

Analyzing the Economic Impact of Super Bowls: A qualitative framework for holding mega sports events in Asia

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Address

Abstract. The Super Bowl, one of the biggest sporting events in the United States, has significant economic benefits for the country. These benefits primarily stem from various economic activities associated with the event, such as advertising, tourism, and business investments. Additionally, as Asia emerges as a focal point for major sporting events, understanding and applying the success model of the Super Bowl is imperative. This paper explores the multifaceted economic benefits associated with the Super Bowl event, and presents a qualitative analysis of the economic prospects of hosting mega sports events in Asia, across key dimensions, including financial sustainability, cultural resonance, event management, and global presence. It not only provides a comprehensive understanding of the economic impact of the Super Bowl, but also sheds light on opportunities for holding similar mega-sports events in Asia.

Keywords: Super bowl, sports, economic impact, regional development

1 Introduction

The Super Bowl, established in 1967, is the culmination of the National Football League (NFL) season in the United States. The idea behind its creation was to determine the champion between the NFL and the American Football League (AFL) before their merger. The first two games were officially known as the AFL-NFL World Championship Game, and it wasn't until the third edition that the term "Super Bowl" was officially adopted [1]. The use of Roman numerals has also become a distinctive feature, marking each Super Bowl edition with a unique identifier reflective of its historical sequence [2].

Over the years, the Super Bowl has evolved into more than just a football game, but has also become a cultural phenomenon and one of the most-watched sporting events globally. Besides determining the league champion, it serves as a platform to showcase the athleticism and skill of the players. Notably, the event's influence extends beyond the football field, influencing popular culture and capturing the attention of a diverse audience worldwide [3]. The halftime show, featuring A-list musical performances, and the high-profile commercials during the broadcast have contributed to the Super Bowl's status as a major entertainment spectacle. The event's development includes a sophisticated selection process for host cities and continuous efforts to enhance the overall fan experience.

The local and national economic impact of the Super Bowl has been widely discussed in social studies. Scholars have extensively investigated various dimensions, such as increased consumer spending, ticket sales, and advertising revenue, mostly suggesting an increased gross economic impact in the region, especially in the host cities [3]. They draw on a set of methodologies, including comparative analysis, economic modeling, questionnaire surveys, and case studies, to offer comprehensive insights into the economic complexities surrounding the Super Bowl phenomenon. Apart from direct economic benefits, other studies have delved into the indirect impacts, considering the ripple effects on local businesses and hospitality [4]. Additionally, there is a focus on the lasting effects of hosting the Super Bowl and a few papers examine infrastructure developments and the overall legacy of host cities [5]. Academic contributions also explore the role of the Super Bowl in shaping urban development and policy decisions [4]. However, the literature review also includes the challenges and controversies associated with hosting such mega-events, which includes balancing economic gains with potential social and environmental costs and critically evaluating the exaggeration with claims of economic benefits [6]. As the Super Bowl has evolved over time, the literature reflects an ongoing dialogue, which incorporates contemporary issues such as the digital economy, changing consumer behaviors, and the event's role in fostering social inclusion and community engagement [7].

2 Economic Impact of Super Bowl

To understand the intricate economic effects of the Super Bowl, this analysis divides it into direct and indirect impacts. The direct effects encompass quantifiable and immediate financial outcomes associated with the event, and core metrics mainly contain ticket sales, advertising revenue, consumer spending, etc.

2.1 Direct Impact

Ticket Sales and Merchandising.

Super Bowl ticket sales are a major revenue source to boost local and national economies. The NFL allocates tickets to the participating teams, sponsors, and the general public through various channels. Due to the Super Bowl's prestige and popularity, its ticket prices are known for being among the highest in the sports world. The face value of Super Bowl tickets for Super Bowl LVII (in 2023) ranged from around \$950 to \$6,000 [8]. However, the demand for tickets is exceptionally high and can lead to premium pricing, making the actual market prices much higher, with average secondary market ticket prices increasing from \$2,329 in 2010 to \$9,927 in 2023[8]. The number of tickets available for sale can vary depending on the capacity of the stadium. For example, the SoFi Stadium in Los Angeles, which hosted the event in 2022, has approximately 70,000 seats, while the host stadium in Miami in 2020 can hold around 62,000 people.

Another substantial portion of direct revenue is Super Bowl merchandise, including team jerseys, hats, and other branded items sold by the NFL and individual teams. The

availability of limited-edition and commemorative items also contributes to the popularity and demand for such products. In recent years, there has been a growing trend of digital sales and online presence in merchandising. E-commerce platforms and the official NFL online store play a crucial role in economic gains.

Advertising Revenue.

Advertising during the Super Bowl provides brands with a prime opportunity to reach a vast audience, solidify brand awareness, and leave a lasting marketing impact. Therefore, Super Bowl commercials are always tagged with high prices, which has reached a new peak of 7 million U.S. dollars for the 2023 Super Bowl [9]. This revenue is not only derived from the cost of the ad spots but also includes promotional packages and multi-platform campaigns associated with the Super Bowl. Key players include Budweiser, Amazon, and automotive brands, with significant expenditures and strategic engagements.

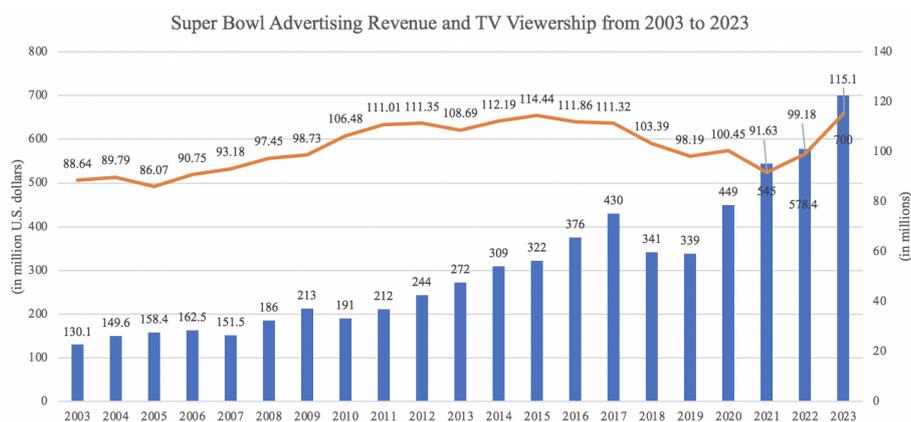


Fig. 1. Super Bowl Advertising Revenue and TV Viewership from 2003 to 2023

Tourism and Hospitality.

The Super Bowl attracts thousands of visitors from across the country and even internationally. Cities bidding for the event highlight their unique attractions and experiences to draw in fans, families, and business travelers. Hotels experience near-capacity occupancy during Super Bowl week, with room rates often higher than usual. For example, the occupancy rates can surge to 95% during Super Bowl week, compared to typical averages of 60-70%, and room rates could double or triple usual prices [10]. Beyond accommodation, visitors splurge on dining, shopping, transportation, and local attractions, injecting additional cash into the local economy and boosting businesses across various sectors. Average visitor spending per day can range from \$200 to \$300, and restaurants near the stadium can have a 500% increase in sales compared to normal periods [10]. Hosting the Super Bowl can boost tourism by 10-15% in the following

year for the host city. Positive media exposure can also attract future tourists and businesses, leading to sustained economic growth in the future.

2.2 Indirect and Long-run Impact

The indirect economic impact of the Super Bowl refers to the broader and often longer-term effects that hosting the event has on the local and regional economy. While direct economic impacts are immediate and measurable, indirect impacts are more diffuse and may unfold over an extended period, such as infrastructure development, job creation, investment attractions, etc.

Infrastructure Improvements.

Hosting the Super Bowl serves as a catalyst for substantial investments in infrastructure, leaving a lasting legacy that extends beyond the immediate effects. For instance, the city of Atlanta, which hosted Super Bowl LIII in 2019, invested approximately \$23 million in infrastructure improvements [11]. This included enhancements to public transportation systems, street renovations, and upgrades to public spaces like Centennial Olympic Park. The investments not only aimed to accommodate the influx of visitors during the Super Bowl, but also supported the city for long-term urban development. Improved infrastructure could further enhance the city's appeal and functionality, bringing greater benefits in continued economic growth and business activities.

Job Creation.

The growing economic activities can lead to job creation in various sectors. While some jobs are temporary and directly tied to the event, others may emerge in response to increased demand for local services. It is estimated that the event can create over 2,000 temporary jobs across various sectors, providing income for local residents. During the Super Bowl LVII in Arizona, an estimated 10,459 annual jobs were created and contributed \$494.1 million to labor income [12]. Furthermore, the host committee also made continuous efforts to work with local partners in providing job opportunities. Los Angeles Super Bowl Host Committee launched a workforce development program, training over 1,600 residents for hospitality and customer service roles, many of whom found permanent jobs after the event [13]. Diverse populations can benefit from employment opportunities, particularly through targeted training programs.

Investments Attractions.

The global exposure garnered by host cities during the Super Bowl presents a brilliant opportunity for business and investment attraction. The positive economic climate, coupled with enhanced infrastructure, makes them more attractive to businesses. Consider the case of Minneapolis, which hosted Super Bowl LII in 2018. The city strategically leveraged the event to showcase its economic vibrancy, and reported an increase in inquiries from companies for expansion or relocation [14]. Meanwhile, Super Bowl weeks often feature a series of business-related events, conferences, and forums. These

gatherings provide opportunities for local businesses, financial agencies, and city officials to network with potential investors to introduce more economic investments.

3 Possibilities to Host Similar Mega-events in Asia

The Super Bowl's success in North America hinges on a potent mix of sports culture, high-stake competition, and savvy marketing. Replicating this success with mega-events in Asia demands a different approach, tailored to the region's unique sporting landscape, economic development, and cultural preferences. It is assumed that several sports, such as tennis, swimming, soccer, or traditional sports like Japan's sumo wrestling, also hold possibilities to create a similar impact that could match the power of Super Bowl. However, each type of sport comes with its own set of considerations. This section provides an evaluation of possibilities for different sports and probes into their potential development in Asia respectively.

3.1 Qualitative Assessment Framework

A comprehensive qualitative assessment framework can be employed to assess the feasibility of hosting similar events in Asia, which focuses on four key factors as follows:

Financial Sustainability	Strong Sponsorships	If corporate sponsors are interested in supporting the event, and evaluating potential revenue streams and financial viability
	Local Support	If local governments and communities can provide financial support to the chosen sports
Cultural Resonance	Sports Popularity	If the chosen sport has wide fan bases, existing tournaments, and strong influence in the target Asian country/region
	Cultural Integration	If the event seamlessly integrates with the local culture and traditions
Event Management	Game Format	If the format and sports itself can capture attention and keep viewers engaged
	Venue Spectacle	If the hosting stadium can accommodate large number of audiences with advanced facilities
	Entertainment	If entertainment can elevate the experience beyond the sport
Global Presence	Target Audience	The profile of target audiences: local fans, international tourists, or a mix? What are their demographics, sports preferences, and spending habits?
	Storytelling & Narrative	If the narrative is compelling enough to position the event as more than just a sporting competition
	Media & Communication Strategy	If the mix of marketing channels to reach the target audience globally

Table 1. Assessment Framework**3.2 Possibilities of Different Types of Sports**

	Tennis	Soccer
Financial Sustainability	Tournaments, especially Grand Slam events, are powerful magnetism to sponsorship deals, global broadcasting rights, and ticket sales for substantial revenue.	Major soccer tournaments, like the FIFA World Cup, generate immense revenue through sponsorships, broadcasting deals, and merchandise sales.
Cultural Resonance	A globally popular sport with large fan base. Grand Slam events attract diverse audiences worldwide, making it culturally inclusive.	Soccer holds immense cultural significance globally, and major tournaments like the World Cup capture the attention of diverse cultures.
Event Management	Several Asian cities like Tokyo and Shanghai have world-class tennis facilities to host major events.	Numerous world-class stadiums exist across Asia, ensuring a seamless hosting experience.
Global Presence	Competition with existing major tournaments in Europe and North America may pose challenges.	The sheer number of existing soccer tournaments might dilute the impact of a new mega-event.

	Swimming	Sumo Wrestling
Financial Sustainability	Swimming events may attract sponsorships, but their financial sustainability might be more limited compared to tennis and soccer.	Rooted in Japanese culture, may have strong local financial support but may lack global revenue potential.
Cultural Resonance	Swimming is gaining traction in Asia, with China emerging as a powerhouse and having produced world-class swimmers.	Sumo wrestling is deeply ingrained in Japanese culture but may lack the universal appeal of tennis and soccer.
Event Management	Stringent requirements for state-of-the-art swimming facilities may pose challenges for some regions.	Infrastructure requirements, including suitable venues, may need enhancement for large-scale international events.
Global Presence	Global competition is intense, with established swimming events in Europe, the United States, and Oceania.	Sumo wrestling tournaments are well-managed but may face challenges in international expansion.

4 Conclusions

In conclusion, the economic impact of the Super Bowl serves as a notable global affair, showcasing a multi-faceted influence on the host region. On the one hand, the Super Bowl achieves substantial economic gains through ticket sales, advertising revenue, and tourism. On the other hand, it also acts as a magnet for investments, attracting businesses and fostering long-term economic development both locally and nationally.

The Super Bowl's economic success in the U.S. could be a tantalizing inspiration for Asia. While copying its exact model may be a challenge, this paper attempts to adopt a

qualitative framework, and explores the possibilities of hosting similar mega-sports events in the region through the lens of financial sustainability, cultural resonance, event management, and global presence. While each sport carries its own economic potential, tennis emerges as the most likely candidate to replicate the Super Bowl's success in Asia. Its regional popularity, global appeal, diverse revenue streams, and manageable infrastructure needs offer a strong foundation.

Asia has the potential to establish itself as a global powerhouse for hosting sports events that leave a positive and enduring mark on the economic landscape. To truly achieve Super Bowl-like heights, however, careful planning and collaborative efforts are crucial. Strategic integration of local culture, innovative event management, and a focus on fan engagement will be key to unlocking the full potential of this "Asian Super Bowl" of tennis. By leveraging the lessons learned from the Super Bowl's economic success, Asian stakeholders can strategically plan for mega sports events that not only captivate global audiences but also contribute significantly to regional development and sustained economic growth.

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