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Direct Economic Impacts of a Professional Sport Team on the Host City: The Case of JYP and Jyväskylä, Finland

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Abstract

In Finland, sports clubs are typically non-profit-associations. Only recently, the highest-level sports clubs' have turned into businesses, starting late 1990's. Public discussion in Finland has questioned whether using public funds on professional sports clubs is justified or not. The argument suggests that this money is either an investment by the public in the local economy, or rather a public expense that benefits no one except the club, its fans and partners. This research aims to dig further into the discussion by studying the direct economic impacts of a professional Finnish Ice-Hockey team: JYP Jyväskylä Ltd, on its home city of Jyväskylä and the surrounding region during the 2014-2015 season. These direct economic impacts are calculated according to the model based on a Keynesian-theory introduced by Könecke et al. in 2015. The results of the study went in favour of the suggestion that using public funds for professional sport clubs is a public investment in the local economy.

Keywords: direct economic impact, professional sport club, small-and-medium size enterprise

INTRODUCTION

Public discussions in North America and Europe question the justification of using public money especially for clubs in professional team sports. The underlying statement argues that any type of public monetary support to professional sports is benefiting a very marginal population – the organizations themselves, their facilities, players and fans. According to this type of logic, public funds could be used for other, more relevant purposes. As Koenecke et al. (2017) wrote, "These discussions arise regardless of the actual source of the money as public subsidies of sport may be financed by increased taxes, lotteries, or some other method." On the other hand, those who are in favour of public funding for professional sport claim that the support for sport clubs inevitably generate positive impacts to the region and especially to the host city. These impacts can be both "quality-of-life benefits" (Rappaport et al. 2001) and more measurable benefits like monetary flows into the city and region (Allan et al., 2007, Preuss et al. 2010, Koenecke et al. 2017). However, both these abovementioned arguments are rarely based on objective data and research.

Due to the commercialization of sports in general, more and more sport clubs have adapted business-like features. As a result, sport organisations have turned from typical non-profits into for-profit companies (Beech & Chadwick, 2013, Ahonen & Savolainen, 2017). At the same time, the importance of small-and-medium size enterprises (SME) to economic growth has increased throughout the world (Rothwell & Zegveld, 1982, Lukács, E., 2005). Often these sport clubs adopt the features of

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SME's as private enterprises. The relation of sports clubs functioning as SME's has mostly been studied from a management and leadership perspective, and less frequently as generators of local and regional economic activity (Ball, 2005, Smith & Westerbeek, 2007, Smith & Stewart, 2010, Beech & Chadwick, 2013).

To generate the abovementioned economic activity that might profit the home region, the enterprise (in this case a sport club) is supposed to create monetary flows that bring new money to the local economy (households, other companies, community etc.). It is also possible to argue that there are no economic impacts at all or that the generated effects are even negative. As Koenecke et al. (2017) state, negative economic impacts may arise "....due to the money that leaves the region through salaries for players living abroad, crowding-out effects, license fees to federations, or expenditures of home fans travelling with their team to away matches." All in all, the economic activities of any SME, including a sport club, can result in a positive, neutral or even negative 'primary economic impact' for its home town and region.

In Finland the most popular spectator sports is ice hockey. The Finnish ice hockey league (Liiga) is the first entirely professional sport league in Finland (Lämsä, 2012). The average number of spectators per match is around 4300 (Liiga, 2018). The league has 15 teams, each hosting 30 home games per season, bringing the total amount of spectators in arenas per season to approximately 2 million (Liiga, 2018). The clubs in Liiga are located in different geographical regions and typically operate in the biggest cities in that region. To be able to play in the national league, clubs must have arenas that meet the specified requirements of Liiga. Historically, the funding of sports, particularly the operation of sport facilities in Finland, has been conducted by the government; the teams typically needing various kinds of support (infrastructure, maintenance, security, police etc.) from their home cities and municipalities – ultimately from local citizens and taxpayers.

For these reasons, the central question is, "How much money, if any, do these clubs actually contribute to the local economy?" The answer to this question is not only important to team managers and sponsors, but also to politicians, the public, and sport scientists. This type of study has not been conducted for an individual sport club in Finland before. This study concentrates on one specific ice hockey team called JYP and its possible impacts to its hometown, the city of Jyväskylä.

In order to achieve the objectives of the study, the financial transactions of goods and/or services by both JYP Jyväskylä Ltd. itself and JYP team home game spectators were studied and analysed. With this data, only the direct economic impacts of the sports club on the city were calculated. The possible intangible, indirect effects that could have resulted from the primary impacts were not included in this study. As the core focus is the primary and direct economic impact, the results objectively describe and quantify the actual monetary flows generated directly through JYP's participation in regular season competition in Finnish ice hockey league: Liiga. Ultimately, the entire economic impact of JYP is possibly higher than the direct quantitative data analysed in this research.

Related literature and theoretic background

The research on the economic relevance and impacts of sport organizations has been focusing on sporting events and most often on sport mega events for over two decades (Jeanrenaud, 1999, Preuss & Weiss, 2003, Solberg & Preuss, 2007). A much more typical phenomenon in sport, however, is clubs participating in league competitions and organizing several small-scale sport events during a season or year. These type of studies often emphasize the need of sound methodological information to comprehensively analyse the spectator expenditure. Several authors have recognized that consideration of spectator expenditures has been one of the key elements to accurately calculate the exogenous impact of a sporting event on a specific region in mega event research (Crompton, 1999, Barget & Gouguet, 2010, Preuss, 2004, Koenecke et al., 2017). This aspect has been taken into consideration also in this study, however, as the results will show, the cash flows caused by the club's business activities are clearly more important factors to be considered (Hamm, 1999).

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Sport organizations like all business ventures, are aiming at increasing their market share, building a strong brand and making profits (Smith & Stewart, 2010). Even though, the main aim for sport organizations is still typically on-field success, there is a growing awareness that the revenues and profits together with the sporting success are keys to overall successful performance of sports clubs (Smith & Stewart, 2010). The number of clubs operating in national sport leagues as SMEs is quite large, but an individual team does not typically dominate its league, though it has a monopolistic position in their city (Troilo et al. 2016). Thereby the success on the field cannot be guaranteed, but the "exclusive offer" in the city and/or region very often can. This unique position in the market along with the special combination of products and services offered define sport clubs as SME's of a particular nature. These clubs organize sport events on a regular basis and a growing number of these events have also become an important economic and social driver for regional development around the world. Sport events, particularly large-scale or hallmark events, are considered an important form of urban entrepreneurship (Hall, 2006).

For the purposes of this study, the three-step-model introduced by Preuss (2010) and the more recent applications of it by Koenecke et al. (2017) are suitable. This model has not only been tested in similar a context, but it is also based on tools that have been shown to work well in the context of economic growth of a region via its exporting sector (Koenecke et al. 2017). As Koenecke et al. state: "The basic idea is that the economic growth of a region is critically influenced by the performance of its exporting sector. This is so because the exporting (or basic) sector meets the demand of 'external' (non-regional) economic agents. Thus, additional 'external' funds flow into the regional economy in exchange for exported goods and services."

This study will primarily contribute to analysis of a professionally run ice hockey club as a SME and the economic effects of this organisation to its home city. As this type of sport business is in a country like Finland far more common and widely available than an individual large-scale sport event, this study may contribute to the body of knowledge on the topic of sport organisations as SME's and their economic value to the city where they operate. The application of the abovementioned framework will also give comparable results from two different European countries in the case of two different sports.

Club History

In 1923, Jyväskylän Palloilijat (JyP) ("Jyväskylä Ball Players") was founded in the city of Jyväskylä. The original sports of the club were football, ice skating and baseball. In 1977, two new associative clubs were founded as JyP HT concentrated on ice hockey and JyP-77 on football. In 1997 the letters, HT fell out of the club's name and the spelling stabilized in three capital letters JYP. (JYP, 2015)

JYP has played in the highest Finnish League since 1985. The team has won two National championships in 2009 and 2012 and two silver medals in 1989 and 1992. The team has also won four Bronze medals in 1991, 2010, 2015 and 2017 (Liiga, 2017). JYP has been one of the most successful clubs in Finland. In the last five seasons, JYP has won the regular season three times and the league championship twice (2012 & 2009). JYP won the European Trophy in 2014 and Champions Hockey League in 2018. (JYP, 2017, JYP, 2018)

In terms of organization, JYP is categorized as a middle-size club amongst the 15 teams in the top Finnish Ice Hockey League (LIIGA), with annual turnover of around 7 million euros and staff of 50 employees. (JYP, 2017, Asiakastieto, 2017). Over the last five years the net profit has varied from 174 000 euro profit to 493 000 euro deficit (Asiakastieto, 2017). From the viewpoint of Finnish small and medium size enterprises JYP Jyväskylä Ltd. can be considered very suitable.

METHOD

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This impact study analysed official financial statements and accounting records of JYP Jyväskylä Ltd. The authenticity and relevance of the findings were validated through personal interviews with the executive and financial managers of the club. Financial statements for the financial year 1st May 2013 – 30th April 2014 were used. Data on customer spending was gathered with spectator surveys during home games at Synergy Arena and for away games in fan buses. Trained personnel in the city of Jyväskylä gathered data between September 2014 and April 2015.

The following research objectives set the guidelines of the study:

1. Measure the direct economic impact of club matches due to the
   a) spectator consumption in Synergy Arena,
   b) spectator consumption in Jyväskylä outside Synergy Arena (public screenings),
   c) consumption of Jyväskylä residents for games outside Jyväskylä.
2. Measure the direct economic impact of JYP Jyväskylä Ltd. due to the club's expenses as
   a) paid wages for players and other employees,
   b) taxes to public bodies (city, municipalities),
   c) compensation for other clubs and non-profit organizations,
   d) services and products purchased from subcontractors and other companies.

This study summarizes the findings of these objectives and hence comments the economic impacts of one Finnish Ice Hockey Team to its hometown. The applied model excludes the indirect, induced and intangible impacts and/or economic effects (see figure 1). In terms of the estimations, all these studies use a conservative approach to rather underestimate than overestimate the actual primary economic impacts of the organizations studied (Koenecke, et al. 2017).

As figure 1 indicates, the primary economic impact of a club on its home region is a result of two accumulated monetary flows. These monetary flows would not exist without the club competing in the league. According to the model, both the monetary flow coming to the city (Flow 1) and also the monetary flow leaving the region (fans travelling to away matches) need to be captured. In case the value of the monetary flow 1 is greater than monetary flow 2, the primary economic impact is positive. Theoretically, it is possible that the value of the monetary flow 2 is greater than the value of flow 1 and then the club playing in the league would in fact result a negative economic impact to the home city (Koenecke, et al, 2017).

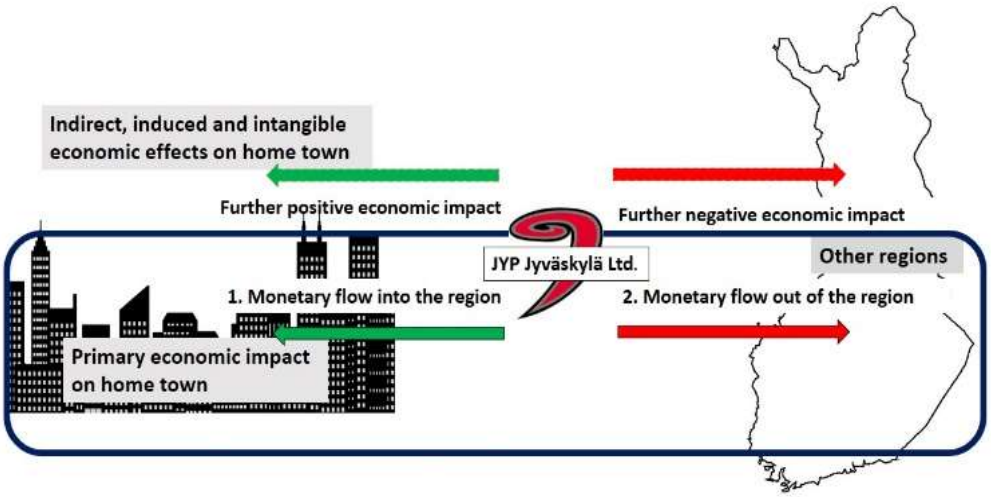

Figure 1. Economic impact generated by a sport club on its home region. (Modified from Preuss, Koenecke, and Schütte, 'Calculating the Primary Economic Impact of a Sports Club's Regular Season Competition: A First Model').

To correctly measure all the monetary flows of an enterprise that can be considered to generate direct economic impact to the city, several studies are required. Preuss (2010) and Koenecke et al. (2017) used a three-step-model, where the first step was to estimate, analyse and quantify the spectator

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spending, the second step to analyse the club's cash flows by 'regionalizing' them (and thereby defining if they have a positive, negative, or neutral effect on the region) and then summarize the results of steps 1 and 2. This study calculates the direct primary economic impact on a club's home region (Koenecke et al., 2017) using similar approach.

Figure 2 displays these three phases of this study, and the cash flows that they project. These phases were conducted to reliably calculate the primary economic impacts of JYP Ice Hockey team to its hometown of Jyväskylä.

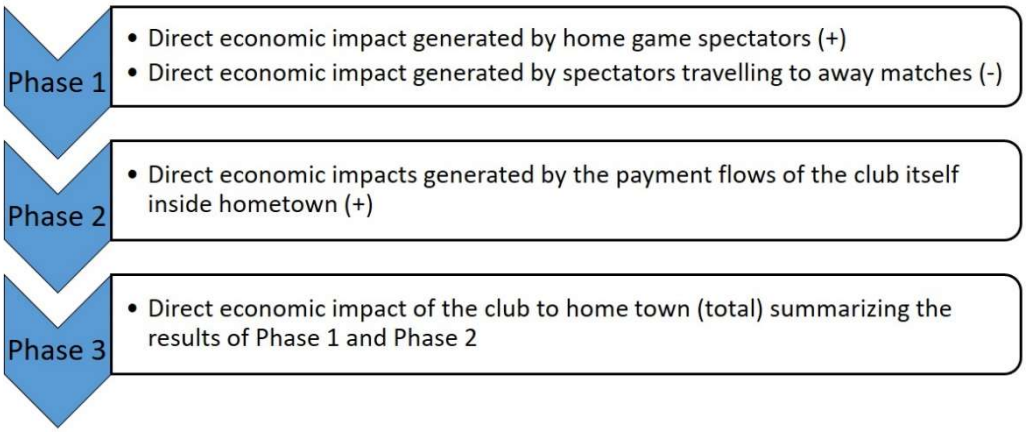
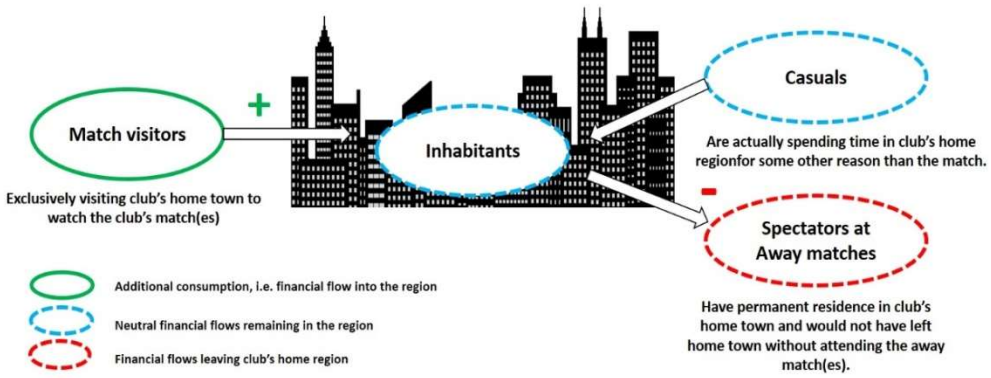


Figure 2. Sources of the primary economic impact by a sport club and steps for its quantification.

Phase 1: Spectator Spending Analysis and its Economic Impacts

Since the total number of different spectators during one season is relatively small, the types of spectators generating either positive or negative impacts were defined as follows. Figure 4 illustrates the relevant spectator groups that visit matches of the JYP and their contributions to the primary economic impact to the city of Jyväskylä.



As can be seen in Figure 4, this study distinguishes 'locals', who are living in the club's home town. All these groups generate monetary streams, but, as indicated in the above figure, not all of them have the same influence on the primary economic impact. (Koenecke et al., 2017)

- The group 'Match Visitors' consists of all the spectators of the match who live outside the region and are exclusively coming to watch one or more match(es). Thus, all consumption by 'Match Visitors' also creates a positive economic impact.
- 'Inhabitants' are residents of the club's home region watching a match of the club in its home venue who would not have gone to another region if they had not attended the match. For this reason, their expenditures would have remained in the region anyway and are not to be considered as contribution to the economic impact caused by the club. Due to the conservative approach, no assumption is made concerning possible additional spending caused by

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'Inhabitants' visiting a home game, even though it is possible that they spent more than they would have done alternatively.

- The 'Casuals' are spectators who are in Jyväskylä for some other reason, e.g., on a business trip, and make use of their stay to attend the JYP's home match. Since their original intention to visit the region was another one, their consumption is not to be considered as a contribution to the primary economic impact.
- 'Spectators at Away Matches' are inhabitants of the city of Jyväskylä, who leave the region exclusively to spectate the JYP's away matches outside the region and spend money while doing so. Consequently, this money spent at away matches can have a negative effect on the primary economic impact of the club on the relevant home region. Some of the people visiting away matches would probably also leave the region irrespective of the match, e.g. for business purposes or to visit relatives, which would correspond to the 'Casuals'. This kind of spending is not considered "negative impact". But as this study applies a very conservative approach, their expenditures outside the city can be fully deducted, thus assuming that they would not have spent money alternatively when leaving their home region.

The calculation of all spectator spending in this study is valid because a considerable number of their season ticket holders come from outside the city of Jyväskylä. In addition, the reduction of direct economic impact is generated by the club's own fan club; they organize bus trips to several away games per season for JYP fans. On-site collection of spectator expenditure data is preferred because of recall accuracy and immediacy of consumer spending information (Turco & Kelsey, 1992).

To summarize the economic impacts of spectators the spending (positive impact) of the spectators coming from outside the city of Jyväskylä to JYP home games and the spending of the fans from Jyväskylä travelling to watch the away games (impact to other cities) need to be summed up. To be able to calculate both these figures, data was collected with questionnaires during nine JYP home games (season 2014-15) and two away game trips. The statistics about spectator averages during the home games were obtained from the Finnish Ice Hockey League, Liiga. The capacity of the local Ice Hockey arena is 4628 and spectator averages in home games per season of this particular team during the studied season (2013-2014) was 3802 spectators per game (Liiga, 2018). The small numbers in spectators per game are to some extent compensated from the viewpoint of economic impacts by the 30 home games per season in Finnish National League.

Phase 2: Club`s Business Activities: Quantifying the Primary Economic Impacts

Very often sports clubs with teams competing at the highest national level have a considerable annual turnover. This typically results in a significant amount of cash flow, both into and out of the club's hometown. To be able to calculate the primary economic impact caused by the club`s business activities, all monetary streams must be "regionalized" (Koenecke et al, 2017). In practice, every payment that the club makes or in some cases that it receives has to be analysed according to the residence of the respective payee or payer.

As the main aim of this study is to calculate the primary economic impact of JYP ice hockey team to the city of Jyväskylä, only the money that the club spends locally is relevant. The idea is to calculate the value of the club as a small-and-medium size enterprise to its home town. The objective(s) of this study do not include the analysis of the profitability of the club.

This study concentrates on financial transactions that can be verified from the annual financial report of the club and are mostly transactions involving an exchange of goods and services. For example, the loans taken by the club are not included.

This second phase of the study also aims to answer the following questions:

(1) Which payments of goods or services went to a payee in the city of Jyväskylä and which did not?
(2) Which corresponding revenues originated from a payer residing in the city of Jyväskylä and which did not?

For the purposes of this study, out of the two aggregated monetary streams illustrated in Figure 5, only one has to be taken into account for the calculation. The arrows represent the monetary streams of the club within the city of Jyväskylä and to other regions than the hometown. Only the monetary stream that leads to the actual hometown is considered relevant to the primary economic impact study,

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as it contributes to the regional economic gains. Hence, money spent outside of the city and region is neither positive, nor negative impact. However, an organisation can increase its positive impacts to the city by prioritising local vendors and business associates.

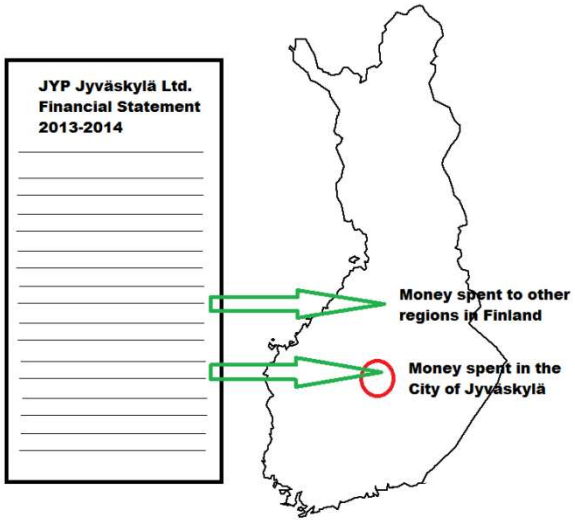

Figure 5: Monetary streams of JYP Jyväskylä Ltd. to the city of Jyväskylä and other regions in Finland.

In this study, the detailed division of revenues and incomes of the club is not as relevant as in the study by Koenecke et al. (2017). The reason for this is that this type of transaction is mostly redistribution of money received from other local organizations either sponsoring the team or selling and buying products and services from the team, not direct economic impact caused by the organization. Koenecke et al. (2017) also considered this type of transaction neutral from the viewpoint of impact. From the viewpoint of small- and medium size enterprises however, the salaries paid to employees and municipal taxes paid are considered as a direct economic impact to the city.

The data for these calculations mentioned, has been obtained from the management of JYP Jyväskylä Ltd. The primary source of data is the income statement of the organization from 2013-2014. This same statement has also been reported to the Finnish taxation authorities. When it comes to the actual transactions and both the sources of income and revenues as well the final geographical location of the payees, this information was verified through interviews with the accountants and managers.

Phase 3: Calculating the total primary economic impact

To calculate the total primary economic impact for JYP Jyväskylä Ltd. to the city of Jyväskylä, the results and findings of phases 1 and 2 need to be summarized. The method is to combine the economic impacts of the game day activities (both in the city of Jyväskylä and in JYP away games) with the business activities of the organization.

Data collection

Phase 1: Match day surveys

The data for the estimation of the direct economic impact of home game spectator spending was collected on 9 matches at "Synergia-Arena" the home stadium of JYP. During the season 2014-2015, JYP hosted a total of 39 home games out of which 30 were Finnish National League (Liiga) regular season games, 5 play-off games and 4 Champions League Games. The first match studied took place on 23rd of September 2014 and the last data was collected during the home game on 4th of April 2015. To ensure the possible difference in spectator profile, data was collected both weekdays and weekends respectively.

All data on the arena was collected using random sampling, and only adult respondents were interviewed. In practice, data was collected one hour prior to the start of the match and also during the two intermissions between the three periods played.

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All respondents, regardless of their role as a supporter of the home team or the visiting team, were asked to fill in a questionnaire concerning their home residency, the main reason for their visit in Jyväskylä as well as the consumption on match days. This way it was possible to position the respondent to the original model and estimate the actual direct economic impact of the respondent. (See figure 4.) In total, 1111 questionnaires were collected for data analysis.

To estimate the expenditure of spectators travelling to other cities for JYP away games, 75 respondents were interviewed during their bus trips to these games. The amount of the people travelling to away games was estimated according to the data of the fan club and the JYP Jyväskylä Ltd. With this data, the negative economic effect caused by the 'Spectators at Away Matches' was estimated. (See figure 4).

Phase 2: JYP Jyväskylä Ltd. Data

To calculate the actual primary economic impact that JYP Jyväskylä Ltd. generated by its own business activities, the club's managing director and the person in charge of accounting were interviewed. The primary source of information was from the income statement for 2013-2014. The interviewees then 'localized' all payment flows presented in the statement.

To increase and ensure the reliability of this data, the people interviewed did not know the calculation procedure (to make the deliberate alteration of data impossible). In addition, the figures used in the income statement were analysed according to each cost pool and each aggregated payment flow had to be generally justified by summing up the cost pools to corresponding main division.

All data retrieved from the club and from the arena was thoroughly checked and incorrect data was removed. The preliminary findings were validated with additional interviews with the managing director and marketing director of JYP Jyväskylä Ltd. before the execution of phase 3, which summarizes the findings of phases 1 and 2.

RESULTS

Phase 1: Primary economic impact according to spectator spending

The data on spectator spending that was collected during the nine home games was used to classify the origin and expenditure of the spectators of JYP games in Synergia Arena on home game days. As Figure 4 illustrates, the game visitors are the only actual group that generates positive economic impact. The other groups illustrated generate either neutral (inhabitants and casuals) or negative (spectators at away matches) impact. However, to minimize the possible systematic error in this data, only the expenditure of those respondents, that arrived to Jyväskylä from outside the city of Jyväskylä and specifically because of the game, were included.

To eliminate double counting from these calculations, the respondent was asked to report their personal spending on different products and services as well as both inside the Synergia Arena and outside the arena in the city of Jyväskylä. The reason for this is that in this case all consumptive spending by spectators in the Synergia-arena is already included to the financial data of the JYP Jyväskylä Ltd. We therefore eliminated spectator spending on JYP merchandise from the calculations. "The expenditures for 'clothing and memorabilia' (merchandise), such as scarfs or jerseys, were not included in the consumption patterns of any of the relevant spectator groups. This was the case because all of these items either should have been bought from the club or the club should have received licensing fees." (Koenecke, et al. 2016). Similarly, the tickets bought for the home games were not included in the economic impact calculation. However, the money spent on tickets for away matches were included to the "negative" impact, as that money spent was money taken away from the city of Jyväskylä to profit the economy of the other city visited. Travel costs were included only if spent in the city of Jyväskylä.

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The average expenditure on products and services that accountable game visitors consume and the primary economic impact to the city of Jyväskylä due to the home matches of JYP ice hockey team are shown in table 1.

Consumption outside the Synergia Arena	Restaurant services	Transportation in the city of Jyväskylä	Other consumption in the City of Jyväskylä	Accommodation
Average expenditure of weekday game visitors (€)	6.60	2.23	5.23	90.88
Total average expenditure of accountable weekday home game visitor who stayed overnight (2,7 %) (€)	104.94			
Total average expenditure of accountable weekday home game visitor who did not stay overnight (€)	14.06			
Average expenditure of weekend game visitor	11.86	4.88	5.06	63.57
Total average expenditure of accountable weekend home game visitor who stayed overnight (5,6 %) (€)	85.37			
Total average expenditure of accountable weekend home game visitor who did not stay overnight (€)	21.80			
Spectator average, weekday home games (only adults included)	2556			
Spectator average, weekend home games (only adults included)	3163			
Total amount of home games, season 2014-2015	39 16 weekday games, 23 weekend matches			
Total expenditure per category (Season 2014-15, €)	284.515	112.271	145.233	89.890
Total accountable adult spectator spending in the	631.900 ≈ 632.000			

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city of Jyväskylä (Season 2014-15, €)	

The direct economic impact due to game day expenditure outside the Synergia –Arena for the 2014-2015 season and the 30 JYP home games totalled 632000 €. This sum is calculated by reducing the expenditure of both local residents and those who were not visiting the city of Jyväskylä primarily due to the game from the total consumption.

The average expenditure to products and services that the away game visitors consume at away matches is shown in table 2.

Table 2. Spectator consumption in away-games

	Expenditure on services and products in Jyväskylä due to the away game participation		Expenditure on services and products outside Jyväskylä due to the away game participation			
	Food & Drinks	Other consumption in Jyväskylä	Restaurant services (food & drinks)	Transport-ation	Other consumpti-on outside Jyväskylä	Accomm o-dation
Average expenditure by Jyväskylä resident in away game (€)	20.08	6.33	24.85	12.79	5.75	0.00
Total expenditure average per away game (€)	26.40		43.38			
Average negative impact per spectator (€)	-16.98					
Spectator average per away game	50					
Number of away games	30					
Total negative impact per category (Season 2014-15, €)	20.873	6.580	25.832	13.295	5.977	-
Total “negative” impact	-17.651 ≈ -18.000					

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(Season 2014-15, €)	

The direct economic impact outside of the City of Jyväskylä due to people travelling to away games for the 2014-2015 season and the 30 away games totalled approximately 18000 €. According to the sample (75 respondents) and information from JYP fan club, the average amount of JYP fans travelling to away matches was estimated to be 50 persons per game, out of which 69 % were residents of the city of Jyväskylä. Thereby, only the consumption of these respondents was calculated as "negative" impact.

For the city of Jyväskylä, the direct economic impact of these two groups calculated was 614000 €. The relatively small "negative" impact is partly a result of the consumer behaviour of these respondents. Typically, a substantial part of their travel budget was spent in their hometown before the actual trip to the other city; some food and drinks were purchased already in Jyväskylä for the trip.

Phase 2: Primary economic impact according to JYP Jyväskylä Ltd. Business activities

The localized amounts of money spent and organizations receiving the money in the city of Jyväskylä are shown in table 3.

Table 3. The localized amounts of money spent

Recipient/payee	**Core content/nature of the payment**	**Sum (Euros)**
Private households in Jyväskylä	Salaries and travel allowances	2.300.000
The city of Jyväskylä	Municipal taxes, compensations of the use	950.000
Local companies	Products and services	1.950.00
Local associations	Products and services, subsidies	30.000
Total		**5.230.000**

All figures presented here can be verified from the financial data of JYP Jyväskylä Ltd. The amounts in regard to salaries, municipal taxes and payments to local associations were presented in the income statement. The interviewees only estimated some of the sums paid to other companies being paid only partly or entirely, to local operators. The total direct economic impact of JYP Jyväskylä Ltd. business operations to the city of Jyväskylä resulted 5.23 million €.

Phase 3: The total direct economic impact of JYP Jyväskylä Ltd. to the city

The total direct economic impact of JYP Jyväskylä Ltd. to the city of Jyväskylä for 2014-2015 season is obtained by summarizing the results of phases 1 and 2. These calculations are presented in Table 4.

Table 4. The total direct economic impact of JYP Jyväskylä Ltd. to the city of Jyväskylä for 2014-2015 season.

	Impact +	Impact -	Total
Game-visitors at JYP Home games	632.000		614.000
Residents of Jyväskylä in JYP Away games		-18.000	

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JYP Jyväskylä Ltd. business activities	5.230.000		5.230.000
Total			5.844.000

DISCUSSION and CONCLUSION

The aim of this study was to calculate the direct economic impact of a professional ice hockey club as a small and medium size enterprise on the host city. In this case, the club, JYP Jyväskylä Ltd. was studied during the 2014/15 season. All calculations were based on the consumptive spending by match visitors and the monetary flows of the business activities of JYP Jyväskylä Ltd. The study applied a three-step model previously used in Germany to analyse the economic impacts of team Kaiserslautern in the German Football League.

The first phase was the estimation of the total value of all spectator spending due to JYP home matches. Based on this survey data and visitor statistics from JYP Jyväskylä Ltd. and the Finnish Ice Hockey League (Liiga), the net value of direct economic impacts of spectator spending during the season 2014/15 was 612.000 euros for the city of Jyväskylä.

The objective of the second phase was to quantify the direct economic impact of the payment flows of JYP Jyväskylä Ltd. to the city of Jyväskylä. In order to do this, the aggregated payment flows of JYP Jyväskylä Ltd. during the season 2014/15 were "regionalized" or verified according to the physical location of the payee. According to these interviews and calculations, the direct economic impact of JYP Jyväskylä business activities during the season 2014/15 was 5.23 million €.

The total direct economic impact of JYP Jyväskylä Ltd. and the participation of JYP in Finnish Ice Hockey League (Liiga) during the 2014/15 season totaled 5.842 million €. The findings suggest that the three-step model applied for this case as earlier cases in Germany, was reliable and usable when calculating the direct economic impacts of one specific sport club to its hometown. The reliability of data collected from the game visitors was high as the rejection rate was less than 1%, and the elimination of under-aged spectators made the actual results more accurate. Furthermore, to avoid possible double counting the club's own business activities, revenues from tickets, merchandise and hospitality services were eliminated.

Referring to the results presented in this study, as well as other impact studies (Konecke et al., 2017, Preuss et al., 2011.), it should be kept in mind that the overall economic impacts of JYP Jyväskylä Ltd. are most likely underestimated. The reason for this is firstly the conservative approach that was applied to the study. In practice, this means that all estimations and averages that were based on data collection for Phase 1 of the study were checked for any exceptionally high values and eliminated.

In addition to direct impacts, organizations typically generate a wide variety of indirect and even intangible impacts that can be transferred into monetary impacts. In the case of JYP Jyväskylä, the activation of partners and sponsors typically result new business transactions that would not necessarily occur without the club and its operations.

Also, the national and in some cases even international exposure of JYP playing both in the Liiga and in the CHL (Champions Hockey League) generate a very unique added value, but the actual monetary value of this exposure is difficult to measure and was not in the focus of this study. From another point of view, the salaries paid to players and workers of JYP Jyväskylä Ltd. do not necessarily generate a direct economic impact, since these persons can for example either save some of the money they earn and also spend it outside the city. All in all, as the same methods have been used in other countries and cases, these issues have been considered and thus it is reasonable to state that these findings underestimate rather than overestimate the direct economic impacts rather (Allan et al. 2007, Koenecke et al. 2015).

As a small-and-medium enterprise (SME) JYP Jyväskylä Ltd. has some very typical but also quite specific features. Typical features for SME to generate economic impacts are salaries paid to employees, products and services sold to and bought from other local companies and municipal taxes. The more specific features are the game events that generate sports motivated tourism both into and away from the city as well as national and international exposure generated by the games played. All

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the above mentioned operations are also clear indications of a SME operating in local markets, not like a traditional, not for profit sport club. During the season 2014/15, JYP Jyväskylä Ltd. employed 50 personnel, which makes the club a significant employer. However, when the actual amount of money spent on salaries by this organization is compared to the average salary of a Finnish worker (c.a. 3.400 euro/month in 2017, source: Tilastokeskus, 2019), JYP Jyväskylä Ltd. is equivalent to an organization employing 100 persons. In other words, a "more traditional" non-sport company would need to hire 100 new employees at the average Finnish wage to have a similar impact as of JYP on Jyväskylä.

When summarizing the results and findings, it can be concluded that the economic impacts of a professional ice hockey team playing in the highest league in Finland are substantial for the hometown. These findings are in line with the previous studies conducted in the city of Kaiserslautern, Germany (Koenecke et al. 2017, Preuss et al. 2011). The methods used for these studies were quite similar to the present study, and therefore the results and findings are comparable. For Football Club (FC) Kaiserslautern and its hometown and region (Koenecke et al. 2017, Preuss et al. 2011), the amount of game visitors, their expenditures, and the volume of monetary flows of the sport club itself were much greater than in the Finnish case. When it comes to the population of the cities themselves, the city of Jyväskylä has a population of about 140 000, while the corresponding figure in Kaiserslautern is only 100 000. However, when comparing the population around these cities and capacity of the stadiums, the differences are huge. The population in Rheinland-Palatinate, region surrounding the city of Kaiserlautern, is more than 4 million (Rheinland-Pfalz, 2018) while the equivalent region of Central Finland around the city of Jyväskylä has a population of only 276071 (Keskisuomi.info, 2018). The total capacity of Fritz-Walter-Stadion in Kaiserslautern is 49850 (fck.de, 2018) when the total capacity of Lähitapiola –arena (Synergia Arena until 2017) in Jyväskylä is approximately ten times smaller, 4618 (Jyväskylä.fi, 2018). The number of home games is only somewhat bigger in Kaiserslautern than in Jyväskylä (34 in Kaiserslautern, 30 in Jyväskylä), the number of individual visits during one season was considerably larger in Germany. In Finland, if a sport club was able to generate a constant flow of incoming tourists (match visitors) during the winter months (typically "off season" in Finland for both domestic and international tourism), that would be a very important impact itself. In this case, the amount of these visits generated by the club during one ice hockey season is around 28000. When these visitors spend money outside the ice hockey arena, the club in essence organizes a major "tourist attraction" by hosting home games.

While the overall positive impact of home games in Kaiserslautern was 7.7 million € (Koenecke et al., 2017) the equivalent figure in Jyväskylä was 0.614 million €. On the other hand, the calculation of the negative impact of Jyväskylä spectators travelling to away matches was 0.4 million € in the case of FC Kaiserslautern (Koenecke et al., 2017) and, only 0.018 million € in the case of JYP. Unfortunately, the data presented for the actual expenditure of the spectators of FC Kaiserslautern does not make comparisons between the patterns and content of consumption possible.

Conclusion

To conclude, the ultimate value of the professional sport club, JYP, to the city of Jyväskylä was positive in many respects. The organization employs personnel, generates taxes for the municipality, offers additional products and services to other local companies (hospitality services, marketing platforms etc.), activates other local clubs and associations, organizes sport entertainment for local citizens and attracts game visitors from outside the city. On the top of these direct impacts, it also helps to build the city image of Jyväskylä as an active and prosperous location nationally and internationally, promotes the brands of its sponsors and partners, and also presents an option for junior players to become professional athletes. When considering the direct and the indirect and even intangible impacts, JYP Jyväskylä Ltd. is a very versatile and unique company that should be considered both as a successful small and medium size enterprise, but also as a modern example of a professionally-run sport club. According to the findings of this study, JYP Jyväskylä Ltd. is not spending public money, it is merely creating and generating monetary flows that benefit a much larger population than those interested in ice hockey.

In practice, if sport club managers would want to increase the direct economic impact of their particular organization, they would deliberately use local companies as sub-contractors and concentrate their

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spending on local organisations rather than vendors outside the city of Jyväskylä. Another way professional sport teams can increase local economic impact is by attracting more visiting spectators (Yu & Turco, 2000). Marketing home matches to visiting markets through packaged deals (tickets, local lodging, food and beverage discounts, etc.) may induce more sport tourists and thereby boost local spending. This kind of "impact management" might require an analysis of the current and potential spectators, business partners and suppliers according to the location of the person or the company. After this analysis, the club might need to invite local companies to tender for these products and services.

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