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Policy Brief
Substitution between leisure activities: a quasi-natural experiment using sports viewing and cinema attendance

KEYWORDS: Leisure, football, cinema, difference-in-difference, D12, J22.

TYPE OF PUBLICATION: Journal Article


BACKGROUND
• This article considers the allocation of time between substitute leisure activities, treating working time as fixed.
• International football tournaments provide an opportunity to consider consumers’ preferences for watching football and films in a quasi-natural experimental setting.

METHODOLOGY
• A trade-off between the two leisure activities is identified using a difference-in-difference methodology. Using an original, four-country data set, a large and robust negative effect of mega sports events on cinema admissions is identified.

KEY FINDINGS
• The results strongly support the idea that per capita box office revenues decrease when mega sports events take place. It is concluded that there is a clear substitution between cinema admissions and the viewing of mega sports events, specifically international football tournaments.
• The results add to the economic literature finding significant negative spill over effects from holding or participating in mega events.
• This article also highlights the presence of additional negative spill overs, in the form of displacement effects on other leisure industries when a large sports tournament takes place, even in a different country. These substitution effects are clearly not confined to the host country.
• Further research could usefully examine whether there are similar impacts on other leisure activities.
POLICY ISSUES

● The negative spill over effects of hosting or participating in major sporting events should be reviewed thoroughly before the overall benefits to the economy is reported, given the level of substitutability between football and films.

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