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The objectives of this study were twofold. The first objective was to estimate the value of public goods (non-use value) generated as well as private goods (use value) by Korean professional baseball teams, the LG Twins and Doosan Bears franchised in Seoul of South Korea and sharing the Jamsil Baseball Stadium. The second objective was to investigate factors influencing the willingness to pay (WTP) for a new stadium construction for the LG Twins and Doosan Bears. Contingent Valuation Method (CVM) was utilized to achieve these objectives. This approach represents a widely used, nonmarket economic valuation method that includes survey questions so that study respondents can be questioned about how much they would be willing to pay for a public good or service explained in a hypothetical (yet practically relevant) situation (Mitchell & Carson, 1989).

Using this approach, the present study generated the CVM survey to estimate the value (non-use value) of public goods generated as well as private goods (use value) by Korean professional baseball teams. The present CVM survey contained questions about (1) respondents' consumption of public (e.g., respondents' WTP, consumption behaviors) and private goods (e.g., the number of games attended) generated by the LG Twins and Doosan Bears, (2) respondents' reasons for their responses to the WTP questions, and (3) the personal information (e.g., gender, age, income, education) of respondents. Using online and face-to-face surveys, we collected a total of 884 usable surveys. The estimated nonuse value was 61 billion Korean won (KRW) (US$ 52 million). This value fell short of the construction cost (250 billion KRW) (US$ 214 million) recently estimated by the city of Seoul. The result indicates that the LG Twins and Doosan Bears did not generate enough public good value to provide justification for public expenditures. Additionally, the estimated use value was 184 billion KRW (US$ 158 million). Further, finally the total economic value generated by the two teams was 246 billion KRW (US$ 211 million). These findings indicated that the total economic value generated by the two teams can cover the current construction cost. This is surprising because the total economic value estimated from most of the previous CVM studies was still insufficient.

For the second objective, a Tobit regression was conducted, which accounts for the censoring of the WTP amounts at zero to investigate factors influencing the WTP for a new stadium construction for the LG Twins and Doosan Bears. Several factors were found to significantly increase total willingness to pay. Notably, PUBLICGOODS, which was measured by the consumption of the three public goods (read, talk, interest), had a positive impact on the WTP. LivingQuality, representing whether the teams helped improve Seoul residents’ living quality, and Harmony, measured by whether the teams helped improve relations among Seoul residents, significantly increased the WTP. The result from LivingYears measured by the number of years living in Seoul indicated that the longer residents live in Seoul, the more they are likely to pay the WTP. Meanwhile, socioeconomic variables (Education, Income, Age) did not influence the WTP.