The Use and Non-use Values of Events: a conceptual framework for event evaluation

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The relevance of Use and Non-use values
Historic development

Environmental economics  →  Culture economics  →  Event and festival economics
Development of use-value & non-use value in an event context

Barget, E., Gouguet, JJ (2007)
Armbrecht, John (2012)
Andersson, Tommy D.; Armbrecht, John; Lundberg, Erik (2012)
Andersson, Tommy D., Lundberg, Erik (2013)
Lundberg, Erik (2014)
Andersson, Tommy D.; Armbrecht, John (2014)

*Scandinavian Journal of Hospitality and Tourism*
Special Issue on Economic Impact Analysis of Events (forthcoming):
• Dolles, Harald, Solenes and Gammelsaeter, Hallgeir (in review)
• Heldt Tobias, Mortazavi Reza (in review)
• Andersson, Tommy D.; Armbrecht, John; Lundberg, Erik (in review)
Research Question and Objectives of this presentation

How can the concepts of Use- and Non-use values be applied in an event context?

Objectives:
1. To review the major constructs of use value and non-value and their application in environmental, culture and event economics
2. To discuss and conceptualize their application in two different event context
Major concepts and constructs to describe the value of events

Values

- Experiences
  - hedonic
  - utilitarian

Participants

- Marketing realm
- Quality of life
- Cultural industries and spill over effects
- Capitals
- Legacies

Society at large

- image
- identity
- brand
- criminality
- economic
- pride
- social
- Cultural
- economic
- political
- human
A discussion and conceptualization of use and non-use value in an event context

**Total Economic Value**

- **Use Value**
  - Direct Use Value
  - Indirect Use Value

- **Non-use Value**
  - Option Value
  - Bequest Value
  - Existence Value

**Event examples**
- Experiences on the event premises
- Other activities at the event destination
- Opportunities to attend events at the destination
- Providing good activities for the youth at the destination
- Improved image and economic impact at the destination

**Valuation methods**
- Market prices, CVM, TCM
- Market prices, CVM (TCM)
- CVM
- CVM
- CVM

Based on Bateman & Langford (1997) and Andersson, Armbrecht & Lundberg (2012)
CHALLENGES

Methods

Type of event

Space and time
A music festival and a sport event

Total Economic Value

Use Value
- Direct Use Value: 51% / 50%
- Indirect Use Value: 49% / 50%

Non-use Value
- Option Value: 38% / 25%
- Bequest Value: 33% / 45%
- Existence Value: 28% / 30%

Andersson, Armbrecht & Lundberg (2012; 2014)
Conclusions

- Monetary value of the experience provides a basis for future explanatory research
- Non-use value – a measure of the socio-cultural part of sustainable development
- Monetary values of experiences are demanded by public and business institutions

Further research

- Should option and bequest value be considered as Use values?
- How is Use value defined in relation to space and time?
- What factors influence Use-value and Non-use value?
Literature review

- Lundberg, Erik (2014) *Tourism Impact and Sustainable Development*, University of Gothenburg

*Scandinavian Journal of Hospitality and Tourism*; Special Issue on Economic Impact Analysis of Events

- Dolles, Harald, Solenes and Gammelsaeter, Hallgeir (in review) Exploring the regional value of cultural institutions in sport – a study of Molde Football Club;
- Heldt Tobias, Mortazavi Reza (in review) Estimating and comparing demand for an event using stated choice and actual visitor behavior data;
- Andersson, Tommy D.; Armbrecht, John; Lundberg, Erik (in review) Triple Impact Assessment of a Sports Event; *Scandinavian Journal of Hospitality and Tourism* Special Issue on Economic Impact Analysis of Events
Edited Book

• Event Impact Assessment: state-of-the-art, challenges
  – Community impacts/social impacts
  – Environmental impacts
  – Use and Non-use values, welfare effects
  – Holistic frameworks
  – Legacy
  – Events for behavioural change
  – Economic impacts
  – Critical approach
  – The experience
  – Image, PR, communicational impacts
  – Methodological approaches
  – …………. 