



Impact of International Sports Event on Local Businesses: Insight from the 2018 Asian Games

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Abstract

International mega sports events commanding massive public spending are expected to stimulate the economic development of the host country. This study aims to examine the impact of the 2018 Asian Games Jakarta-Palembang on local businesses, captured through the perspectives of micro, small and medium-sized enterprises (MSMEs) and official partners of the event. Primary data were collected through face-to-face survey administered using questionnaire during and after the event, yielding usable responses from 284 stallholders in Jakarta and Palembang venues and 19 official partners. The results show that the respondents hired additional workers during the event and they also generated additional sales, profit of which was partly used to scale up their businesses. However, future event can generate greater impact to local businesses with more effective socialization, simpler registration, and better stalls arrangements including more strategic location, better electricity and water supplies, and easier loading access to the venues.

Key words : sports event, event management, economic impact, Asian Games, Indonesia.

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INTRODUCTION

Sports tourism industry is a part of the global travel and tourism business, which, barring the Covid-19 pandemic, exhibited rapid growth. Prior to the pandemic, the industry was worth USD800 billion globally Orbit (2018), and was expected to grow 36% annually (Technavio, 2020). Sports tourism is widely defined as a travel activity to participate in or observe sports events or to visit sports attraction while staying in a tourist area (Delpy, 1998; Gibson, 2017; Hingham, 2020; Ito, 2019; van Rheenen et al., 2017). However, Gelsenkirchen (2007), suggests that sports tourism does not necessarily take place in tourist destination. The mega multi-sports events fall into the latter category, as they usually take place in sports venues. Hence, there are three categories of sports tourism: sports attraction visitation, sports event attendance, and active participation.

From the economic perspective, the attention directed at the sports tourism industry is primarily focused on its impacts and benefits, including immediate and future, tangible and intangible. For example, during the Centennial Olympic Games in 1996, it was reported that two million people visited Atlanta, the host city, and 3.5 billion people in 214 countries saw the city on global television, resulting in a significant increase in the host city's tourist industry (Standeven & De Knop, 1999). As such, sports events are considered effective for attracting international audiences to visit or simply get to know the host city due to its significantly high media value or media branding (Green et al., 2003; Heere et al., 2019; Hemmonsbey & Tichaawa, 2020; Jeong et al., 2020; Jeong & Kim, 2020; Matic et al., 2020; Xing & Chalip, 2006). Beside attracting media and foreign tourist, a sports event could also attract official partners or sponsors. In the case of

the 2014 FIFA World Cup in Brazil, Vico et al. (2019), suggested that one of the main beneficiaries of the event was FIFA and its business partners (such as Coca Cola Company, McDonald's, Budwiser, Visa, etc.). As a consequence, cities and countries compete to host massive sports events due to their ability to create economic effects through the visitors' spending and the possibility to attract investors and visitors afterward.

The economic impact of hosting a sporting event can be categorized in the three main phases of the event. First, at the preparation stage the anticipatory actions, including venue preparation, provision of public infrastructures and private sector investments can generate both direct and indirect impacts on the economy (Baade & Matheson, 2004; Solberg & Preuss, 2007; Tohmo, 2018; Wood & Meng, 2020). Second, during the event the participants and tourists, both international and domestic alike, spend their money on local products and services. The participants mainly purchase sports equipment, gifts, food and beverages, while tourists mainly spend their money on leisure-related expenditures, including transportation, accommodation and restaurant services (Beckman & Traynor, 2018; Borovcanin et al., 2020; Case et al., 2010; Case et al., 2013; Ziakas & Trendafilova, 2018). Such increased demand heightens the revenue of businesses, thereby generating multiplier effects for the upstream industries in terms of revenue and job creation. Third, even in the longer term, the hosting of a sporting event may bring about positive impacts to the local economy through enhanced tourism sector, increase in tourism-related employment, and reduction in season fluctuation of visitation (Carvalho et al., 2018; Fourie & Santana-Gallego, 2011; Ritchie & Adair, 2004; Ziakas, 2020). Hence, the economic benefits of sports events outweigh those of non-sports events because both the preparation, main activities and post event impact can induce

economic activities more than the non-sport events (Preuss, 2019).

Previous studies on the economic impact of sports events were mostly carried out at aggregate level. One example is the 2016 Brazil Olympics, which was estimated using the Computable General Equilibrium (CGE) model to contribute USD 39.1 billion to Brazil's economy, surpassing the cost of USD 14.4 billion spent by the host country (Haddad & Haddad, 2010). It was also estimated to create around 120 thousand employments annually in 2009-2016, as well as another 130 thousand in 2017-2027. Likewise, using the input-output model the visitors' spending during weekend of PGA golf tournament was estimated to generate total output of USD 42.77 million as a result of direct, indirect, and induced impacts, which in turn estimated to create 815.5 full-time and part-time jobs (Daniels et al., 2004). Using the same method, the 2002 World Cup tourists' expenditure was estimated to generate USD 1.35 billion of output, with output impact of culture and recreation sector appeared to be the largest, followed by hotel and shopping sectors (Lee & Taylor, 2005). It was also estimated to have produced USD 307 million of household income, USD 713 million of value-added, and USD 71 million of indirect tax through successive rounds of re-spending and, eventually, to have created 31,349 full-time equivalent jobs.

Hence, sports events, especially large-scale ones, can provide valuable opportunities for the host country to generate economic impact such as income, tax and job creation. However, questions remain over whether the estimated aggregate impact can also be capitalized by local businesses to stimulate local economy. The potential for local business to leverage sports event are sometimes largely unrealized. In the case of the 1999 Gold Coast Honda Indy, most local

business failed to recognize the event as a leveraging opportunity (Chalip & Leyns, 2002), whereby those who did leverage obtained some benefits. An ex-ante study by Wasilczuk & Zawadzki (2013), also reported that the UEFA 2012 Euro, which was supposed to be major opportunity for the Polish economy, did not trigger any special action among Polish entrepreneurs to increase business activity and, in turn, expected to have insignificant impacts on local economy, especially in boosting local business sales. During the 2014 FIFA World Cup in Brazil, only FIFA sponsors could sell their products and paid no taxes for their activities while small merchants, street performers and thousands of street vendors and street workers (150.000 in Sao Paulo alone) were unable to sell in the areas around the stadiums and the fan Fest areas that were total exclusivity of FIFA (Vico et al., 2019).

This study draws the case of the 2018 Asian Games, with focus on the economic impact on local businesses. The Asian Games is a multi-branch sports event that involves all countries in the Asian Continent, and it is also an official four-year agenda of the Olympic Council of Asia (OCA). Indonesia hosted the event, which was officially known as the 18th Asian Games Jakarta-Palembang 2018. The event took place from August 18 to September 2 in three provinces—of which DKI Jakarta and South Sumatra Provinces served as the host regions while West Java Province served as a supporting region.

The 2018 Asian Games were the biggest in the history of Asian Games, with 11,478 participating athletes from 45 Asian countries, including Indonesia as the host country, competing in 40 sports and 465 events. This figure exceeds the participating athletes at the 2014 Asian Games in Incheon (South Korea), the 2010 Asian Games in Guangzhou (China), or the 2006 Asian Games in Doha (Qatar), even being comparable to the 2016 Summer Olympics in Rio

de Janeiro (Brazil) which featured 11,238 athletes. Moreover, in the 2018 Asian Games 1,149 country officials from participant countries also took part, adding to the hundreds of OCA officials and representatives of international sports federations from various sports branches. To ensure that this grand event would run successfully, no less than 13 thousand local committees were involved, which comprised of the Indonesia Asian Games Organizing Committee (INASGOC) and its volunteers, excluding task forces from various government institutions and community organizations that helped smooth the event. The event successfully attracted international attention, not only from the Asian Region as it was covered by no less than 10 thousand journalists from printed, online and international media from around the world. In addition, this event was also able to attract nearly 79 thousand foreign tourists who came to Indonesia with the main intention or even specifically to attend the matches.

Taking into account the massive scale of 2018 Asian Games, estimating the economic impact of this event is highly essential. The magnitude of the impact of a sports event on the host country's economy is one of the hallmarks in measuring the host country's success in holding the event. It can be used as a reference for the government in conducting similar events in the future.

The contributions of this study are fivefold. First, rather than using macro and aggregate level approach to estimate the economic impact (Haddad & Haddad (2010), Daniels et al. (2004), and Lee & Taylor (2005)), this study provides micro data from local micro, small and medium-sized enterprise (MSMEs) holding the stalls in and around the venues during the event. Second, while previous stream of studies of sports event's economic impact focusing on local business and using micro-data already provided

evidence from Gold Coast Honda Indy Chalip & Leyns (2002), UEFA Euro Cup Wasilczuk & Zawadzki (2013) and FIFA World Cup Vico et al. (2019), this study further add evidence from Asian Games event. Third, this study adds to limited study on 2018 Asian Games in particular, which has received limited attention with the exception of study by Revindo, et al. (2021; 2019), that discussed the determinants of international visitors' spending and one by Revindo, et al. (2019), that discussed the long-term impact of the event. Fourth, this paper investigates not only the short-term impact generated through stallholders' additional sales and profit, but also the potential medium and long term-impact such as how they use their profits to scale up their business and to better prepare for participation in future events. Fifth, in addition to capturing the perspectives of local MSMEs, this study also surveyed the 2018 Asian Games official partners, especially how they used the event to enhance their company and brand images.

This paper is organized as follows. Section 2 discusses the research method, including the conceptual framework, data collection, profile of respondents and the data analysis method. Section 3 provides and discusses the results, including the event socialization and registration process, stallholder's tenancy, economic impact on stallholders and official partners, event evaluation and future participation. Finally, the last section concludes and discusses the implications of the findings.

METHOD

The economic impact of the 2018 Asian Games to the local businesses can be conceptualized as shown in Figure 1. International sports events are expected to attract foreign and local sports participants and their spectators. Their spending in the host country (Indonesia) can stimulate the local businesses to generate revenue and profit, part of which is used to increase inventory in short-

term. The event also stimulated the businesses to employ temporary workers.

In the longer term, part of the gained profit can be used to scale up the business, including the improvement of assets, tools and inventories. Some of the temporary additional workers will also be employed

permanently due to expected increase in post-event business activities. Further, the participation experience also affects businesses' future participation with better knowledge to fully capitalize the business opportunity coming from future event.

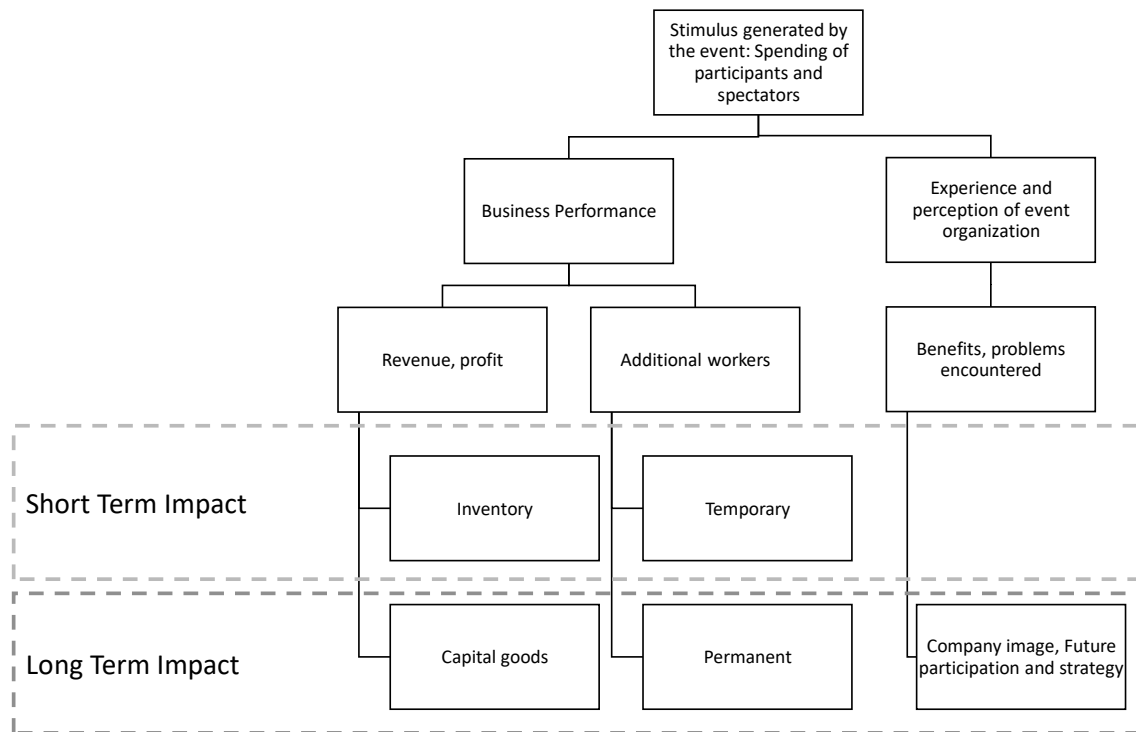


Figure 1. The Conceptual Framework

The study employs primary data collected through administered questionnaire. In order to capture the critical issues provided in the conceptual framework, the questionnaire for MSMEs contains three sections: business profile, event participation and event evaluation. The business profile section contains questions about the business names, domiciles, length of business, main products, forms of business entities as well as owner's identity. The event participation section includes questions about the process taken to register as stallholders, the tenancy terms, facilities obtained, estimated revenue, additional employees and planned use of the profits obtained. The event evaluation section

contains questions about problems encountered in running the stalls and future participation in similar events.

The questionnaire for official partners contains questions regarding the registration methods, forms of partnerships, number of orders received, planned use of the profits obtained, additional employees, sources of capital and problems encountered in meeting INASGOC's requirements.

The study targeted two populations: (1) MSMEs opening the stalls within and around the venues in Jakarta and Palembang; and (2) official partners of INASGOC. The primary data was collected through following means: (1) Face-to-face survey administered using questionnaire

with purposive sampling method to stallholders during the event, from 19 August to 4 September 2018, in Jakarta and Palembang as well as several cities in West Java which participated in hosting the event; (2) Face-to-face survey to official partners, administered using questionnaire the following month after the event; and (3) Further interview to either stallholders or official partners who during the survey indicated that they had additional useful information not captured by the questionnaire.

The survey collected 284 usable responses from stallholders, 196 of which collected from Greater Jakarta and West Java Areas, and 88 from Greater Palembang Area. Table 1 shows the composition of respondents by products and location. In Jakarta, a large share of respondents sold food and beverages, while the remaining respondents sold either clothes, handicrafts and souvenirs and others (including leather products, sports equipment, services, etc.). By contrast, a considerable share of respondents in Palembang sold traditional textile and various clothing.

Table 1. Main Merchandise Sold by Surveyed MSMEs Stallholders in the 2018 Asian Games

Main Products	Jakarta	Palembang
Handicrafts and (non-official) souvenirs	10.19%	23.42%
Clothes and shoes	12.96%	38.74%
Food and beverages	69.44%	26.13%
Others (Leather products, sports equipment, services, etc.)	7.41%	11.71
Total respondents	284	88

Source: Survey data (processed)

The survey also captured the perspective of official partners including sponsors or contractors of the 2018 Asian Games organizers, e.g., lodging providers, venue managers, and owners of official production rights for the 2018 Asian Games memorabilia/ merchandises. The survey to official partners gathered responses from 19 companies, nine of which were domiciled in DKI Jakarta, four in South Sumatera (of which the capital is Palembang), and the rest in other provinces including Banten (3), West Java (2), and East Java (1). In terms of business sectors, five firms ran game venues, five provided the accommodation for athletes and spectators, and the rest provided printing services (2), fashion (2), food and beverages (2), shipping (1), retail (1), and oil and gas (1). The average firm age of the official partners 15.15 years, all of which had legal entities.

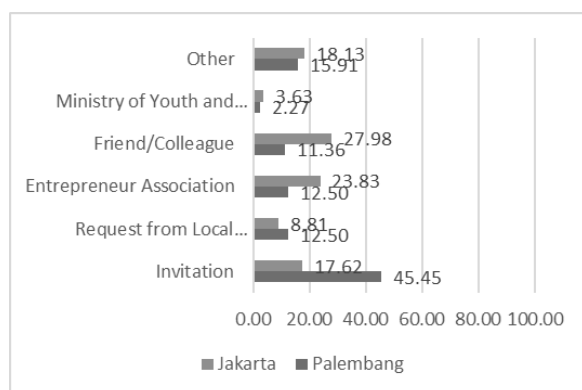
Descriptive analysis was carried out to all variables of interests. Cross tabulations were conducted, when possible, pivoting on survey location (Jakarta and Palembang) and four types of products (handicraft and souvenir; clothes and shoes; food and beverages; others including leather products, sports equipment, services, etc.). In addition to survey data, interview results were used to add insights and interpretation of the results as well as explaining cases.

RESULTS AND DISCUSSION

Given the massive scale of the event, the 2018 Asian Games was anticipated with great enthusiasm by local businesses, both operating around and outside the hosting cities alike. A large number of MSMEs had visited the INASGOC head office since a few months prior to the event to directly inquire the registration process and requirements to participate as stallholders within the venues, and this enthusiasm was later confirmed by INASGOC.

However, Figure 2 shows the source of information reported by the stallholders regarding stall application. It shows that

stallholders in Palembang were mostly aware of the registration process through invitation from the organizing committee, and socialization from local government agencies and business/ entrepreneurs association. By contrast, stallholders in Jakarta were mostly aware of the registration process from business colleagues and business/ entrepreneurs association. The INASGOC and Ministry of Youth and Sports, however, were the least source of information for stallholders in both cities, indicating rather less effective socialization by the organizing committee. Of the MSMEs which were interested and applied for stalls, more than half were immediately granted stalls while around third went through selection process.



Source: Survey data (processed)

Figure 2. Source of Information regarding Stall Application (%)

With regard to official partners, 11 of 19 surveyed companies went through public procurement process including tenders. The remaining companies became official partners through direct appointment. Upon being official partners, those companies were then granted several stalls in and around the venues for exhibitions.

In running the stalls, most of MSMEs in Greater DKI Jakarta Area had a profit-sharing scheme with the organizing committee, while the rest had to pay the rent or were admitted for free (Table 2). By contrast, most the respondents in Palembang either had to pay

the rent or were admitted for free with very few of them had revenue sharing agreement with the committee. Those receiving free admission mostly stated that their participation was supported by the Ministry of Trade.

Table 2 also shows that those paying the rents in Jakarta and the surrounding area on average had to pay around 2,5 times more than those in Palembang. This sum of rent had already included the facilities provided for the stallholders during the event such as water and electricity as well as garbage collection services. Despite paying more, those opening the stalls in Jakarta on average ran their stalls for longer number of days compared to their Palembang counterparts. The high fee and longer opening period indicate that being vendors in Jakarta venues was more lucrative than in Palembang and that most of them had already open the stalls even before the day of opening ceremony.

Table 2. Tenancy by Event Location

Tenancy	Jakarta	Palembang
Form of Cooperation		
Rent	33.16%	48.86%
Revenue sharing	40.93%	3.41%
Free stall	25.91%	47.73%
Average Stall Rental Costs (IDR)		
	16,359,344	5,926,829
Average Selling Period by Event Location (Day)		
	15.56	12.24

Source: Survey data (processed)

Most of the surveyed stallholders reported that they had to recruit additional temporary workers to help them running the stalls during the event, both in DKI Jakarta and Palembang alike. This is either because they did not close their main shops (the original shops outside the event) during the event or because they needed more effort to run the stalls in the event, or both. On average, the stallholders in Jakarta hired between 1 and 2 temporary workers while those in Palembang hired around two additional

workers to assist them running the stalls during the event. The stallholders recruited additional workers from family members/relatives (mostly were still in school/ colleges) or colleagues of their existing employees. After the event, only around 10% of stallholders decided to hire those temporary workers on permanent basis.

Table 3 shows the daily sales of the surveyed stallholders during the event. The table shows that their average daily sales from typical business day from main stores outside the event were slightly higher than the daily sales generated from their event stalls, both in Jakarta and Palembang alike. This is understandable because the event stalls were most likely be smaller compared their original stores and tight competitions due to the availability of similar products/substitutes around the venues. For those kept opening the main store during the event, therefore, the sales from the stalls in the event was supplementary to their main businesses. By contrast, those stallholders closing their main stores to concentrate on their event stalls may find their businesses during the event under expectation. This also explains why the percentage of sales increase due to the event cannot be calculated by simply putting the sales of the typical business day as a denominator.

The table also shows that both the average daily sales during the event and the average daily sales on normal business days of stallholders in Palembang were higher than those in Jakarta. The first fact suggests that MSMEs participating as stallholders in Palembang on average had larger scale than their Jakarta counterparts. The second fact suggests that doing business in the event held in smaller city can be lucrative, possibly due several reasons including less competitors, enthusiasm of local population due to less frequent international event held in their city, the high unit prices of items sold in

Palembang (mostly expensive traditional clothes), and curiousness of sports participants and visitors towards local products. The last reason is supported by the fact that one of the highest average sales during the event in Palembang was reported by the stalls selling handicraft and souvenirs, indicating strong selling points of Palembang's local products. However, the stallholders in Palembang reported their average daily sales increase during the event only around 15%, fifth of their Jakarta counterparts. This suggests that a large number of respondents in Palembang decided to close their main stores to concentrate running their event stalls.

Table 3. Average Daily Sales of Stallholders by Event Location

Average Daily Sales	Jakarta	Palembang
From main business outside the event (IDR Million)		
All products	2.62	2.99
Handicraft & (non-official) souvenirs	2.57	3.67
Clothes & Shoes	1.54	3.18
Food & Beverages	2.60	2.53
Others (Leather products, sports equipment, services, etc)	2.17	4.27
From stalls during the event (IDR Million)		
All products	1.93	2.42
Handicraft & (non-official) souvenirs	0.97	3.07
Clothes & shoes	1.42	2.21
Food & beverages	2.16	3.35
Others (Leather products, sports equipment, services, etc)	0.88	1.73
Sales increase		

Average Daily Sales during the event (%)	Jakarta	Palembang
All products	74.56	15.28
Handicraft & Souvenirs	30.92	4.62
Clothes & Shoes	82.32	2.44
Food & Beverages	77.85	38.10
Others (Leather products, sports equipment, services, etc)	35.63	16.15

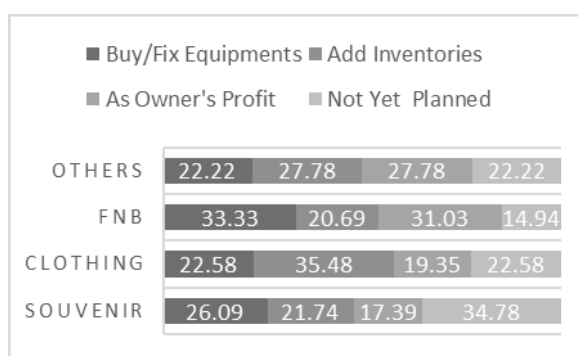
Source: Survey data (processed)

As stallholders reported sales from their stalls during the event, and subsequently profit, Figure 3 shows the planned use of profit gained. It shows that stallholders in Palembang mostly planned to use the profit to stack up their inventories or add more items sold in their main stores. By contrast, stallholders in Jakarta had varied plans to use the profit, with roughly more equal responses on purchasing or improving their assets (equipment and working tools), increasing inventories and items sold in main stores, using for owners' personal use, and having no plan yet.

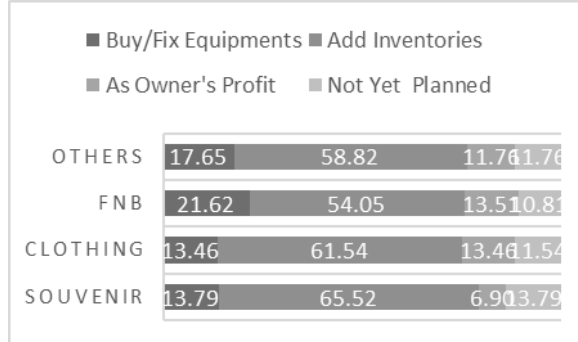
However, plans to use the profit may also vary according to their types of business/products. For example, a considerable share of respondents selling food and beverages planned to purchase equipment, as better equipment may scale up their business. By contrast, a considerable share of respondents selling clothings planned to increase inventories as they aspire to have more collection of items in their stores but they probably did not manufacture the products themselves.

Upon their admission as organizing committee's official partners, 12 out of 19 surveyed companies received orders for products and services related to the 2018

Asian Games, such as merchandises with official event logo or venue maintenance services. Around 50% of these orders came from the government while the other 50% came from private sectors. The government placed orders worth between IDR 15 million and IDR 18.8 billion, with the largest portion related to venues preparation, while the private sector placed orders worth between Rp15 million and Rp300 million. In fulfilling these orders, around 47.06% of respondents needed to increase their employees' working hours while 41.18% had to recruit additional temporary workers.



(a) Stallholders in Jakarta, by Types of products Sold



(b) Stallholders in Palembang, by Types of products Sold

Source: Survey data (processed)

Figure 3. Planned Use of Profit Gained during the 2018 Asian Games

In anticipating the mega-event, INASGOC as the organizing committee partnered up with several parties to prepare for the 2018 Asian Games merchandises. The preparation process started in 2017, a few months before the event was held. Several licensed tenants had already sold the official merchandises several weeks before the opening ceremony. The tenants'

outlets selling the merchandises could be found in many places, such as minimarket chains, Central Park, FX Sudirman, Gandaria City, Senayan City, Pondok Indah Mall, Plaza Semanggi, Lippo Mall Puri, as well as various Department Stores in Jakarta and Palembang. In DKI Jakarta alone, there were 20 tenants with their respective outlets spread across the city. The 2018 Asian Games offered a large variation of merchandise starting from stationaries, lunchboxes, bags, t-shirts, batik clothes, medals, hoodies, shoes, pillows hats and the most popular of all merchandise the mascot dolls (Bhin-bhin, Kaka, and Atung) which were only available in the Superstores. The Superstores were only available in Zona Pavilion Asian Fest, Gelora Bung Karno (GBK) Jakarta and in front of Jakabaring stadium, Jakabaring Sport City (JSC) Palembang.

It is worth noting, however, that the official partners did not fully capitalize the opportunity of the event to sell memorabilia. The scarce number of Superstores caused the spectators of the 2018 Asian Games outside the aforementioned two venues to not able to purchase the merchandise. An example of venue with no Superstore is the Jakarta International Expo (JIExpo) which was used for weightlifting, bridge, table tennis, boxing, taekwondo and gymnastic. With no Superstore in JIExpo, many spectators complained about not being able to purchase the merchandise, especially were eager to have the mascot dolls, especially a large number of children attending the gymnastics.

Where as in the GBK Superstore, the situation between the first and the second week escalated quickly from a relatively normal number of visitors in the first week to long hours of queueing in the second week. The long queue could be found nearly everyday in the second week with the queue starting, from early morning (from 6 AM despite the Superstore only opens at 10 AM)

untill the closing time at 10 PM. A number of visitors who anticipated this in the first week took the opportunity to purchase the mascot dolls early to be resold with much higher prices. Due to this high demand from Indonesian visitors, complaints were lodged from international participants (including the athletes, officials and spectators) who failed to obtain the items.

For those who were willing to queue, some were unhappy with the items left available in the Superstore as some of their favorite merchandises were already out-of-stock or could only be purchased in limited quantities per person. The purchase limitation was applied starting Wednesday, August 29, 2018, by which for each visit to Superstore a person could only purchase 3 dolls. The last three days of the event were filled with visitors who were enthusiastic as well as fearful for missing out the 2018 Asian Games official memorabilia. As a response to the spike of demand from the visitors, pre-order for the mascot dolls was opened August 31, 2018 with three types of package that would be available in December. Hence, future events should better anticipate the demand for official memorabilia and fully capture the business opportunities.

Nevertheless, the 2018 Asian Games official partners did not always use the event to sell their products or services. An example is the Indonesia's state oil and natural gas mining company, one of the official prestige partners or sponsors, with booths within the venues not used for trading but rather for exhibitions. As per its contract with the committee, the company simply assisted the 2018 Asian Games financially by providing IDR 15 billion to ensure the smooth running of the event. The company also donated another IDR 900 million from its Corporate Social Responsibility budget to promote the 2018 Asian Games at gas stations and fuel tanks, and to construct a bowling venue in Palembang. Also, the company created the 2018 Asian Games video mapping as well as a

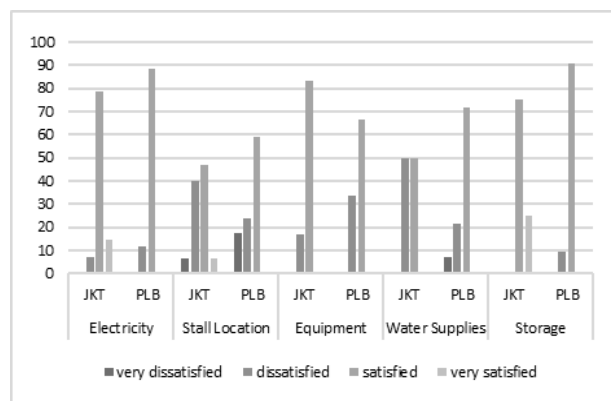
special event such as free festival during the Torch Relay, spending around Rp 11.7-17.55 billion for these purposes. Other official partners also used the 2018 Asian Games as an opportunity to increase their exposure. The expected to gain future benefits such more recognition by the public or enhanced company or product images. Factoring in this enormous non-monetary benefit, they were willing to participate as official partners or sponsors in the future events with similar scale.

Stallholders' satisfaction with the arrangement of the event is crucial for their future participation. This study asked the respondents their satisfaction with the provision of five types facilities by the organizing committee, including electricity, stall location arrangement, supporting equipment, water supplies and storage. The majority of the respondents in DKI Jakarta were satisfied with the facilities provided although some improvements could be made with the emphasis on water supply facilities. In Palembang, in general the respondents were satisfied with the facilities provided by the organizers, despite a lot of complaints regarding the bad arrangement for stalls' location as a number of stallholders deemed that they were given locations that were not strategic for trading activities.

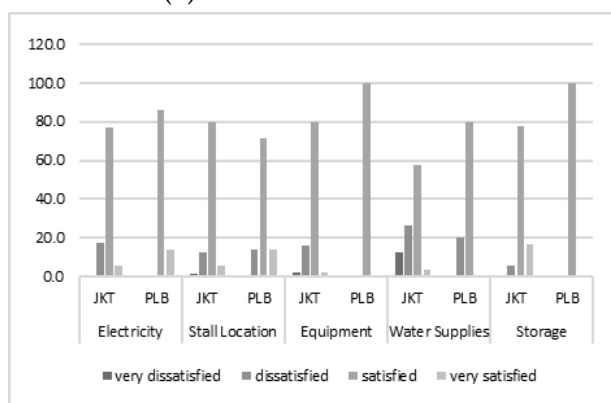
Figure 4 shows the stallholders' satisfaction with the provision of facilities when broken down by types of products sold. The stallholders selling handicraft and souvenirs were mostly satisfied with the provision, except for water supplies in DKI Jakarta and for un-strategic stall locations both in Jakarta and Palembang (Figure 4.a). Likewise, the stallholders selling clothes and shoes were mostly satisfied with the provision, except for water supplies in Jakarta and un-strategic stall locations both in Jakarta and Palembang. The stallholders

selling food and beverages were also mostly satisfied with the provision, except for water supplies in Jakarta. Finally, the stallholders selling other products were mostly satisfied with the provision, except for storage in Palembang, water supplies in Jakarta, electricity in Jakarta, and un-strategic stall locations in Jakarta and Palembang.

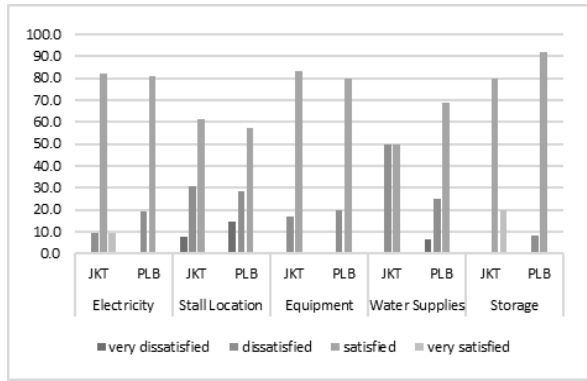
The study also asked the problems encountered by stallholders during the preparation period. Four most common types of problems identified including complicated requirements, short notice, working capital and access for loading. In terms of access for loading, a number of stallholders faced barriers in accessing the venue for inventories delivery and loading. They were only given entry access for a few employees thereby hindering their activities in bringing in the supplies to the stalls. This also hindered them to replace the employees exhausted in the middle of the week.



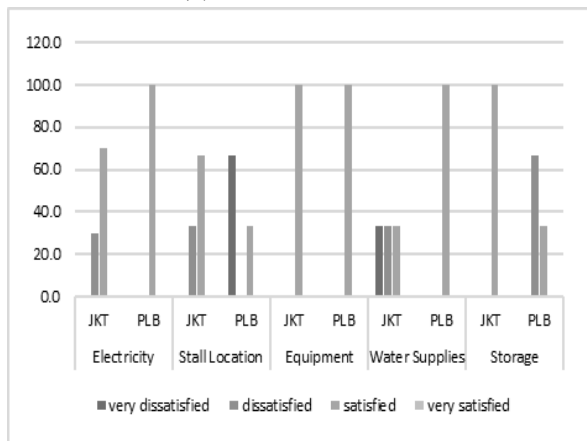
(a) Handicraft and Souvenir



(b) Food and Beverages



(c) Clothes and Shoes



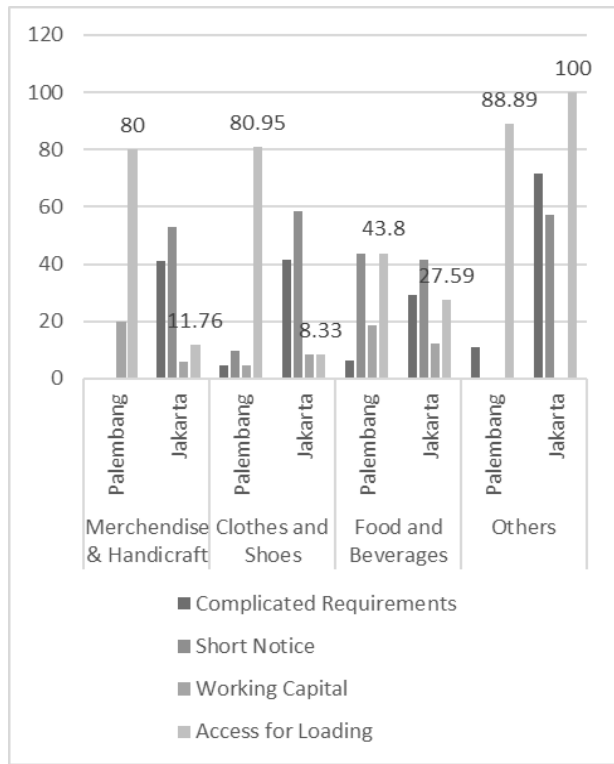
(d) Others

Source: Survey data (processed)

Figure 4. Satisfaction of MSMEs Owners/Manager Regarding the Provision of Facilities during the Event

Figure 5 shows the main problems encountered by stallholders detailed by the types of products sold. Stallholders selling souvenirs and handicraft in Jakarta complained about access for loading while in Palembang complained about complicated requirements and short notice. Likewise, stallholders selling clothes and shoes in Jakarta complained about access for loading while in Palembang complained about complicated requirements and short notice. Similarly, stallholders selling food and beverages in Jakarta complained about access for loading, requirements and short notice, while in Palembang complained about access for loading and short notice. Finally, stallholders selling other products in Jakarta complained about access for loading, requirements and short notice, while in

Palembang complained about access for loading.



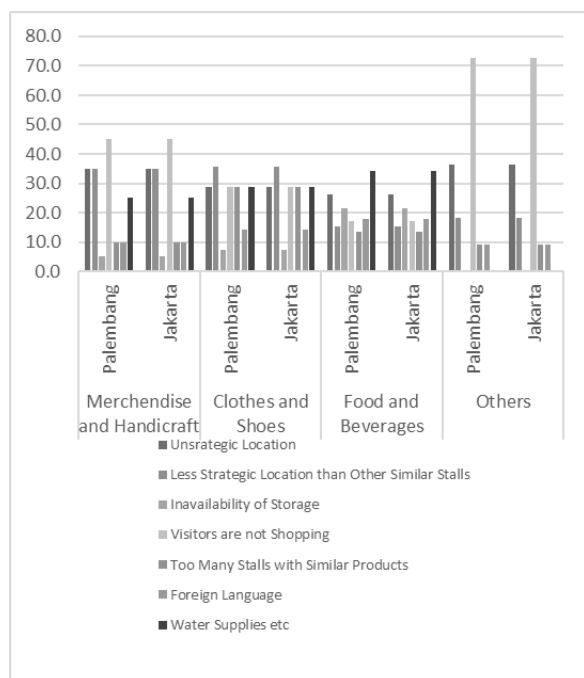
Source: Survey data (processed)

Figure 5. Problems Faced by Stallholder during the Preparation Period, by Product and Location

The study also asked the problems encountered by stallholders during the trading period (during the event). Seven most common types of problems identified including un-strategic stall location, visitors were not shopping, less strategic location than other similar stallholders, too many stallholder selling similar products, foreign language, unavailability of storage, and water supplies.

Figure 6 shows the main problems encountered by stallholders detailed by the types of products sold. Stallholders selling souvenirs and handicraft in Jakarta and Palembang alike complained that a large number of visitors looked around but did not shop, followed by un-strategic location of the stalls or less strategic than other stalls selling similar products. Stallholders selling clothes and shoes in Jakarta and Palembang alike complained about their stalls' less strategic

location, followed by visitors not shopping and too many stalls selling similar products. Stallholders selling food and beverages in Jakarta and Palembang alike complained about water supplies, their stalls' less strategic location, and storage. Storage is very crucial facilities in event, especially for non-durable product such as food and beverages.



Source: Survey data (processed)

Figure 6. Problems Faced by Stallholder during the Event, by Product and Location

Most of the MSMEs participating in the 2018 Asian Games, both in Jakarta and its surrounding as well as in Palembang, had previous experience in participating in similar events, despite of smaller scale. Of the 196 stallholders surveyed in DKI Jakarta, 71.35% of which had opened kiosks at previous events. Likewise, of the 88 stallholders surveyed in Palembang, 65.91% of which had participated in previous events. However, only a small proportion of them have participated in events of international scale (2.48% in DKI Jakarta and 4.05% in Palembang). In terms of future events,

92.71% of stallholders surveyed in DKI Jakarta and 87.5% of stallholders surveyed in Palembang expressed their interest in participating again should other similar events hold in the future.

Among the respondents who participated as stallholders in large sports event for the first time, the positive view towards future event was also captured. One of the stallholders that gained substantial profit during the 2018 Asian Games was a coffee shop chain. In a typical normal business day each shop usually sold about 20-30 cups of coffee, while during the 2018 Asian Games the sales of the stall recorded almost three times of that figure. Considering that this was their first participation in a large sports event, they perceived that the 2018 Asian Games had successfully created positive impact and experience which motivated them to participate again in future similar event to gain short-term profit as well as to promote their business.

The findings of our study complement previous studies on the economic impact of sports event, by adding evidence at micro level. There are two channels which can bring the impact of sport events to MSMEs. The first is through visitor spending and the second is through created employment.

In terms of visitors' spending, in line with Chalip & Leyns (2002), Hayduk (2020), and Wasilczuk & Zawadzki (2013), we found that sports event encourages international and domestic tourists to spend money on goods and services associated with the event, thus tends to increase sales and profits of MSMEs selling their goods and services near the venue

In terms of employment, our findings are consistent with job creation estimates from previous several settings, with sports events were found to potentially increase the number of workers employed during and/ or after the events (Daniels et al., 2004; Fredline et al., 2012; Haddad & Haddad, 2010; Kim et al., 2017; Lee &

Taylor, 2005; Storm et al. 2019; Wood & Meng, 2020).

However, we also reaffirm the caveat suggested by Burgan & Mules (1992), who argued that the employment impact should be interpreted with caution since permanent jobs are unlikely to have been created due to the short-term nature of the mega-event.

Our findings also echo Guaita Martinez, et al. (2022), who argued that entrepreneurs' perceptions of the potential impacts of a sports event may be influenced by their expectation of the event's long-term effects on their business, especially related to promotional and improvements of the location image. Hence, the entrepreneurs with the long-term impact orientation tend to have more positive outlook, as they factor in the on-economic effects, such as region's image, positioning and capacity to organize events.

Our findings also reaffirm UK Sport & EY (2021) who reported that hosting sporting events can enhance city's strategic planning but require effective collaboration and promote purposeful engagement with local MSMEs. This is crucial for the city and the MSMEs to generate expenditure-driven economic impacts for the hosting city.

CONCLUSION

The study aims to investigate the impact of the 2018 Asian Games, captured through the perspectives of MSMEs stallholders in and around the venues in DKI Jakarta and Palembang as well as the organizing committee's official partners. The results suggest that the stallholders hired additional employees during the event despite only small portion of them will be employed permanently. Stallholders also gained higher sales than typical normal business day, profit of which partly will be used to scale up the business, e.g. to purchase equipment, tools, inventories or items traded

in main shops. Likewise, official partners also perceived that the event improved the image of their companies and brands. Despite demanding improvements in socialization, registration procedure, stalls location arrangement and other facilities provided by the organizing committee, in general they look forward to participate in future events.

The findings of this study has several policy implications. First, sports events, including national or international, single or multiple events, can bring positive economic impacts to the host country's economy. Hence, countries like Indonesia may aspire to continue hosting various single sports event and run for other international multi-events in the future. Second, despite the aggregate economic impact, the involvement of local businesses should be increased. Earlier notice, broader socialization and simplification of procedure can facilitate this purpose.

The findings of this study also has several managerial implications. First, the organizing committee may encourage visitors to shop at the stalls by locating the stalls in more strategic locations (i.e. visible and passed by visitors). Second, the organizing committee should improve their provision to the stallholders including improvements in electricity and water supplies, storage and easier loading access to the venues. Third, the organizing committee and the official partners producing memorabilia should better anticipate public enthusiasm by preparing tentative line of mass production.

Finally, the findings of this study have several academic implications. This study complements the previous macro and aggregate level studies that suggest positive impact of sports event on local businesses by providing evidence at micro level. However, this study also suggests that the impact may vary across products, city and venue locations. Hence, future studies can be developed upon the limitations of this study. Future studies can survey the visitors to capture their perception on

the items and price of the products sold in the stalls in and around the venues. Future studies can also broaden the target population into all the business in the host cities, not limited to the stallholders in and around the venues. This is on the base that a number of participants and visitors may prefer to explore the host city and shop in the shopping centers that are convenient for them.

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