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Part I
Conceptual Issues
From Legacy to Leverage

Laurence Chalip

Abstract: There is growing interest in the means to use events strategically for social, economic, and/or environmental purposes. The necessary strategies and tactics are being honed, and the result is a proactive approach to event leverage that is a paradigm shift away from received foci on event impacts. The strategic leveraging of events also differs from typical legacy frameworks because the necessary alliances and policies for sustainable event leverage are not feasible if the responsibility remains with event organizers. Effective event leverage is also constrained by the short-term duration of events. In order to address this issue, event leverage needs to be formulated and implemented in the context of a portfolio of events. Further research is needed to better understand the opportunities, means, and constraints for event leverage.


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Introduction

Events, especially sport events, have become key elements of the place marketing mix (van den Berg, Braun, and Otgaar 2002). Events are expected to build the destination brand, and attract visitors who will fill room nights, especially when tourist visits are otherwise low. The spending of visitors and the added brand equity that is consequent on hosting an event are expected to yield a positive economic outcome. Research questions that expectation, as the costs (including opportunity costs) of hosting an event can cause the overall economic effect to be negative, even if the standard input/output economic estimates are positive (Taks et al. 2011). Further, the branding benefits of an event are likely to be so small as to be undetectable in markets that are already familiar with the destination, and can be negative elsewhere (Chalip, Green, and Hill 2003). For one-off events, including an Olympic Games, the branding effect can be so transitory that there is scant residual impact after the event has passed (Ritchie and Smith 1991).

A related concern has to do with the ways that economic effects are distributed. Since large events often require a public subsidy of cash, public services, or both, taxpayers pay for the event even if they have no interest and obtain no benefit from it (Mules 1998). Businesses outside the event precinct can also suffer, as locals and visitors congregate at or around the event, taking their spending away from businesses that are outside the event precinct (Putsis 1998).

These concerns extend beyond event economics, as there are also social concerns. Events can cause unwelcome incursions and disruptions to the lives of locals (Fredline 2005). Further, since events concentrate large numbers of people into a small area, and require significant travel, there are ongoing concerns about their environmental footprint (Mallen, Stevens, Adams, and McRoberts 2010).

Given the array of concerns about the economic, social, and environmental consequences of events, one might wonder why cities, regions, and countries work so hard to attract and use events in their marketing. It may be that some events do yield sufficient positive outcomes to be worth the effort and expense. It is certainly the case that they are of value to the politicians who ultimately support event bids and event hosting (Whitson and Macintosh 1996).

Events are typically measured and evaluated with reference to their impact – be it economic, social, and/or environmental. Since the
investment in events is ultimately a political one, the impact numbers are ultimately political numbers. Unless they are rendered from research by an independent source, they are merely political assertions; they are not trustworthy evidence. Nevertheless, there is a deeper flaw in impact assessments. Measuring event impacts only considers what the event might have been worth after the fact. If events are likely to take place because they are popular or because political elites want them, then one needs to consider how an event can be made to be worthy – economically, socially, and environmentally. Events are, after all, an addition to the host destination’s product and service mix. They need to be treated accordingly.

Consider it this way: If you were to be asked the impact of a hammer on housing construction, you would recognize immediately that the question is naïve. The right question would be, ‘What do we need to do with the hammer in conjunction with the rest of the tools in our toolkit to optimize the production of homes.’ It is much the same for events. The right question is, ‘What do we need to do with an event in conjunction with the rest of the product and service mix at our host destination in order to optimize desired economic, social, and/or environmental outcomes?’ That is a strategic question, and it is a paradigm shift away from the old impact paradigm.

Fundamentals of event leverage

The leveraging idea obtained particular potency as a consequence of the multi-faceted ways that Australian businesses, governments, and not-for-profit organizations came together to formulate strategies and tactics to capitalize on the Sydney Olympics. That led to a model for economic leverage (Chalip 2004). Later work ahead of the Melbourne Commonwealth Games led to a model for social leverage (Chalip 2006). The two models were subsequently blended into an integrated model for economic and social leverage (O’Brien and Chalip 2008). In the blended model, environmental leverage is treated as a special case of social leverage.

Economic leveraging endeavours to optimize total trade and revenue from the event by (a) enticing visitors to spend, (b) lengthening visitor stays (which also increases visitor spend), (c) minimizing the booth effect (i.e., keeping event expenditures in the local economy), and
(d) using the event to foster business networking and enhance business relationships. Economic leveraging also endeavours to build the host destination's brand by (a) showcasing the destination in event advertising and reporting, and (b) featuring the event in (some) host destination advertising and promotions. Empirical evaluations of model elements find support (e.g., Chalip and Leyns, 2002; Chalip and McGuirty, 2004; Green, Lim, Seo, and Sung, 2010; O’Brien 2006, 2007), although more research is certainly needed.

Social leveraging utilizes the liminoid feeling events can engender in order to enable targeted social outcomes. The liminoid character of some events brings an associated sense of celebration and a feeling that the social conditions and social barriers of everyday life are transcended during the time of the event. Anthropological work demonstrates that liminality can foster event attendees’ engagement with alternative social arrangements and exploration of new social possibilities (Handelman 1990). Yet, liminality is not intrinsic to events. The fact that event goers enjoy an event, feel engaged by an event, or experience positive affect does not indicate liminality. It is essential that there be a feeling of celebration that breaks down social barriers, thereby enabling behaviours and social interaction that might otherwise be unlikely or impossible during everyday life.

Social leveraging endeavours to focus event stakeholders’ attention onto targeted social issues by (a) aligning the event with those social issues, (b) aligning values between social issues and focal sport subcultures, (c) lengthening visitor stays (to lengthen their engagement with the targeted issues), and (d) enticing attendees’ engagement with targeted social issues. Social leveraging also seeks to use event media to (a) showcase social issues via event advertising and reporting, and (b) use the event in issue-related publicity. Studies of the model are supportive (e.g., Kellett, Hede, and Chalip 2008; Ziakas and Costa 2010), although social leveraging may require a substantial degree of effort to achieve desired ends (Taks, Misener, Chalip, and Green 2013). More research is needed to identify and explore the challenges and means for social leverage.

Leveraging differs from impact and legacy

It might be argued (correctly) that measures of impact can help us evaluate the quality of strategic leveraging. However, there is an important

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difference between impact estimations that are properly conducted to evaluate strategic leverage versus the dominant practice of estimating impact without strategic leverage as the point of reference. Impact assessments that evaluate how particular strategic initiatives affected the economy, social conditions, and/or environment can provide information that enables learning and consequent honing of strategic leveraging at future events. On the other hand, merely estimating a particular impact with no specification of associated strategies or tactics provides scant information about why particular impacts were or were not obtained. In other words, by estimating impact with reference to event leverage, we can learn what strategies and tactics are effective or ineffective under given conditions; whereas, simply estimating impacts per se provides a description of outcomes with little basis for evaluating why those outcomes occurred.

The desire to plan for and enable positive economic, social, and/or environmental outcomes from events has fostered a relatively new discourse having to do with event legacies. The legacy framework holds that events should be planned and administered in a manner that will engender positive outcomes which will last beyond the time of the event. The legacy framework has obtained a great deal of traction because it has been produced and nurtured by the International Olympic Committee (IOC). It is framed as a counterbalance to criticisms that mega-events, especially the Olympic Games, are too expensive and leave behind facilities that are unsustainable. The power of the IOC to make the legacy discourse salient has also played a role, although the deeper purpose of concentrating on legacy, rather than strategic leverage, has been to sustain the franchisee relationship that the IOC prefers to have with Olympic hosts (MacAlloon 2008). Rather than focusing on the necessary alliances for strategic leverage of events – which can be achieved with or without the engagement of event organizers (Chalip and Leyns 2002) – the focus remains on the event, its elements, and its organizers.

It might be argued that leveraging is merely the collection of strategies and tactics employed to enable the generation of desired legacies. It is not uncommon for any desired outcomes from events to be called ‘legacies.’ In that instance, leveraging might be construed as a means towards legacy. The key concern, of course, is that the word ‘legacy’ and the model advanced by the IOC focus on event organization for purposes of legacy, which is inconsistent with insights from work on leverage. There are three problems inherent in the legacy framework: (1) Event organizers
have an event to stage, and legacies are secondary to that goal. Adding a responsibility for legacy to event organizing is not merely a distraction, it is an added expense and impediment for event organizers. (2)

The event organizing committee is normally disbanded shortly after the event, which can make legacy programs unsustainable. (3) Since effective leverage requires that the event be integrated strategically into the host destination’s product and service mix, it would seem natural and reasonable to assign responsibility for leverage to those who are responsible for economic development, social development, and/or environmental stewardship at the host destination. These include local business associations, government agencies, and service organizations. Event organizers have other foci.

The problem of event transiency

There is an additional reason to remove direct responsibility for leverage from event organizers. Effective leverage requires strategizing beyond a single event, which no one event-organizing committee can do.

Since each event occurs over a short period of time, its effects on things like visitor spend, branding the destination, or enabling social development are also likely to be short term. In the parlance of advertising, the reach and frequency of event-based communications need to be planned. ‘Reach’ refers to the number of market segments (both demographic and psychographic) that are exposed to an event or communications about it. ‘Frequency’ refers to the number of times they are exposed to communications about events at the host destination. It is naïve to expect that a single event, even one lasting a month, such as the FIFA World Cup, will sustain its impact on consumers for a period well beyond the event (Ritchie and Smith 1991). Thus, a single event may be a useful addition to the host destination’s marketing or development mix, but it is unlikely to have a long-term impact by itself.

The solution is to create a portfolio of events at the destination in order to optimize the reach and frequency that events add to the aggregate mix (Ziakas and Costa 2011). The current practice is to bring events into a community’s portfolio because they are timed to fill an empty space in the calendar of a facility, or because they can fill room nights that would otherwise be empty. These are certainly relevant reasons to create or bid for an event. However, the rationale for an events portfolio suggests that
the design or choice of each event should also be informed by the ways in which it complements the reach and/or frequency that other events in the portfolio provide. In other words, it is not merely the presence of an event that matters; the ways that it enables desired market segments to be reached, preferably repeatedly, are also important. Each event must be built into an integrated marketing and development package that synergizes it with the host community’s overall branding and development strategy. Events throughout the portfolio must also be cross-leveraged to enhance their aggregate effect, and to enable event management and marketing capability to be developed and retained (Jago et al. 2003).

The ultimate value of each event individually depends, nonetheless, on the quality of leverage that can be obtained. Events differ. Some may be leveraged for particular purposes more readily than others. Consequently, the choice of events to create or bid for should be informed by analysis of the degree to which each will combine with the host destination’s product and service mix to enable strategies and tactics that can optimize desired outcomes. When creating an event or when choosing an event for which to bid, there should be a vision for the ways that total trade and revenue will be optimized, how the host community’s image will be benefited, the means to focus stakeholder attention on targeted social issues, and/or uses of event publicity to further social objectives. For events to make an economic, social, or environmental contribution, they must be leveraged individually and as a portfolio. Most work to date has focused on individual events. More empirical work is needed to explore the leverage of event portfolios, including the challenges of managing event portfolios in the presence of varied event organizers and stakeholders.

If the event is large, it may consist of several component events. It is now common for mega-events and hallmark events to incorporate such elements as concerts, dances, parades, parties, workshops, and other activities into the overall package that is offered to attendees. They occur under the umbrella of the headline event – immediately before, during, or after the headline event. For example, the Olympic Games require the host also to stage an arts festival at the time of the Olympic Games. In theory, the mix of different types of events should enhance the quality of leverage made possible, particularly as a result of the added diversification of audience and event narratives that can be obtained (García 2001). However, mixes of this kind are not well understood, so the means to leverage them as a bundle need to be explored further.
Emerging issues

The study of event leverage is relatively new. As research progresses, new concerns arise that call for further study. In particular, the effective mix of events with the local product and service mix requires formation of strategic alliances – not merely between the event and local business or government, but also among local businesses themselves and between business and government. Although work to date has demonstrated the necessity of alliances to enable leverage, three clear impediments have also been noted (Chalip and Leyns 2002; Taks et al. 2013). First, businesses that need to ally themselves may normally be competitors. Second, the leveraging that local governments and businesses undertakes may strike event organizers or event owners as being perilously close to ambush marketing. Third, local organizations may require substantial help to develop the skills and/or resources necessary to leverage. More work is needed to address these matters.

There is also a particular need to explore the uses of events in destination branding (Chalip and Costa 2005). We know very little about the ways that consumers process event information and associate it with what they know or feel about a destination. We do know that events can harm a destination brand even more than they help it (Chalip, Green, and Hill 2003). The necessary means to make event and destination brands symbiotic need to be identified and explored.

Factors that facilitate or inhibit liminality at events, as well as the strategic uses of liminality, are also poorly understood. At most contemporary events, spectacle has replaced festival, with the result that audiences consist of people who are alone together. That is inconsistent with normal requirements for liminality (Chalip 2006). Further, we do not yet adequately understand how to use liminality as a resource, although the anthropological literature makes it clear that it has ample potential for social purpose (Handelman 1990).

Concluding observations

In order for events to provide the economic, social, and/or environmental outcomes we seek, it is first necessary to formulate and implement strategies and tactics pursuant to those outcomes. That is strategic leverage. It is a paradigm shift away from impact, and its emphasis on integrating events with the product and service mix at the host destination requires
a subtle but meaningful shift from the legacy framework (at least ‘legacy’ as promoted by the IOC). Research and theory show that leveraging is both feasible and effective. More work is needed to flesh-out the techniques for leverage, and to explore event leverage in the context of event portfolios.

Note

1 For an unexpected and unplanned example of liminoid experience at a recent SME, see Grix, J. (2013) ‘“Image” Leveraging and Sports Mega-Events: Germany and the 2006 World Cup’. *Journal of Sport and Tourism*, 17(4), 298–312.

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