competing in a series of knockout matches that allows one team that lost its first-round game a second chance to advance to the final match.

With the advent of the IPL, almost overnight the world's best cricketers who had seldom made the kind of money earned by their counterparts in other professional sports, became multi-millionaires through cricket. The owners of

the IPL franchises, which include major companies, famous Bollywood film stars, and media moguls, bid for the best players in auctions that are organized by the league.

### **Reasons for choosing UAE**

The IPL Governing Council chose the UAE as a venue after short-listing South Africa, which successfully hosted the tournament in 2009 despite the fact that the general elections clashed with the cash-rich T20 league. The BCCI had the option of playing matches in Bangladesh but finally selected the UAE to play matches from April 16<sup>th</sup> to April 30<sup>th</sup>. The reason for choosing the UAE was that it had hosted several events, like golf, Formula1, tennis and rugby. Further, to propagate the UAE brand internationally, nationally-owned Etihad and Emirates airlines sponsors various international events and clubs such as Fifa, Arsenal, AC Milan, the US Open, Emirates Australian Open and the ICC Cricket World Cup. Similarly, the Abu Dhabi-based airline Etihad also sponsors several high-profile international events such as major league Soccer in the US, Manchester City FC and Harlequins RFC.

### **LITERATURE REVIEW**

Sport tourism is travel by tourists where a sporting activity is part of the purpose of the trip in which case the tourist can be either a participant or a spectator (Hall, 1992; Weed and Bull, 1997). However, there is another school of thought which believes there is differentiation between tourists and athletes and spectators travelling for sports as they view these two groups as not having similar motives for their travels while tourists “participate in sports while travelling”, and what motivates athletes and spectators to travel is that they are looking for a competition or want to pursue their passions (Hinch and Higham, 2011).

There is thus also sport participation tourism in which sport is the number one reason for conducting a trip (Weed, 2008). This includes all sorts of travel from going

to a destination for skiing or for playing golf, but here sport can also be a transport method. This means that when a tourist decides they will be riding their bike or kayaking from one place to another they are actively engaging in sport participation tourism. Since in this study we are focusing on sports tourism at a destination which is a place where tourists temporarily base themselves in order to participate in interaction and activities related to tourism (Pike, 2008), it should be noted that destinations have amenities serving permanent residents and temporary users too, namely tourists (Medlik, 1993). However, it is interesting to note that in some definitions it is highlighted that tourism should be a predominant activity both from demand side and from the supply side thus encompassing tourists as well as infrastructure and employment (Papatheodorou, 2006).

In addition to having people outside the destination visit it, many definitions emphasize that a place ought to have attractions or activities to be called a destination. Cooper and Hall (2008) define an attraction as something that tourists are prepared to visit and experience for a purpose that is not directly supporting their travel. Although attractions often have a key role in motivations for travel and they often enjoy the least of the tourists' expenditure (Goeldner and Ritchie, 2003). Attractions can be divided into many different segments, but those related to this study are segments such as events and recreation.

The event segment includes but is not limited to mega events, festivals and sport events while recreation is often about participating in sports such as tennis, golf, hiking or snow sports (Goeldner and Ritchie, 2003). In this study the researchers sought to ascertain the impact of sports on tourism, and there are numerous studies which maintain that among the push factors, that is, those factors that encourage visitors to travel are for example, the want to achieve sporting goals and the possibility to do things that the tourist cannot do in their home environment. Pull factors, those that

attract tourists to a destination, are the image of the destination, the price level it has and the people in the destination.

## METHODOLOGY

The study is based primarily on secondary data sources such as previous studies, journals, books, reports, magazines, and several online data sources. To increase the credibility of outcomes for this study, data was collected from reports and online sources between January to May, 2014 and the attributes included market segments, footfalls, financial performance of hotels, average room revenue, length of stay, and occupancy of hotels in Dubai, Abu Dhabi and Sharjah. Conclusions were drawn based on learning the data sources from the secondary sources used.

## DATA ANALYSIS

The inferences are drawn from statistics (*Tables provided in Appendix section at the end*) gathered through varied sources for analysis.

*Table 1 Inference:* from the above table, it can be deduced that CPI of food and drinks, beverages and tobacco and restaurants and hotels were high during April 2014 compared to other sectors which might be due to increase in tourist footfalls for IPL in UAE.

*Table 2 Inference:* from the above table, it can be deduced that average length of stay, occupancy, RevPAR, and total revenue had increased for all categories of hotels during April 2014 except for 1 Star, which might be due to not many foot falls in these properties.

*Table 3 Inference:* from the above table, it can be deduced that the average length of stay, occupancy, RevPAR, and total revenue for hotel apartment had increased for Deluxe and Superior categories in April 2014 compared to Standard where it fell compared to April 2013.

*Table 4 Inference:* from the above table, it can be deduced that price range and occupancy was very high in Dubai

compared to Sharjah and Abu Dhabi in 5 Star properties. But Sharjah and Abu Dhabi saw increase in these two parameters in 4 Star and 3 Star categories. From this we can learn that more tourists opted to stay in higher end hotel properties in Dubai but preferred to stay in midscale hotels when they were in Sharjah and Abu Dhabi.

*Table 5 Inference:* from the above table, it can be inferred that Indians had the third highest footfalls and guest nights basically due to Indian Premiere League during April 2014 but there was dip in the average length of stay which might be a direct result of the extension of the IPL in the Indian subcontinent after the UAE or it might also be due to the non-availability of rooms for longer stay due to IPL and other sporting events or due to higher prices for rooms which made tourists opt for shorter stay periods.

## CONCLUSION

From the data gathered from tables 1 to 5 (See Appendix), we can infer that the CPI during the time of the IPL had increased by 2.12% in 2014 compared to 2013. There was 29% increase in the number of guest arrivals in April 2014 as compared to April 2013 and this is evident in that foot falls increased due to the IPL when further guest nights increased to 26% in April 2014 compared to April 2013. However, the average length of stay decreased by 2% in 2014 compared to 2013. This dip might have been due to a lack of room availability for longer stay or due to tourists having to split their loyalty in the tourist destinations. Hotel occupancy increased by 10% compared to 2013 and total revenue had increased to 23% for April 2014 (United Arab Emirates Dirham AED 577 million) in hotel establishments. Room revenue increased by 26% while food and beverage revenue increased by 20% in April 2014. Overall it can be concluded that the Indian Premier League is a sporting event which has really contributed a great deal to tourism in the UAE specifically in Dubai, Abu Dhabi and Sharjah in terms of footfalls, room revenue, the contribution to GDP and also

in improvising brand image. In terms of future growth, the UAE, through its great success in hosting world class events and by virtue of its modern infrastructure which is world class, would undoubtedly have the capacity and the capability to win and host major sporting events such the Olympics and FIFA World Cup.

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## Appendix

**Table 1** CPI & Inflation Rates for April 2013 Compared with April 2014 (Base year 2007=100)

Main Groups	Apr. 2013	Apr. 2014	Inflation Rate
All Items	117.36	119.85	2.12
Food and soft drinks	137.29	140.54	2.37
Beverages and tobacco	143.80	145.36	1.09
Transportation	119.91	121.15	1.04
Communications	98.20	98.85	0.66
Recreation and culture	115.46	116.40	0.81
Restaurants and hotels	139.69	141.37	1.20
Miscellaneous goods and services	123.55	125.19	1.33

Source: United Arab Emirates – National bureau of statistics

**Table 2** Hotel Performance (Dubai, Abu Dhabi, Sharjah) - April 2014

	Hotels	5 Star	4 Star	3 Star	2 Star	1 Star
<b>Actual Guest Arrivals</b>	▲ 270,802	▲ 120,099	▲ 78,994	▲ 56,612	▲ 4,822	▲ 10,275
<b>Guest Nights</b>	▲ 728,050	▲ 354,724	▲ 202,930	▲ 141,645	▲ 10,741	▲ 18,010
<b>Average Length of Stay (in Days)</b>	▼ 2.69	▲ 2.95	▲ 2.57	▼ 2.5	▲ 2.23	▲ 1.75
<b>Occupancy Rate</b>	▲ 78%	▲ 76%	▲ 78%	▲ 82%	▲ 83%	▲ 72%
<b>Total Revenue</b>	▲ 522,548,371	▲ 358, 599,453	▲ 91,723,970	▲ 59,699,373	▲ 4,587,313	▼ 7,938,262
<b>ARR</b>	▲ 508	▲ 732	▲ 358	▲ 285	▼ 271	▼ 296
<b>REV PAR</b>	▲ 394	▲ 553	▲ 280	▲ 234	▲ 226	▲ 212

Source: United Arab Emirates – Tourism and Culture Authority

**Table 3** Hotel Apartment Performance (Dubai, Abu Dhabi, Sharjah) - April 2014

	Hotel Apartments	Deluxe	Superior	Standard
<b>Actual Guest Arrivals</b>	▲ 33,835	▲ 12,513	▲ 12,476	▲ 8,846
<b>Guest Nights</b>	▲ 205,759	▲ 94,110	▲ 73,598	▼ 38,051
<b>Average Length of Stay (in days)</b>	▲ 6.08	▼ 7.52	▲ 5.9	▼ 4.3
<b>Occupancy Rate</b>	▲ 86%	▲ 89%	▲ 83%	▲ 85%
<b>Total Revenue</b>	▲ 54, 461,364	▲ 30,507,700	▲ 16,110,014	▼ 7,843,650
<b>ARR</b>	▲ 351	▲ 439	▼ 285	▲ 260
<b>REV PAR</b>	▲ 303	▲ 393	▲ 238	▲ 221

Source: United Arab Emirates – Tourism and Culture Authority

**Table 4** Price Range and Occupancy (%) in April 2014

Location	Dubai		Sharjah		Abu Dhabi	
	Price Range	Occupancy	Price Range	Occupancy	Price Range	Occupancy
<b>5 Star</b>	\$200 - \$700	80%	\$70 - \$300	75%	\$80 - \$300	76%
<b>4 Star</b>	\$70 - \$350	86%	\$70 - \$200	76%	\$80 - \$200	78%
<b>3 Star</b>	\$50 - \$100	75%	\$50 - \$150	86%	\$50 - \$200	82%

Source: compilation from varied credible news articles

Table 5 follows below...

**Table 5** Guest nights and Average Length of Stay by Nationality (Dubai, Abu Dhabi, Sharjah)

Rank	Nation	Guests			Guest nights			Average Length of Stay		
		2014	2013	Growth Rate %	2014	2013	Growth Rate %	2014	2013	Growth Rate %
1	United Arab Emirates	105,170	81,350	▲ 29%	237,159	185,066	▲ 28%	2.26	2.27	▼ -1%
2	United Kingdom	19,010	14,209	▲ 34%	84,395	67,866	▲ 24%	4.44	4.78	▼ -7%
3	India	18,790	13,900	▲ 35%	70,835	56,900	▲ 24%	3.77	4.09	▼ -8%
4	China	13,501	3,303	▲ 309%	33,505	6,561	▲ 411%	2.48	1.99	▲ 25%
5	Germany	12,750	12,333	▲ 3%	63,378	50,846	▲ 25%	4.97	4.12	▲ 21%
6	United States	10,293	7,927	▲ 30%	49,171	41,979	▲ 17%	4.78	5.30	▼ -10%
7	Egypt	9,682	7,942	▲ 22%	26,758	22,113	▲ 21%	2.76	2.78	▼ -1%
8	Philippines	8,736	6,754	▲ 29%	24,758	17,975	▲ 38%	2.83	2.66	▲ 6%
9	Jordan	6,803	5,362	▲ 27%	17,433	14,907	▲ 17%	2.56	2.78	▼ -8%
10	Saudi Arabia	5,490	4,663	▲ 18%	11,588	11,393	▲ 2%	2.11	2.44	▼ -14%

Source: Abu Dhabi Tourism and Culture Authority