

# EVENTS BEYOND 2000: SETTING THE AGENDA

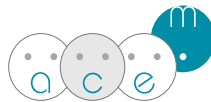
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PROCEEDINGS OF CONFERENCE ON EVENT  
EVALUATION, RESEARCH AND EDUCATION  
SYDNEY JULY 2000

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*Edited by*

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Australian Centre for  
Event Management



University of Technology, Sydney

AUSTRALIAN CENTRE FOR EVENT MANAGEMENT  
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## PREFACE

The global telecast of the celebrations of New Year's Eve of the new millennium bore witness to two significant trends of the last decade - the increasing number and status of events, and the increasing ability of television to bring major events to an unprecedented global audience.

In Australia, the decade has seen the emergence of an event industry, with the beginnings of an identifiable body of knowledge, formalised training and recognised career paths for professional event managers. Yet, as Donald Getz reveals in his keynote address to this conference, events are still a relatively new area of academic study and research, and this conference appears to be the first anywhere to focus on the education, research and evaluation issues facing the emerging events field.

What better time and place to stage such a conference than in the host city on the eve of the world's largest peacetime event, the Summer Olympic Games? The staging of the Games has placed Sydney on a steep learning-curve, a legacy of which will be a large body of event knowledge and experience. This conference aims to provide an overview of the knowledge and skills of event management, and to provide a platform for the consideration of a future research agenda for the industry.

The conference is fortunate to have as its keynote speakers two great pioneers of the event industry. As founding director of the Event Management Program at George Washington University and founding President of the International Special Events Society (ISES), perhaps no-one is better placed than Joe Jeff Goldblatt to provide an overview of the trends impacting the profession. Similarly, as co-founder and Editor-in-Chief of the international research journal *Event Management* and a prolific researcher and writer on events, few could be more able than Donald Getz to summarise the current state of event research, and to consider its future needs and directions.

The Conference Editorial Committee also considered it appropriate to overview event research and education in the Australian context, and for this purpose has drawn on the co-ordinators of the first dedicated event courses in Australia at the University of Technology, Sydney, and Victoria University, for the third keynote presentation.

One area where considerable research has been done, particularly in Australia, is in the field of economic evaluation of events. Papers are presented at this conference by many of the significant researchers in this field, including Barry Burgan, Jack Carlsen, Larry Dwyer, Bill Faulkner, Donald Getz and Trevor Mules. A workshop session will also be conducted by Jack Carlsen and his colleagues examining the potential for a standardised approach to event evaluation.

It would be difficult to stage a conference in Sydney at this time without considering the impacts of the Sydney Olympic Games, and Bill Faulkner, Laurence Chalip, Ray Spurr and Graham Brown summarise a major study on this topic being undertaken for the Co-operative Research Centre (CRC) for Sustainable Tourism. Andrew Woodward outlines the tourism significance of the Games on behalf of the Australian Tourist Commission, and Brian Mihalik and Siva Muthaly and his colleagues outline some of the lessons to be learnt from the Atlanta Olympics.

In the field of event management and operations, Bill O'Toole makes a case for the emerging discipline of Event Project Management, Clare Hanlon and Leo Jago look at human resource issues, Je'Anna Abbott and Steven Abbott at crowd management

and crowd control, and Ros Derrett at the perspectives of community cultural development and cultural tourism.

In the field of event marketing Richard Gitelson examines the decision-making process of arts festival patrons, Glenn Bowdin and Ivor Church look at customer satisfaction and quality costs, and James Paterson and Ian McDonnell each examine important aspects of sponsorship.

In the area of education and training, Rob Harris and Leo Jago survey the Australian situation, Charles Arcodia and Alastair Robb make an important contribution to event terminology, Jenny Davies and Lorraine Brown describe the formation of an event course in the unique tourism and cultural context of South Australia, and Shayne Quick and Tracy Taylor evaluate an educational project aimed at the transfer of knowledge from Sydney to the 2004 Athens Summer Olympics.

In a new area of research such as events, describing and defining the field is an important first step, and thus case studies have an important role to play in a conference such as this. Graham Brown contributes a case study of New Year's Eve of the new millennium at Cape Byron in New South Wales, Ian Chaplin and Carlos Costa of the Portuguese Handover of Macau to China, Margaret Tyce and Kay Dimmock of the Nimbin Mardi Grass in New South Wales, and Lynne Dore and Elspeth Frew of the Avenel Farmers' Market in Victoria.

The keynote presentations by Joe Jeff Goldblatt and Donald Getz are invited papers. Those by Mike Rees, Andrew Woodward, Bill Faulkner et al., Hans Westerbeek et al., James Paterson, Ian McDonnell and Rob Harris and Leo Jago are presented as working papers. All other papers presented at the conference have been subjected to a double blind referee process, and subsequently revised by their authors. In view of the referees' comments, the editorial committee has recommended that certain of these papers, marked with an asterisk in the table of contents, also be presented as working papers. Australian spelling conventions have been adopted for all papers included in these proceedings.

The Conference Editorial Committee consisted of Robert Harris, Leo Jago, Tony Veal and myself. On behalf of the Committee I would like to thank all of the referees who gave so generously of their time in reviewing papers for the conference.

I would also like to thank my co-editors for their assistance in editing the manuscript, Warwick Powell for book design and proofreading, and Lightstorm Graphics for the cover design. Not the least, I would like to thank Rob Lynch, Dean Faculty of Business, and Bruce Haylar, Head School of Leisure, Sport and Tourism at the University of Technology, Sydney; our sponsors the New South Wales Department of State and Regional Development, Tourism New South Wales, Visy Special Events and SpecialEvents.com; Rod Hill and John Rose for their support; and Phyllis Agius, Bill O'Toole, Trevor Connell and their volunteer assistants from the UTS Executive Certificate in Event Management Course, whose generosity and support assisted so greatly in staging the conference.

Johnny Allen  
Conference Co-ordinator  
ACEM, UTS, June 2000

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\* Denotes Working Paper

# **KEYNOTE PRESENTATIONS**

## **A FUTURE FOR EVENT MANAGEMENT: THE ANALYSIS OF MAJOR TRENDS IMPACTING THE EMERGING PROFESSION**

**Joe Goldblatt**

*Dr Joe Goldblatt, CSEP is the founding director of The Event Management Program at George Washington University, USA, where he has created a one-of-a-kind Event Management Certificate Program and Masters Concentration that has been eagerly embraced by students nationally and internationally. Goldblatt was founding president of the International Special Events Society (ISES), a vital organisation composed of the top professionals in special events. He has authored several field related books, including The Dictionary of Event Management with Carol F. McKibben, and was executive producer of his own special events firm in Washington D.C. where he created such events as presidential inaugurations and galas for foreign governments.*

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### **ABSTRACT**

This analysis of the leading trends in the emerging profession of Event Management provides both quantitative and qualitative evidence of the growth of this field. A careful analysis of the economic, educational, and sociological changes within the profession and society in general provides evidence that the profession is growing and the prospects for long-term health are excellent. The paper also provides a new model for the evaluation of events to offer a universal standardised tool that enables event organisers to compare and contrast event performance. Finally, the paper a forecast for the next twenty-five years in the event profession, in five year increments.

*'The trouble with the future is it is not what it is supposed to be.'*

- Paul Valery

### **INTRODUCTION**

During the recent century beginning with numerous world fairs and major sport events and concluding with the ubiquitous millennium festivities, the tourism industry has seen a significant increase in the size, scope, length, and visibility of these unique ventures known as hallmark or mega-events. However, there continues to be little empirical evidence that validates the social, political, ecological, and economic benefits of these projects. Furthermore, the rapid growth of the event management profession has produced a climate that is confusing, lacking in credibility as compared to other professions, and perhaps detrimental to its future long term health.

Therefore, in this paper the investigator examines the current landscape of the event management profession, provides a new model for standardising the quantitative and qualitative benefits of events, and issues a forecast for the next twenty-five

years of development within this profession. And the investigator will seek to achieve this within the context of one brief paper. Although this attempt may seem doomed to failure at the outset, the paper mirrors the nature of modern events themselves in which the event organiser continually attempts to achieve the impossible using scarce resources. Indeed, this investigator will use this historic conference as an opportunity to explore three central and interrelated theories impacting this profession.

First, the profession is growing and transitioning from growth into maturity. This places the profession at a critical crossroads that, through thoughtful examination, may develop the navigational skills of the stakeholders.

Second, the profession lacks the standardisation tools and reporting procedures needed to provide empirical data to enable event stakeholders to make informed decisions. The absence of this standardisation promotes speciousness, distrust, and lack of credibility on the part of governments, the private sector, and others whose support is critical to the long term health of the profession.

Third, the profession operates from a reactionary mode that is ironic given the central skill of strategic planning that is required for most events. Without the ability to forecast and plan for the short term, mid-term, and long term trends potentially affecting the profession, this field becomes a rudderless ship subject to the winds of change but unable to correct its course to reach a safe harbor.

The investigator believes there is much that can be learned from established professions such as medicine, law, accounting, and even the closely related field of public relations. The challenges these professions faced and overcame may be used as a model for the emerging profession of event management.



Lofgren asks (1999) 'Do we live in an age obsessed by having great experiences? An age in which places like Freemont Street in Las Vegas are malled and re-designed as 'the Freemont Street Experience,' following the popular trend of tourist architecture as event?'

In fact in recent years one could reasonably argue that the term 'event' has been used to define that which is extraordinary in popular culture. For example, the popular U.S. television program entitled *'Who Wants to be a Millionaire'* has been labelled by the popular media as 'event' television.

Robert F. Jani, the first director of public relations at Disneyland described the Main Street Electric Parade as 'a special event' in 1954, and pressed for a definition by the media, he further explained, 'I suppose it is that which is different from a normal day of living.' Goldblatt, (1990). Regardless of what definition you accept, it is a reasonable assumption that planned events have significantly changed in volume, size, scope, and quality during the past half century since Jani issued this definition.

### WHY THE EVENT SECTOR IS GROWING

The event sector is actually not one but many sectors. Brian Losourdo (1997) conducted a study of two dozen professional trade associations whose members derive revenue from professional events. According to Losourdo, the aggregate revenue derived from these sectors exceeds \$800 billion per year. Supporting this statistic is evidence from the International Events Group in Chicago stating that commercial sponsorship has grown globally from \$6.5 billion in 1996 to over \$9 billion in 1998. What has fuelled this rapid growth?

The first theory I will advance is that as the earth's population ages there is significantly more to celebrate and events provide the forum for these celebrations. For example, during the next decade in the United States, over 70 million people will turn fifty years of age. Few will mark this personal milestone quietly. Rather, they will organise events (or events will be organised on their behalf) to chronicle this 'day that is different from a normal day of living'.

Another theory is that with the advance of technology individuals are seeking more 'high touch' experiences to balance the high tech influences in their lives. Events remain the single most effective means of providing a high touch experience. Pine and Gilmore (1999) acknowledge this trend in their book *'The Experience Economy.'* They cite numerous examples of corporations and other organisations that have used events to heighten the experience of the moment. Describing a bi-centennial celebration, they write 'The Cleveland Bicentennial Commission spent \$4 million to illuminate eight automobile and railroad bridges over the Cuyahoga River near a nightspot called the Flats. No one pays a toll to view or even cross these illuminated bridges, but the dramatically lighted structures are a prop that city

managers now use to attract tourist dollars by making a trip downtown to Cleveland a more memorable night time experience.' (Pine and Gilmore, 1999)

The second highly noticeable change is the shift toward technology both in work and leisure. John Naisbitt, in his book *'Megatrends 2000'* (1990) describes a high tech and high touch world and it appears that as individuals in developed and developing countries rush toward a virtual world (the Internet) they collectively wish to preserve their humanness through personal interaction through live events. America On Line (AOL) has stated that while trial members initially connected for the purposes of accessing free information (such as travel education, and entertainment), they agreed to *pay for their membership* when they discovered people of similar interests within the seemingly infinite number of chat rooms and discussion areas. The on-line introduction and connection with people of similar interests may have forged the creation of numerous live face-to-face events.

A third shift that may have fuelled the demand for bigger and better events in the USA is the growth in the economy, especially in the leisure and recreation sector. According to the Travel Industry Association in Washington, DC (TIA 2000) over one fifth of the U.S. adult population attended a festival while on a trip of 100 or more miles away from home in 1998. Nearly one third of this group attend arts or music festival events. According to the International Festivals and Events Association, there are approximately 40,000 festivals held annually in the United States. These events range from food festivals to those for religious purposes. In other studies, festival-goers have repeatedly identified 'value' as the primary reason for motivating their attendance at the event. Live events serve as a value-added investment for individuals and couples as well as families with children, as evidenced by TIA in their 1998 study.

The fourth and final change was first identified by Faith Popcorn in her book *'The Popcorn Report.'* She reported that Americans are increasingly time poor and will make time and financial investments based upon the need for convenience, accessibility, and ego satiation. In fact, what has occurred, is time shifting wherein individuals actually blur the distinction between work and leisure. Historically leisure activities have been defined as that which is the absence of work. However, in recent years this clear definition has changed as more and more individuals work harder and play harder. Evidence of this shift is best documented in the reduction in the length of vacations as more and more individuals opt for shorter and more frequent holidays versus the annual two week grand tour that was popular in previous years.

These four changes: aging, technology, income, and time have dramatically increased the demand for a wide variety of events both in the U.S. and throughout the world. These factors are summarised in the model shown in Table 1.

**Table 1. The Four Factors Affecting Event Growth**

SHIFT	FROM	TO
Demographic	Young	Old
Technological	Low tech	High tech
Disposable income shifts	Limited	Limitless
Time Shifts	Defined time	Undefined time

## EMPIRICAL DATA

In 1994 the investigator began collecting data for a biennial research project entitled *The Profile of Event Management*. Funded by grants from the International Special Events Society, the study has collected data from event management professionals world wide for the past six years. In 1996 and 1998 the investigator was able to correlate and compare the previous data to draw conclusions about the growth of the event management profession.

### Methodology

A convenience sample survey of all members of the International Special Events Society (ISES) is conducted every two years. ISES members are individuals responsible for over two dozen functions within the special events industry. While some of the members may be directly involved in event activities, at one time or another each survey respondent has the potential of being directly or indirectly engaged in an event activity.

The response rate to the survey has varied. In 1994 the response rate was 40% while in 1996 only 10% of those surveyed responded. In both cases a non-response technique was used to increase the rate of response. In the most recent study, 1998, nearly 30% participated in the survey. However, over a period of six years nearly 1300 individuals throughout the world have completed and returned usable questionnaires.

General demographic and economic data is collected and analysed to identify patterns or trends that may impact the industry in the future.

### Findings from the Profile of Event Management

The first finding concerns the large number of females that are responsible for the function of event tourism. Although females now comprise 50% of the U.S. workforce they dominate only a few industry sectors. Since females dominate the field of event management, they may require additional benefit considerations such as child-care and/or job sharing to enable tourism employers to recruit the most qualified workers.

The second finding concerns technology and accessibility. The rate of usage of the Internet increased between 1996 and 1998 by 30%. Increasingly event managers are using the World Wide Web to handle many of the functions of event research, design, planning, management, and even large evaluation. A majority of event managers (as compared to the general population of most countries) use personal computers, cell phones, and the Internet as primary tools in conducting their business activities. Therefore, event management organisations must be prepared to provide the technological tools that event managers will need to compete effectively. Furthermore, these same organisations, regardless of size, must anticipate future advances in technology and be prepared to make appropriate investments to satisfy the needs of their increasingly technologically 'savvy' event professionals.

The third finding is directly related to the growth in event management education and research. The 1996 and 1998 studies both confirm that the majority of event professionals plan to continue their education throughout their career with 85% of 1998 respondents indicating this intention. What is impressive about this finding is that there is no licensing or other mandatory regulatory requirement for continuing education within the event management industry. Although numerous professional organisations offer voluntary certification programs, despite this absence of a formal or legal requirement for continuing education, the majority of event managers believe that the field is so dynamic that it requires constant training to remain current in the profession.

The fourth finding concerns the serious deficiency in knowledge of regulations and laws pertinent to events. As more and more events intersect with regulations and laws it is essential that event tourism professionals become more knowledgeable about their legal responsibilities when organising or coordinating event programs.

The fifth and final finding from this study relates to the type of event produced most frequently by event professionals in 1996. Unlike the previous study, event professionals reported that the corporate human resource and marketing events was the type

of event produced most often. Over one third of all events produced by event professionals were those that involved corporations. This implies that professional event organisers recognise this market as one that is lucrative and one that also demands significant event activity. Tourism planners and developers should note that destinations that can assist corporations with coordinating and supporting events may become catalysts for new economic development as businesses seek new locations to expand their enterprises. This is but one example of event tourism research that requires serious consideration.

## **OBJECTIVE AND SYSTEMATIC IMPACT ASSESSMENT**

McDonnell, Allen, and O'Toole describe the typical impacts resulting from events in Australia in their book *Festival and Special Event Management* (1999). They list the possible event impacts as including: increased visitation during the shoulder or off season; enhancing the overall tourism experience; being a catalyst for development; promoting economic benefits; and finally as a means of promoting the long term impacts within destinations.

Whether or not all events achieve each of these objectives is questionable. EventsCorp WA, the organisation in Western Australia charged with developing, managing, and assessing significant local events, is currently working to develop a uniform tool to objectively and systematically measure these impacts. Currently each event organiser uses a different methodology and formula to describe the outcome of the event and therefore it is difficult for event organisers to compare apples to oranges as they attempt to benchmark their event operations and outcomes against others.

Donald Getz and this investigator favor a comprehensive assessment scheme that embodies a wide range of factors rather than limiting impacts to only short term economic performance. However, according to Getz (2000), the majority of event stakeholders still select economic performance as the leading indicator of event success.

Additional impact factors that should be evaluated in addition to the short term economic performance include capital, ecological, media, political and stakeholder benefits.

### **Capital Impacts**

From the re-development of San Antonio, Texas (following Hemisphere) to the major transformation of New Orleans, Louisiana (following the World's Fair) there are innumerable examples of how capital projects initiated during hallmark events have produced positive impacts for tourism destinations. In San Antonio the historic Riverwalk

area was cleaned up and now is promoted as a major tourism attraction (in fact some would say the new heart of the city) for this destination.

Simultaneously, the 1985 World's Fair in New Orleans resulted in the construction of exhibit hall A of the Ernest A. Morial Convention Centre. As a result of this economic catalyst New Orleans is now one of the top five convention destinations in the United States. Most major hallmark events are now designed first and foremost with the concept of re-use. Lisbon, Portugal's former Expo site is now a major tourism attraction with exhibit space, an aquarium, and other valuable assets to provide ongoing benefits to the local economy long after the event has ended.

### **Economic Impacts**

Historically, event economic impact measurement has focused on visitor spending and multipliers that extend this spending to other sectors of the economy. Multipliers may be linked to income or job creation; however, due to the inconsistency in formulas event organisations have faced difficulties in comparing their event's performance against those of others. Due to this inconsistency in reporting and collection of data this information has been flawed often resulting in under- or over-reporting, which may produce future problems for those assessing the suitability of developing or bidding for a future event.

One example is the World Cup tournament held in the United States in 1995. Hotels projected high occupancy rates based upon studies of previous World Cups held in other destinations and were sorely disappointed and economically distressed when demand did not meet the expectations projected by flawed studies. As a result of lack of standardisation, according to Getz and others, economic impact studies continue to be misleading and should be viewed in proper balance with other impact assessments.

### **Ecological Impacts**

Tourism destinations always seek to mitigate the negative environmental impacts resulting from visitors and maximise the positive ecological outcomes through leaving the destination's ecosystems in better condition than before the event occurred. The organisers of the Sydney 2000 Olympic Games have an elaborate plan in place to achieve this type of balance in terms of ecological impact. However, numerous news media reports have questioned whether or not the Sydney Organising Committee for the Olympic Games (SOCOG) can achieve or afford all of the ecological measures they promised when bidding on the Games. The U.S. Environmental Protection Agency (EPA) awarded a grant in 1998 to The George Washington University Event Management Program for the purpose of exploring the development of a *green event certification program* that would be

developed and operated by non-governmental organisations. According to the EPA (1998) the focus on positive environmental impacts resulting from events will grow exponentially as the events sector increases in size and scope in the years to come.

### Media Impacts

Although it may be argued that the Internet has had the same profound influence on global communication as Gutenberg's printing press, the ubiquity of television's Cable News Network (CNN) has accelerated the role of news dissemination into that of 'light speed'. As a result of this development even the smallest, most inconsequential occurrence in a third world country can quickly become major news due to the global reach of CNN.

Therefore, a mass casualty at a soccer game or the major scandal recently affecting the International Olympic Committee not only becomes a major story but one that endures through repetitive broadcasting on CNN. CNN has become the 'global campfire' where the human tribe gathers to receive today's news. Increasingly, this news reporting involves feature stories about events ranging from recent millennium celebrations to the Academy Awards. As a result of this power, event organisers must now consider the media impact of even the slightest event.

While teaching in Bethlehem, Palestine, this investigator was asked by the event organisation, Bethlehem 2000, how to find doves to release on New Year's Eve in Manger Square. The organisers wished to use doves to symbolise peace and fireworks to symbolise celebration. The investigator cautioned the organisers not to use doves as they could not be released into the wild and survive (ecological impacts) and the resulting media outcry would be disastrous for the event. Instead, the investigator recommended using homing pigeons that would be released and return or even latex shaped doves filled with helium. The organisers ignored these suggestions and released live doves that subsequently flew directly into the exploding fireworks. The results of this intersection were seen on CNN over and over again and regrettably the enduring image of the Bethlehem 2000 millennium celebration is this disastrous outcome.

### Political Impacts

When considering the political impacts of a hallmark event organisers often limit their scope to elected politicians. In fact, the term *politics* is derived from the Greek term meaning 'city'. Within the city that is hosting the event there are innumerable political considerations. Perhaps chief among these considerations is the question of where the power is centred and whether it is hierarchical (concentrated at the top) or level (equally distributed) among the stakeholders.

By identifying the powerbrokers and decision makers the event organisers may assess the challenges that will confront the approval process and determine how to re-distribute the power to incorporate the inputs of all event stakeholders. Additionally, it is important for the organisers to determine what political outcomes the stakeholders desire as a result of the event activity. For example, perhaps the power has historically been concentrated around the event founder and one goal of the event is to democratise the event planning and operations process. Moving toward this outcome could improve the impact of the event.

### Stakeholder Benefits

The multitude of stakeholders who comprise the event organisation may range from politicians (see political impacts), to volunteers, vendors, regulatory officials, government officials, representatives of the media and a host of others too numerous to name. Therefore, it is essential that event organisers determine early in the process how to produce more stakeholder benefits rather than deficits. In order to achieve this the event organiser must invest time in research to determine the key benefits each stakeholder expects from their involvement in the event.

According to Silvers (1999) most event volunteers participate due to three primary motivations. First they wish to make a contribution to the cause or event organisation. Second, they desire to be recognised for their contribution. Third, they want to be part of a community, albeit perhaps temporal, to work toward a mutual goal. To achieve positive impacts the event organiser must assess the stakeholder's motivations and then meet or exceed these desires during the event process.

Figure 1 summarises the major impacts the investigator theorises may be objectively measured, quantitatively and qualitatively, through event impact evaluation measures.

### THE NEXT TWENTY-FIVE YEARS

During the past two thousand years one may argue that the birth of a major religious figure set in motion the modern calendar upon which tens of thousands of events have been celebrated. With the approach of the third millennium it is appropriate to speculate or forecast the subtle and perhaps even sweeping changes the profession of event management may experience during the next twenty-five years. Therefore, although all forecasts are subjective by nature and their accuracy largely dependent upon numerous future variables, this investigator proposes that the trends set out in Table 2 deserve serious consideration by event management scholars.

**Figure 1. Key Informant Pre and Post-Event Suitability/Impact Scale (SIS)****Instructions:**

The event organiser will identify ten (10) event key informants who will complete the following instrument. Each key informant will select the numerical value that represents the pre-event suitability level as well as the post event assessment for each factor listed below.

**1. Capital Impacts:**

Pre	1	2	3	4
Post	1	2	3	4
	Unsuccessful	Marginal	Successful	Very Successful

**2. Ecological Impacts**

Pre	1	2	3	4
Post	1	2	3	4
	Unsuccessful	Marginal	Successful	Very Successful

**3. Economic Impacts**

Pre	1	2	3	4
Post	1	2	3	4
	Unsuccessful	Marginal	Successful	Very Successful

**4. Media Impacts**

Pre	1	2	3	4
Post	1	2	3	4
	Unsuccessful	Marginal	Successful	Very Successful

**5. Political Impacts**

Pre	1	2	3	4
Post	1	2	3	4
	Unsuccessful	Marginal	Successful	Very Successful

**6. Stakeholder Impacts**

Pre	1	2	3	4
Post	1	2	3	4
	Unsuccessful	Marginal	Successful	Very Successful

**Tabulation:**

The event organiser will tabulate the comprehensive suitability/impact assessment in two ways. First, the event organiser will compare the pre- versus post-event scores to determine the size of the gap between the forecast or desired outcome and the actual evaluation. Next, the organiser will sum the pre- and post-scores and divide by the number of key informants to determine a mean level of success. The mean cumulative score will quantify the comprehensive potential and actual impact of the event as scored by the key informants.

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**BASIS & LIMITATIONS OF THE FORECAST**

This forecast (as shown in Table 2) on the following pages is based upon projections by leading futurists as reported in *The Futurist Magazine*, a publication of the World Future Society (see references) as well as current trends in the event management industry. The forecast is limited to demographic shifts appearing in North America and developed countries throughout the world.

According to this forecast the unique combination of demographic shifts, technological advances, and environmental challenges presents the event management profession with a unique set of factors (discounting random catastrophes) that should ensure continuous and rapid growth for the next quarter of the third millennium.

**Table 2: Future Trends which may impact on the events profession over the next 25 years**

Year	Trend	Trigger Event/Early Warning	Response
2005	Environmental	Energy costs escalate	Use of alternative energy/power sources such as methane gas and wind to power event technical systems
2005	Technological	E-commerce achieves full penetration	Shift to on-line registration/ticket sales and tracking for many events
2005	Human Resource	Generation X and Y desire shorter work week/job sharing	Re-define role and scope of full and part-time event management positions
2010	Environmental	State, Provincial, and Federal environmental regulations impact event industry	Green event certification program through non-governmental organisations (NGO's) develop voluntary standards
2010	Technological	Internet2 provides wide band real time event opportunities	Hybridisation between live in-person events and on-line live (virtual) events improves yield management and guest interaction
2010	Human Resource	Females dominate event management executive level	Shift in organisations from traditional hierarchical systems to collaborative structures; increased job sharing, flexible time bands, on-site or nearby day care, paternity leave
2015	Environmental	Global warming increases	Severe weather shifts cause new time bands for outdoor and indoor events, heating, cooling, and ventilation systems are upgraded to quickly respond to these shifts
2015	Technological	Complete systems integration	Events and technology achieve harmonious relationship with 24 hour, seven day per week event opportunities for guests who desire to forecast, attend, and review their participation in an event
2015	Human Resource	Increased number of deaths due to aging of North American baby boomers	Funereal events increase in frequency among human life cycle event category, purpose built facilities such as 'Life Celebration Centres' replace traditional funeral homes, alternative rituals are introduced to reflect immigration trends in US and creativity of baby boomers and their children (i.e. pyrotechnic displays containing ashes of deceased as well as friends, family)
2020	Environmental	Water scarcity crisis	Developed countries conserve water and develop improved recycling and purification systems for events
2020	Technological	Interplanetary broadcasting	Guests of planet earth and guests of other planets conduct interplanetary event using advanced communications technology
2020	Human Resource	Human capital needs are replaced by technological capital advances	Event staff become highly specialised as more and more functions are performed electronically
2025	Environmental	Major advances in medicine, agriculture, and other sciences	Incident and risk exposure is significantly reduced at events due to precise forecasting and intervention measures. Health of event staff will improve due to early diagnosis resulting in alteration of lifestyles, medications, and medical procedures. This will result in a much wider age span for event staff including octogenarians as well as young adults.
2025	Technological	Full robotic capability	Events are totally automated enabling event professionals to significantly expand the number of simultaneous events being produced using fewer human staff
2025	Human Resource	Life long learning systems developed	Human beings will be capable of significant intellectual development throughout their lives (now averaging over 100 years) and therefore the qualified workforce for events will improve and increase as well as age.

## FINDINGS, CONCLUSIONS & IMPLICATIONS

This analysis of trends in the emerging event management profession has identified a rich array of opportunities for members of the industry and scholars to consider and debate. First, it is obvious from the six years of data collected and analysed in The Profile of Event Management that this modern profession is establishing a strong foundation for future success. The strongest pillar of this foundation is the interest and dedication the members of the profession have for continuing education. If this trend continues the profession may achieve accelerated growth that is comparable to that of information technology professionals.

The second important finding is that unless the profession adopts national, or even better international standards for the evaluation of event impacts, it will be difficult for the professionals to be seriously respected and valued by those who control funding and other critical resources needed to support event growth. Therefore, it would be wise for a pilot project to be launched with a minimum three year longitudinal study to determine the viability of an instrument such as the one suggested in this paper.

Third and finally, the event management profession does not exist in a vacuum removed from exogenous variables such as the environment, technology, and economic conditions. The forecast provided in this paper may provide current and future event management professionals with a map of the potential landscape or 'eventscape' for the profession. Through observing the triggers (early warning signs), members of the profession may be able to avoid some of the perils of the past and embrace the future with even greater confidence.

The poet Paul Valery suggests, 'the trouble with the future is that it is no longer what it is supposed to be', and indeed the leaders of this emerging profession must now assume the responsibility of building a future that respects the noble traditions of the past, anticipates and responds to future needs, and provide a rich legacy for all who will follow in our footsteps.

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## DEVELOPING A RESEARCH AGENDA FOR THE EVENT MANAGEMENT FIELD

Donald Getz

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### INTRODUCTION

This conference appears to be the very first anywhere to focus on education, research and evaluation issues faced by the events field. Although event practitioners gather regularly at conferences sponsored by professional associations, the academic and research communities seldom meet to discuss issues and directions. The events industry, if we can call it that, is well established in many forms such as expositions, sport marketing, or concert productions, but as an academic field of study and a research topic it is quite new and immature. Conferences such as this can be extremely important in setting future research, educational and professional directions.

There are also a number of important initiatives occurring in Australia which make this conference and this topic particularly important. Naturally there has been a lot of debate surrounding the Sydney 2000 Summer Olympic Games, and that has undoubtedly fuelled the entire events sector in Australia. Every state has an event development corporation or unit, usually attached to tourism. There have been new event management programs established at universities, including our hosts UTS, and more are in the works. Research on events is being sponsored by the government, and event-specific research centres are developing. There is a country-wide initiative to identify and agree upon a research agenda for the events sector. This is exciting, and is not happening anywhere else in the world - to my knowledge.

My general purpose in this presentation is to help formulate a research agenda. I do this by examining different perspectives on the subject of events and by reviewing trends and gaps in events-related research. There are a number of possible approaches to identifying research needs and setting a research agenda (see Figure 1), and these shape my presentation.

First I want to explore the emergence and definition of an academic field of study called event management. This includes reference to various academic disciplines that must make a contribution. Related to this approach is an analysis of the event management system which suggests major research themes to support the actual production of events and sustain their organisations.

Next, two contrasting and important perspectives on events are discussed: events as an 'industry' and the community perspective (events as social service). Depending on one's point of view, either the economics and business dimensions are most important, or to others the benefits of events to society are paramount. An environmental perspective is subsumed under 'community'.

Practitioners and professional associations must have a major say in developing a research agenda, and I briefly discuss their input. A review of the research literature to date is presented, revealing a number of strengths and weaknesses, including the predominance of economics and the dearth of other disciplinary contributions. This is followed by a discussion of a number of forces and trends impacting on the events sector.

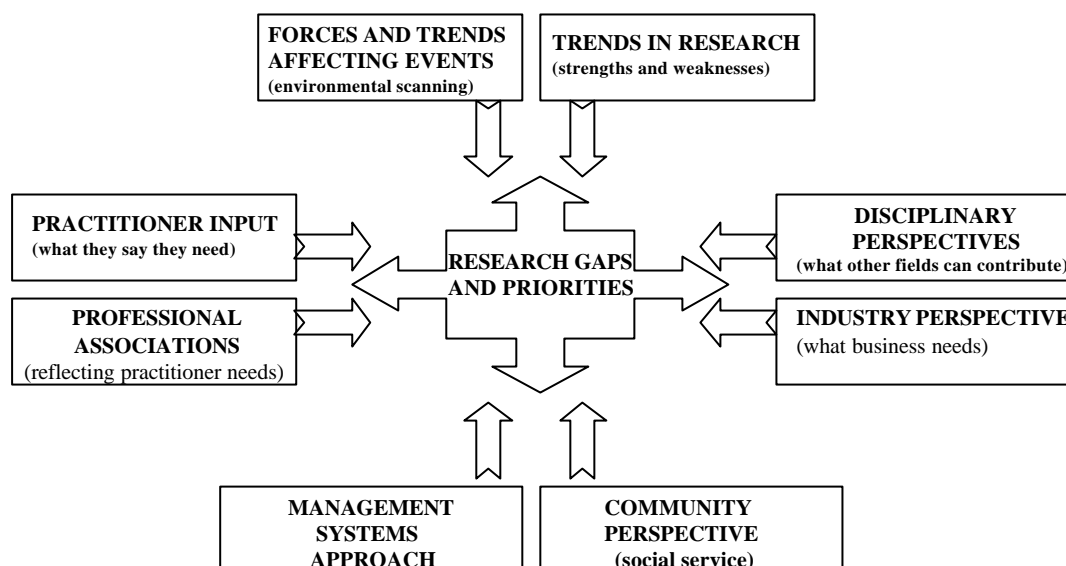
I examine three big, generic research questions for the event management field. These are my personal priorities, but each is large enough to encompass many sub-questions and to be applied to all types of events and event settings. Finally, a number of general conclusions and recommendations are made, including advice on the process of establishing a research agenda.

A lot of work is still required to formulate a research agenda, and it will be an evolving thing. Input from practitioners and other stakeholders is being obtained, and no doubt there will never be complete agreement on needs and priorities. It does not really matter if consensus proves illusive, because the process and debate surrounding research will nevertheless be important in developing the event management field.



Figure 1:

## DEVELOPING A RESEARCH AGENDA FOR THE EVENTS FIELD



### DEFINING THE ACADEMIC FIELD OF EVENT MANAGEMENT

In my editorial for the newly renamed journal, *Event Management* (Getz, 1999), I asked:

'...is there an identifiable body of knowledge and skills that defines event management as a separate field of study or emerging profession? What commonalities are there among meetings, conventions, festivals, expositions, sport and other special events?'

Considerable importance is obviously attached to event management by the institutions that have developed educational programs, and by a large number of professional associations aimed at different aspects of the event sector. But the associations tend to be focused on particular types of event to the exclusion of others, specifically the clear separation of organisations devoted to meetings and conventions on the one hand, and festivals and 'special events' on the other. As well, it appears that some of the educational programs are concentrating on the tourism significance of events, while others see event management as a career path in its own right.

It would be easy to conclude that the major types of planned events are sufficiently different to warrant their own associations and educational or training programs. Events are, after all, closely and easily allied with business studies, arts and sports administration, parks and recreation, tourism and hospitality, facility management, etc. As with many

emerging fields or quasi-professions, widely divergent approaches can be expected until, and even if, a common base is recognised.

There are many overlaps and interdependencies among types of event and event settings. Associations hold regular meetings, and their periodic conferences often include trade shows (expos) and symposia. Festivals typically include a large program of events, including sports, concerts, participatory recreation, consumer shows and sales, hospitality places for sponsors, and educational events. Major sport competitions encompass other types of event. For example, organisers of the Olympics are required to include a cultural festival, and many other sport event organisers have learned that they can broaden their appeal by turning a competition into a festival. Agencies and special-interest groups produce many types of events to raise money and advance their causes.

From the perspective of event settings, consider the wide range of events produced or facilitated by convention centres: meetings, conventions, expositions, private functions, festivals, concerts, and whatever other events fit. Hotels and resorts are also in the event business, and many resorts have heightened their reputation and appeal by developing full programs of special events catering to many target audiences. Professional consultants, even if they are called 'meeting planners', provide their services to all types of event.

As a result of these many overlaps and interdependencies, a career in event management can take one in many directions. Some jobs will be focused on one type of event, or in one setting, but an over-specialisation is not desirable. The event manager should be flexible and adaptable, because increasingly the distinctions among events and settings are being blurred.

To stimulate discussion on this important topic, a conceptual framework is offered in Figure 2. Its fundamental premise is that the type of event or event setting is of secondary consideration, and that concentration on one or more types of event or event settings should follow from a thorough understanding of the nature of events and of basic management functions. Those who have entered the profession of event management without acquiring management education quickly learn how necessary that is.

The diagram schematically illustrates this approach. Level one is a dual foundation of the nature of events and of basic management functions applied to events. One can start at either end, but the two have to be merged at some point, and preferably early in the educational process.

What are the commonalities to be studied? First, all planned events have one or more special purposes, and are of limited duration. Each is unique in its blend of management, program, setting and participants or customers. An examination of these

elements and how they interact is the logical, integrative starting point.

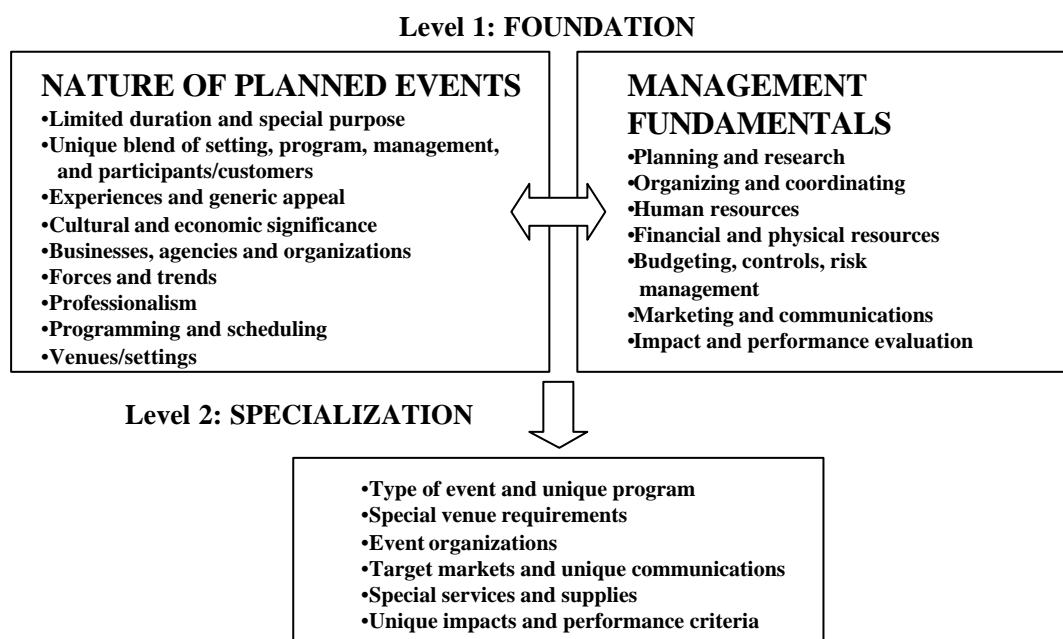
Are events an essential human experience? The historical evolution of events and their place in civilisation should be a common point, encompassing cultural meaning, economic and environmental impact, and social dimensions. For example, it is worth discussing how private events help shape our lives (birthdays, anniversaries, holidays) and how public events help create a sense of community and define culture.

This discussion will also be the starting point for examining the importance attached to various events and why so many agencies and businesses are involved. What are the connections with economic development, parks and recreation, arts and culture, tourism and hospitality, sport and trade? An historical approach will also cover the universal appeal of events and hence lead to consideration of marketing topics.

Environmental forces and trends impacting on events must be considered. There are economic, political, cultural, demographic and other factors that impact on the events sector in general. In addition to the application of fundamental management theory and practice to events, there are several other common knowledge areas to be covered. These include programming, which can benefit from work done in the arts and leisure studies, and scheduling, which is partly technical

**Figure 2:**

## MAJOR COMPONENTS OF EVENT MANAGEMENT EDUCATION



and facilitated by computer skills, and partly an art form dependent on creativity and human skills.

The impact of events should first be studied as a generic topic, covering planned and unanticipated consequences and how to measure them, as well as concern for externalities, opportunity costs, the distribution of costs and benefits, and performance evaluation. Later, the specific impacts associated with different types of events and their settings must be a specialised topic.

Venues and physical settings have to be addressed. Many are shared by organisations and event types, while others are very specialised. The link to facility management is important, as facilities are increasingly generating events for revenue.

To summarise, the event management field needs a research base covering:

- a) fundamentals of management (business, public administration and not-for-profit, applied to events)
- b) unique aspects of events, stressing commonalities rather than differences
- c) issues pertaining to specific types of events and event settings (both facilities and organisations)

### **Disciplinary Perspectives**

Every field of study draws on other disciplines and fields for its base knowledge and theory. In Figure 3 I attempt to relate specific event management and event tourism issues to pertinent disciplines and fields. It becomes rather obvious that research issues and priorities will vary a great deal between these perspectives.

Although many disciplines and fields of study should be contributing to event studies, a review of research to date (discussed later) reveals a heavy concentration of studies based on economics and management. A top priority should be to attract contributions from other fields, or to get their contributions - often published in discipline-specific journals and books - exposed to those in the event field.

### **Management Systems Approach**

When teaching event management the contributions of various disciplines are important, but management theory and practice are essential. A model (Figure 4) by Getz and Frisby (1988) examines the management system for events, which means that no event or event organisation can be understood in isolation of its environment and the internal processes established to convert resources into desired outputs.

External environmental forces include policies, resource availability, and demand/supply factors. These can usefully be separated into the general environment, which impacts on everything, and the more immediate or community environment which influences the event or its organisation directly. Specific attention should be given to inputs, which

are the resources and information flows on which event management decisions are based. Ongoing monitoring of forces and trends is needed, but who does this? Professional associations, government agencies and academic institutions have to collaborate to ensure that event practitioners have the information and can use it in their strategic planning.

All the internal event management processes have to be studied in order to assist in improvements to program, goal attainment, and efficient operations. While business management theories and techniques will prove useful, especially given the necessity for most events to become financially self-reliant, the application of not-for-profit management theory is equally pertinent. I have tried to look at a number of important management issues, including organisational culture, information sharing, and the learning organisation. In general, very little research has been done on the unique properties and challenges of event management. Case studies by practitioners would certainly help, especially if focussed on critical success and failure factors. Why festivals fail is a question I am currently addressing in my own research.

The event itself must be the subject of research, particularly in the interactions of setting, program, management systems and attendees. A current research project of mine is to identify urban festival venues and what experts believe are the most important criteria in developing 'festival places'.

But the event itself is often not the main intended output, rather it is to achieve certain goals. The outputs of this system are both intended impacts and various unintended effects and 'externalities' such as pollution. As a result of ongoing research, planning and evaluation, the organisation and the event survives, develops and improves. While the economic impacts of events are fairly well understood, others (especially externalities, such as negative effects on people, communities and the environment) are not.

### **INDUSTRY OR SOCIAL SERVICE?**

Both, of course. But depending on one's point of view the research agenda will be quite different. An educational and research program has to balance these two fundamental approaches to event management.

#### **'Social Service': The Community Perspective**

To the public, many events are in the realm of recreation, entertainment, culture and celebration. Many governmental agencies and non-profit organisations produce events or assist the events sector in order to help generate community pride and cohesion, foster the arts, contribute to healthy people, or conserve the natural environment. All these goals are very worthwhile and attract considerable expressions of support. Many other events are held to raise money for charities and causes of all kinds.

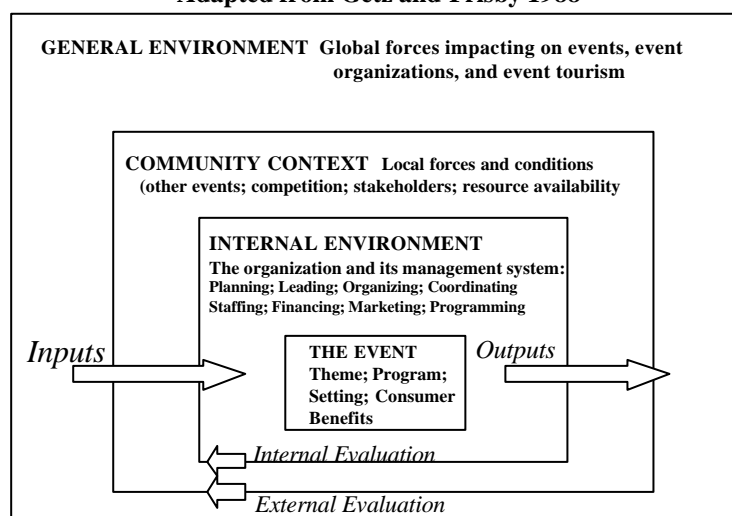
**Figure 3. Disciplinary Perspectives on Events and Sample Research Topics**

<b>Environmental Perspective</b>	(related disciplines: natural and environmental sciences; physical geography; environmental design and psychology) <ul style="list-style-type: none"> <li>• trends: new event themes (e.g., whale festival in BC)</li> <li>• greening of events (e.g., Olympics)</li> <li>• ecologically sustainable tourism and sustainable events (criteria)</li> <li>• festival/event venues</li> </ul>
<b>Community Perspective</b>	(related disciplines/fields: anthropology; sociology; community planning) <ul style="list-style-type: none"> <li>• events as leisure and social opportunities; celebration</li> <li>• cross-cultural studies</li> <li>• social problems at events</li> <li>• social/cultural impacts on the community; host-guest interactions</li> <li>• cause-related events</li> </ul>
<b>Economic Perspective</b>	(economics; finance; tourism; economic development) <ul style="list-style-type: none"> <li>• place marketing; image</li> <li>• tourism; seasons; animation</li> <li>• economic impacts</li> <li>• costs and benefits; distribution of</li> </ul>
<b>Event Programming</b>	(recreation and sport; arts and entertainment) <ul style="list-style-type: none"> <li>• education through events</li> <li>• retailing and exhibiting effectiveness</li> </ul>
<b>Law</b>	<ul style="list-style-type: none"> <li>• impact of the regulatory environment; risk management; incorporation or charitable status; protection of name, logo, designs, etc.</li> </ul>
<b>Management Perspective</b>	(business, public administration, and not-for-profit) <ul style="list-style-type: none"> <li>• organisational management (marketing; human resources; finance; controls and evaluation; organisation and co-ordination;</li> <li>• hospitality management (events as service encounters; quality assurance)</li> <li>• tourism destination management (competitiveness; image enhancement; marketing)</li> </ul>
<b>Psychological Perspective</b>	(psychology; social-psychology) <ul style="list-style-type: none"> <li>• motivation to attend and benefits sought from events; links to satisfaction</li> <li>• gender, culture, demographic and age factors affecting demand</li> </ul>
<b>Political Perspective</b>	(political science) <ul style="list-style-type: none"> <li>• political goals</li> <li>• propaganda through events and to sell events</li> </ul>

**Figure 4:**

### THE EVENT MANAGEMENT SYSTEM

Adapted from Getz and Frisby 1988



However, events as social services are frequently underfunded, easily cut in times of budget constraints, and in my opinion generally underappreciated for their valuable contributions. I will get back to this question of value or 'worth' later.

From the community perspective a number of major research themes emerge. Evidence on the costs and benefits of events from multiple social, cultural and environmental perspectives is constantly needed. Distribution of those costs and benefits, or who gains and who pays, is an important sub-issue. Perhaps the most intangible of the purported benefits of public events is that of celebration and what it does for culture and communities. One related research theme found in the sociological and anthropological literature is the authenticity of cultural events, or what happens when they are commercialised and exploited for tourism.

Another major research theme, especially in this era of protests at events and protests as special events, must concern social problems, security, and safety issues. Events sometimes have to be moved or cancelled because of ritualised rioting or alcohol-related troubles. The political dimensions of festivals and other public events has been explored, for example in relation to the planning and impacts of World's Fairs on housing, urban renewal, and the fate of political parties or personalities. A related management theme is that of working with the community: to obtain support and resources, deal with laws and regulations, or recruit volunteers. Environmental management is coming to the fore in the events sector, especially since the Olympics went 'green'. What does this mean, and how can events become more environmentally responsible?

### **Are Events An Industry?**

There has been a lot of debate about whether or not tourism is an industry, and similar arguments can be raised regarding events. To the extent that events generate a great deal of economic impact, both income and employment, they might be called an industry. As well, many events clearly provide services to industries, such as the use of trade shows or exhibitions in marketing products. Tourism and economic development already view events in general as a sub-set of the 'tourism industry.'

To be an 'industry' is to gain respect in political and business circles, and therefore support and resources. Even taking the community perspective, it has been forcibly argued (Crompton 1999) that economic impact studies are needed in order to garner support and resources for leisure, sport and cultural events.

The major economic roles of events suggest key research themes, but one has predominated - events as tourism attractions and the resulting

economic impact. The others are relatively under-explored, including events as image-makers for communities and destinations to attract tourists, residents and investment (i.e., place marketing). The geographic and seasonal spread of events has been documented in several countries, but little research has been done on the effectiveness of using events to spread tourist demand geographically and seasonally. Several studies have explored the roles of events as catalysts for other development, but the connection between events and urban renewal or industrial growth in general is only tenuously understood. Lastly, the role of events in animating attractions and facilities has been well recognised but not subjected to very much research.

## **PRACTITIONERS AND PROFESSIONAL ASSOCIATIONS**

### **Practitioners' Perspective**

Theory about research needs and priorities is one thing, but what do event managers actually need to know? They are seldom asked!

A study was done in Alberta in 1990 (Manecon Partnership) to ask festival and event managers about their concerns and needs. The very basics were revealed, emphasising the need for more customers, better marketing, and improved facilities. The practitioners needed help securing sponsorships, with fund raising, securing grants and volunteers. Staff training was identified as an area of need, as was strategic planning. Better networking and co-operative marketing were desired, as was better representation of the event sector to institutions, government and industry.

Practitioners normally do not think in terms of research needs. Those are the offspring of their real management and operational needs. The research community has to be careful to avoid too much pure theory and to communicate its findings in terms of management applications, or practitioners will tune out.

### **The Perspective of Professional Associations**

The events field is quite fragmented along the lines of event type (e.g., meetings and conventions, expositions, festivals, sport), and to a lesser degree, event setting (e.g., convention centres, recreation and sport facilities, resorts and hotels). It is very difficult to get these groups together to discuss issues of mutual concern such as a research strategy.

Associations originate and evolve to meet the needs of members who feel they have a lot in common, and this means they prefer to associate with people involved in the same type of event or event setting. It is a tradition not likely to change drastically and this presents a serious problem to educators and researchers who might prefer to deal with generic event management issues.

The problem is reinforced to a degree by the trade publications that are very narrowly oriented to certain types of events, especially those covering meetings, conventions and exhibitions, of which there are many. As yet there are only two event-specific research journals, and *while Convention and Expo Management* aims at a fairly narrow range, *Event Management* was recently re-positioned to be generic to all types of event.

Many professional associations do not undertake or support research. They frequently hold conferences or seminars and publish newsletters or magazines for the explicit purpose of sharing information and ideas, but they seldom generate new knowledge except by encouraging practitioners to write down or talk about their experiences. Although IFEA(thanks mainly to the efforts of Dr. Bruce Wicks) has incorporated a research symposium into its annual conference, it has proven all but impossible to get practitioners to do or report on research in journals. Many do not see the value, or are too busy. Accordingly, a major challenge is to get the professionals and their associations more involved in the research and publication process.

Efforts will be required to get the various event-related professional associations to communicate and share more openly, to the benefit of their members and the field in general. Because they operate like businesses, they need to see the pay-off, and better research should be one area that can appeal to all of them.

### FORCES & TRENDS IN THE EVENTS SECTOR & THEIR RESEARCH IMPLICATIONS

Who does this environmental and future scanning? It is a role for professional associations, academics, or research centres, preferably in collaboration. An annual report on the state of the events sector would be a desirable, but perhaps overly ambitious goal. It probably can be accomplished more easily by type of event or setting, with the input of pertinent professional associations. At least one association has recently performed such a scan for its members, but has kept it confidential (PCMA, 2000).

I list a number of major forces in Figure 5 and trends in Figure 6 that potentially impact on event management, and suggest some key research implications.

The resultant research needs change all the time, some in response to clearly identifiable forces such as the ageing of the population, and some in response to sudden and unexpected changes in policy or the economy. Event managers totally involved with their own immediate problems are likely to miss some of the implications for strategic planning.

**Figure 5: Major Forces Affecting Event Management and Their Research Implications**

<b>FORCES</b>	<b>RESEARCH IMPLICATIONS</b>
<u>DEMOGRAPHICS</u> <ul style="list-style-type: none"> <li>• Ageing population</li> <li>• baby-boomers the dominant segment</li> <li>• immigration a major force</li> </ul>	<ul style="list-style-type: none"> <li>• what do seniors want?</li> <li>• echo-boomers?</li> <li>• unknown implications of changing population mix</li> <li>• what marketing messages work best?</li> </ul>
<u>ECONOMICS</u> <ul style="list-style-type: none"> <li>• more money, less time</li> <li>• continued growth in tourism; many short trips</li> <li>• expanding meetings/expos sector</li> <li>• more women working and making decisions</li> <li>• highly competitive destinations</li> <li>• less government subsidy</li> <li>• more for-profit events</li> </ul>	<ul style="list-style-type: none"> <li>• what are consumers willing to pay?</li> <li>• how can value for time be maximised?</li> <li>• how exactly do events contribute to destination competitiveness? to profitability?</li> <li>• what are the impacts of increasing dependence on corporate sponsors?</li> </ul>
<u>TECHNOLOGY</u> <ul style="list-style-type: none"> <li>• the Internet as a major force</li> <li>• global media coverage of events</li> <li>• technologically sophisticated consumers</li> <li>• numerous competitors for leisure time</li> </ul>	<ul style="list-style-type: none"> <li>• how to maximise the benefits of the web</li> <li>• more media events - what is their value?</li> <li>• what technology do consumers expect and use (e.g., ticketing, booking, information searching)</li> <li>• getting the next generation away from their computers</li> </ul>
<u>CULTURE AND VALUES</u> <ul style="list-style-type: none"> <li>• increasingly multicultural societies</li> <li>• environmental values</li> <li>• experience orientation</li> <li>• special interest groups proliferate</li> </ul>	<ul style="list-style-type: none"> <li>• how to use events as a unifying force?</li> <li>• ways to make events greener, safer, more experiential for consumers</li> <li>• evaluating the many perspectives on event worth</li> </ul>

**Figure 6: Major Trends in the Event Sector and Their Research Implications**

TRENDS	RESEARCH IMPLICATIONS
<b>CONTINUED GROWTH</b> <ul style="list-style-type: none"> <li>more events</li> <li>larger, with greater impact</li> <li>diversity in theme, style, organisation, goals</li> </ul>	<ul style="list-style-type: none"> <li>what is the saturation level?</li> <li>do events have a predictable life-cycle ?</li> <li>how to gain sustainable competitive advantage?</li> <li>fostering innovation in programming</li> </ul>
<b>STRATEGIC EVENT DEVELOPMENT</b> <ul style="list-style-type: none"> <li>for tourism and economic development</li> <li>for urban renewal</li> <li>for cultural and social goals</li> <li>for private-sector marketing</li> </ul>	<ul style="list-style-type: none"> <li>is goal displacement a problem?</li> <li>what events work best to realise tourism and economic goals?</li> </ul>
<b>SPECIAL-PURPOSE EVENT VENUES</b> <ul style="list-style-type: none"> <li>convention and exposition centres</li> <li>festival places</li> <li>recreation and sport complexes</li> </ul>	<ul style="list-style-type: none"> <li>are they all viable?</li> <li>what are the professional skills needed in programming facilities through events?</li> </ul>
<b>SPONSORSHIP</b> <ul style="list-style-type: none"> <li>responsible for event growth and success</li> <li>variable by time and place</li> </ul>	<ul style="list-style-type: none"> <li>how to achieve long-term partnerships?</li> <li>what is the risk of dependence on sponsors?</li> </ul>
<b>ACCOUNTABILITY</b> <ul style="list-style-type: none"> <li>all stakeholders want measurement of results and impacts</li> </ul>	<ul style="list-style-type: none"> <li>developing standardised methods and measures</li> <li>accounting for all costs and benefits &amp; the distribution of each</li> </ul>
<b>CONTROVERSY AND PROTEST</b> <ul style="list-style-type: none"> <li>events attracting more critical attention</li> <li>protests as special events</li> </ul>	<ul style="list-style-type: none"> <li>what is a sustainable event?</li> <li>how are protest events planned?</li> <li>forecasting the impacts of events from multiple perspectives</li> </ul>
<b>LEGAL MATTERS</b> <ul style="list-style-type: none"> <li>protection of name, logos, designs, etc.</li> <li>risk management</li> </ul>	<ul style="list-style-type: none"> <li>predicting and managing risks to owners, staff, volunteers, customers, the environment and community</li> </ul>
<b>PROFESSIONALISM</b> <ul style="list-style-type: none"> <li>event management educational programs are on the rise, globally</li> <li>professional associations are mostly organised by type of event</li> </ul>	<ul style="list-style-type: none"> <li>what are the core event management concepts, methods and skills?</li> <li>how</li> <li>can associations be brought together?</li> </ul>
<b>PRIVATE SECTOR INITIATIVES</b> <ul style="list-style-type: none"> <li>more events produced for profit</li> <li>professional event-related firms (marketing, sponsorship, programming)</li> <li>more specialist suppliers to events</li> </ul>	<ul style="list-style-type: none"> <li>what are the best business opportunities?</li> <li>can certification or professional standards be applied?</li> </ul>

## RESEARCH TRENDS, THEMES AND GAPS

I have mentioned a number of research themes and actual studies, but a specific analysis of articles published in *Festival Management and Event Tourism* now *Event Management* - right up to the current issue (Vol. 6, #2) - allows a general categorisation. The major themes covered, in descending order and approximate number of articles (including research notes and profiles), have been identified as:

- economic development and economic impacts of events (26 articles)
- sponsorship and event marketing from the corporate perspective (14)
- marketing, including segmentation (11)
- other management topics (9)
- visitor or participant motives (7)
- education, training, accreditation, research, professionalism (7)
- community impacts, resident attitudes and perceptions of event impacts (6)
- descriptive analysis of the festival sector (seasonal, spatial, calendars) (5)
- attendance estimates and forecasts (5)
- volunteers (4)
- politics, policy and planning (4)
- urban renewal (2)
- law (1)
- benefits to consumers (1)
- arts and culture (1)

The numbers are approximate because I placed every article into one category, whereas a number of them deal with one or more of these themes. It should be noted that several special issues were devoted to these topics: economic impact; sponsorship; mega-events.

Marketing, if we include motivations and sponsorship, is actually the largest category from the perspective of disciplines, fields of study or management applications. The large number of economic development/impact articles is no surprise.

Noticeably lacking are articles specific to certain types of events, namely conventions and exhibitions, as they were excluded by editorial policy until Vol. 6 and the name change. True disciplinary articles have been few and far between, or absent, for psychology (e.g., benefits to consumers), law, geography, sociology, and political science. Discipline-specific journals, such as sociology and anthropology, contain event-related articles - but they seldom if ever deal with management applications.

Sandro Formica did a similar exercise looking at FM/ET and three leading tourism periodicals for the period 1970-96. Formica (1998) stresses that socio-psychological issues have been largely ignored, yet these would help explain the success of the festivals and special events field. More research is needed on management of events, including human resources. Formica also warns of a North American bias (ethnocentrism) but the proliferation of research in Australia in particular is a countervailing force. Global coverage has been weak, and this needs improvement. In particular, cross-cultural studies are rare.

Formica also argues that an emerging field of study like events requires more theoretical development and hence more sophisticated and multiple research methods, but this is debatable. Certainly it is necessary to 'mature' the field in academic terms, but it will not be as necessary or desirable from a practitioner's point of view.

### **THREE MAJOR, GENERIC RESEARCH QUESTIONS FOR THE EVENTS SECTOR**

These are my own 'big three' generic research questions, and I believe they have global application - both to academics and practitioners. Each of them looks deceptively simple, but entails a complex sub-set of questions and problems. In each of these I point out various perspectives that need to be covered, as well as some of the big forces and trends.

#### **1) What are Events Worth?**

All event bids, impact studies and marketing research involves this question, but from different perspectives. To economists and economic development agencies, events are worth real money to the economy and to individual businesses and organisations. This can be measured, although there exists little standardisation in assumptions and methods and politics often gets in the way of rational decisions. But if we can convert event 'worth' into dollars it is easier for people to understand and for politicians to support.

Several books and studies have focused on the measurement or forecasting of event impacts, with emphasis on economics. John Crompton (1999) recently wrote a book for the National Recreation and Parks Association in the USA called *Measuring*

*the Economic Impact of Visitors to Sports Tournaments and Special Events*. Here in Australia, a consortium of academics produced two major reports on forecasting event impacts for the New South Wales Government.

Economic impact studies are fuelled by the desire to attract support for events (e.g., Crompton says they are necessary for leisure agencies to gain the same credibility that economic development possesses), and by way of accountability to sponsors, grant-givers or the community. As well, agencies that bid on and support events want better tools to predict success and impacts, to aid in their choices.

Is there anything left to understand about event impact studies? Certainly we need to continue to develop standardised methods and measures, to get agreement on what is legitimate and what must be included. To enhance impact forecasting models, comparisons of event impacts must be undertaken continuously and trends established. Research is needed on the factors influencing impacts so that benefits can be enhanced and costs reduced. Much more attention to the distribution of costs and benefits is required. Measuring intangible impacts is typically very weak.

How is marketing concerned with worth? We need to know what consumers think a given event is worth to them in terms of money and time expended. In other words, what benefits do they seek, how else can they obtain them, and what are they willing to give up to attend any particular event? We could use 'willingness to pay' to answer the question, although many events are nominally 'free' or priced at non-market levels, which complicates the issue.

There is also such a thing as 'psychic value' to host communities, associated with the pride and value placed on being the hosts to a great event. Economists tried to measure this with regard to the first Adelaide Grand Prix (Burns, Hatch and Mules 1986), but I find this approach to be rather unconvincing. A much more difficult question to answer, but perhaps one that gets more to the heart of an event's worth to the community, is this: what is lost if an event disappears? It's difficult because events are unique and many of their benefits intangible.

Unfortunately, it is clearly demonstrable that many events have disappeared without a trace (in Calgary I can name at least three or four) - does that mean they were worthless? It might only mean that many events are substitutable, and as long as a community has a choice the public does not really care that much. What are events worth environmentally to the arts or sports? Each interest group (i.e., perspective) has to answer the question with either a monetary amount and/or a different set of criteria unique to that point of view. Then the issue becomes one of convincing others that your measure of worth or value is equal to other measures, including money.



Sponsors clearly value events, within their marketing strategies. They want to know how much an event is worth in terms of on-site sales and sales related to event promotions, entertainment and morale value for their staff and associates, publicity and community relations value, and competitive positioning. Event managers are increasingly required to undertake sophisticated research and analysis to obtain and keep valued sponsors. Perhaps the biggest unresolved question is that of image - how do the event's image and corporate image interact for the benefit of both? And what should an event charge for its sponsorship benefits? That is a measure of self-worth as well as what the market will bear.

Volunteers are another consideration. They value events enough to give up their time and often money - why? Several studies have examined this question. How much is a volunteer's time worth, and can it be counted as an impact of the event?

Measuring value or worth is only half the equation. All events have costs: capital invested; management; production; external impacts, such as noise or pollution; opportunity costs (what else could we do with the resources?). Who realises the benefits and who pays the costs is perhaps a more important issue. For example, the Save Albert Park group claimed that the benefits of Melbourne

hosting the Grand Prix are both overstated and accrue to the state and to private businesses, while the environment and local community pay the price.

Coming to terms with the 'worth' or value of an event or events sector requires research on concepts, methods and measures. A range of possible measures of value or worth, from several perspectives, are illustrated in Figure 7. Many of these have not been applied or tested, and should be. Others are over-utilised, especially multipliers to estimate economic impact.

## 2) What do we Need to Know to Market Events More Effectively?

In theory the marketing and communications process must be supported by research on the following:

- consumer motives, needs, benefits sought
- awareness and comprehension of what is being offered within a crowded marketplace
- how the decision to attend is actually made, and by whom
- how event-related experiences (including travel) relate to visitor satisfaction, repeat visits, and word-of-mouth recommendations.

**Figure 7: Possible Measures of Event Value or Worth**

### **Economic Development and Tourism**

- market share (obtained by an event or the events sector in a destination)
- economic impact (income and employment benefits at the local, regional or national levels)
- sustainability (can continue indefinitely; self-supporting; strong community support)
- competitive advantage (relative to other destinations/cities)
- image enhancement (publicity achieved; effects on consumer decisions)
- distributing benefits more widely (by area and season)
- occupancy rates (putting people into hotels and transport seats)

### **Community**

- level of political support; local attendance
- willingness to pay (through price or taxpayer subsidy)
- volunteer support; opposition to event termination
- fostering community spirit, pride and cohesion (e.g., multiculturalism)
- mental and physical health

### **Arts and Culture**

- showcasing and developing local talent
- provision of unique cultural/artistic experiences for the community
- fund-raising; building community interest and understanding

### **Sport**

- training benefits for participants; fund raising
- building interest in the sport

### **Business**

- developing business contacts; networking; increasing sales
- learning about new products and services

### **Facilities and Attractions**

- generating revenue
- promotion of the facility

### **Political**

- propaganda effectiveness

A number of academics have studied festival motivation, and the literature on meetings, conventions and expositions includes research on how sites are selected and attractiveness/competitiveness criteria. There is theory to draw on from leisure and tourism studies, but I believe much more investigation should be done on needs, motives, benefits and satisfaction regarding different events and settings, and especially event tourism. Numerous visitor studies have been done at events, and most are never published or widely circulated. What do they have in common, and are they generalisable sources of information? Are all events unique in terms of visitor motives and benefits sought, or are there truly generic motives and benefits?

Social psychology offers a disciplinary base for these types of research, combined with marketing theory. More sophisticated segmentation of the event consumer and event tourist should be attempted, along with studies on the interaction of consumers, staff/volunteers, setting, program and other management systems. Factors contributing to a great 'event experience' have not been fully tested.

I am currently doing research on how a sport event impacts on potential consumers - does it generate a positive image and translate into higher demand? Are tour operators influenced by the hosting of events, or can they be? Many events are bid on and sponsored to obtain favourable publicity. Whether they get it or not, and what impact it has, are open questions.

Event managers and sponsors, as well as destination marketing organisations, have a strong interest in event marketing, so research on this theme will have practical application and should attract 'industry' support. It is a research field with almost limitless scope and a constant need to do better.

### **3) What are the Critical Success Factors for Event Management?**

This broad question will certainly be of practical value to event managers as well as to sponsors and agencies that bid on events. The sub-questions will have to pertain to all the management functions, and to several in particular:

- professionalism (education, training, culture, associations and their roles)
- financial resources (numerous events fail because of inadequate resources and/or poor financial management)
- competition - whether the event marketplace is getting too crowded, to what extent events are substitutable, whether there is a life-cycle that results in decline and failure no matter what managers do
- the forms of assistance to the event sector that will accomplish the most in terms of event development and prosperity
- criteria to be used in evaluating event success?

Management theory comes firmly into play, including organisational development, human resource management, strategy, leadership, and marketing. These will have to be applied to specific types of event and event settings. There are different management perspectives to take, including business, public administration and not-for-profit - all of which offer valuable insights for event managers. For example, business management stresses competitiveness, financial management, control systems and marketing. Public administration can contribute by drawing attention to community relations, political lobbying, and legal issues, and is particularly pertinent to events developed or sponsored by governmental agencies. Numerous events are operated by not-for-profit or charitable associations and societies, so the special governance and organisational issues of this sector make an important research subject.

In a recently published book chapter (Getz 2000) I examined implications of saturation and the event life cycle for event failure and management. Researchers examining the supply of events should look more carefully at competitive factors and overall demand. What are the key factors in failure - competition, resources, or management skills? Comparison of failed and successful events might prove valuable.

Context-specific research will always be needed, such as that relating to conventions as opposed to festivals, resorts as opposed to exposition halls. Some types of events compete for the same target customers, while others compete more for resources and political support. Many events depend utterly on being successful in attracting paying customers, while others are protected by grants and subsidies. Numerous factors can therefore be important in their success or failure.

### **SUMMARY AND CONCLUSIONS**

This paper should help with the formulation of a research agenda and, by implication, provide guidance to educators regarding curriculum. It should also be of interest to practitioners who must participate in the discussion in order to get their needs met, and who should also become more involved in the research and publication process. The following key points should be emphasised:

- It is important to recognise event management as a distinct field of study, even though much of its theory and knowledge come from other fields and disciplines.
- Research and education for the events sector should start with generic issues of management (business, public administration and not-for-profit), and concepts and issues applicable to all events, before considering specific event types or settings.

- The event management system model is one starting point in identifying research and educational needs.
- Economic, marketing and tourism-related issues have dominated research in the events field, probably to the detriment of other important topics. This is attributable to an emphasis on the so-called 'events industry', as opposed to recognition of the community or social service roles and value of events.
- A periodic review of event-related literature and development of a comprehensive bibliography is required.
- Research and theoretical and methodological input is needed from a number of key academic disciplines that are, so far, poorly represented in the event management literature, especially psychology and social-psychology, geography and political science. Anthropologists should be encouraged to consider management or policy issues in their event-related research.
- A major challenge is to get practitioners and their professional associations involved in the research and publication process. Professionals tend to identify tangible needs, not research, so there is an onus on researchers to work with practitioners and to make research useful to them.
- All the stakeholders in the events field should be involved in continuous environmental and future scanning to assist with strategic planning and marketing. Many forces and trends impact on events, and they are always changing. This could be undertaken through partnerships between academic institutions, government agencies and professional associations.
- Three big, generic research questions need to be continuously addressed and refined:
  - 1) What are events worth (from multiple perspectives)
  - 2) What do we need to know to market events more effectively?
  - 3) What are the critical success factors for event management?
- There is a need for more standardised methodology for evaluating events and their impacts; more comprehensive methods and measures of value must be used.
- Practitioners should be encouraged (and assisted) to contribute to the research process through regular research conferences, writing case studies, evaluating research, and identifying needs and priorities.

In conclusion, I believe the event management field is still in its infancy, with a lot of maturing yet to come. If we can judge by what happened in the new fields of recreation or leisure studies, tourism and hospitality, we can expect a proliferation of educational programs, books, magazines, and research. By identifying and acting upon research gaps, by setting a research agenda, we help advance the entire field.

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## **A REARVIEW MIRROR AND A CRYSTAL BALL: PAST, PRESENT AND FUTURE PERSPECTIVES ON EVENT RESEARCH IN AUSTRALIA.**

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### **ABSTRACT**

The field of event research is often described as a young and immature one, a position with which the authors of this paper agree. But what exactly is the current 'state of play' as regards event research both within Australia and overseas, and how do the research priorities of stakeholder groups match up against the research that has been, or is now being, conducted. This paper will seek to go some way towards answering these questions by acting to classify and quantify published research material dealing with events, and conducting an exploratory study of selected stakeholder groups.

### **INTRODUCTION**

Special events have evolved in Australia to the point where their number, scale and variety, combined with their associated economic, social and cultural impacts, demand attention from researchers. To some extent such attention has been forthcoming in recent years as the number of event texts, specialist event journals and academic conferences dealing in full or in part with events has increased. Nonetheless, it is fair to say that research in the event field, particularly within the Australian context, is still in its infancy and that the issue of establishing research agendas has only recently begun to emerge as a matter of some importance. While this paper does not propose either an overarching, or event specific research agenda, it does seek to answer a number of questions central to its development: What research has already been conducted in the event field? What broad topic areas are researchers addressing? and What research priorities exist amongst various stakeholder groups?. In addressing these questions reference is made to a variety of published sources including academic journals and event bibliographies. The results of an exploratory study,

conducted for this paper and dealing with the research priorities of selected stakeholder groups (i.e. practitioners, government and industry associations and academics) is also referred to. Before moving on to address these matters, however, it is useful, by way of context, to review briefly how the events area has evolved in Australia.

### **OVERVIEW OF THE EVOLUTION OF THE EVENTS FIELD IN AUSTRALIA**

Increasing interest in special events arguably derives from Australia's winning of the America's Cup in 1983. Although Australia had been associated with major events prior to this time (such as with the 1956 Olympic Games in Melbourne and the 1982 Commonwealth Games in Brisbane), the winning of the America's Cup, and subsequent build-up to its defence in Fremantle in 1986, focused attention on the field (McDonnell et al., 1999).

Underpinning this interest in major events is the more broadly based interest that Australians have in city and town festivals. According to McDonnell et al. (1999), such festivals became popular in towns throughout Australia in the boom period after the Second World War and each one tended to have a strong community, sport and/or cultural base. Many of these festivals still exist today.

Arguably the financial success of the 1984 Olympics in Los Angeles, and the heightened international profile that was generated by the event for the city, prompted many state government tourism organisations in Australia to actively seek major events for their particular regions. This helps explain the rapid growth in major events in Australia from the mid 1980s. Indeed, a number of state tourism organisations saw fit to open agencies specifically dedicated to the attraction of major

special events from this time. Prior to opening such divisions, government support for special events was generally from departments responsible for arts and sport. It is also noteworthy that from the 1980s onwards public spaces dedicated to celebrations and events began to appear in capital cities, specifically Darling Harbour (Sydney), South Bank (Brisbane) and Southgate (Melbourne), as did large convention and exhibition facilities (McDonnell, et. al., 1999). There is now substantial competition between states and territories to attract major events. This has, on occasions, led to full scale bidding 'wars'. Victoria's successful efforts to lure the Formula One Grand Prix from Adelaide in the early 1990s is an example. With all states and territories now identifying events as an area where they have competitive advantage, competition is likely to increase rather than diminish in the future (Jago, 1996). The growth of special events in Australia can be observed by monitoring the size of the special event calendars that are produced by most states and territories. These calendars were introduced in the early 1990s and were generally published on an annual basis. They moved from relatively small publications in each case to very substantial documents that were often out of date as soon as they were printed. For this reason, most states and territories no longer produce these calendars but rather keep an electronic list on their web-site that can be kept up to date more easily and accessed by interested parties.

Accompanying the growth in special events has been the recognition that the event consumer is discerning and that the industry needs to establish and maintain high standards in terms of the quality of the products that are on offer. This has led to the introduction of training and accreditation programs by some organisations associated with the event industry. Such organisations include the International Special Events Society (ISES), New South Wales Festivals and Events Association (NSWFEEA) and the Meetings Industry Association of Australia (MIAA). Additionally there has been rapid growth in the number of subjects and courses in the event area in universities and TAFEs. In a recent study by Harris and Jago (1999), it was found that 17 of Australia's 29 universities offered at least one subject in the event area and four universities offered specialisations in the field. Two institutions, namely, the University of Technology, Sydney (UTS) and Victoria University (VU), have specialist postgraduate programs in event management. TAFE and private colleges have also become active in this field.

Given these developments it is perhaps not surprising that event related research has increased significantly in recent times. At the 1994 Council of Australian University Tourism and Hospitality Educators (CAUTHE) Conference, for example, there were no papers on special events. By 2000 there were over 20 such papers presented at this conference. It is also noteworthy that a sub-program dedicated to Special Event research has been included in the recently formed Cooperative

Research Centre (CRC) for Sustainable Tourism. The number of conferences being conducted by industry associations and private bodies dealing in full, or it part, with various aspects of events is also symptomatic of a field that is professionalising and hungry for information (Harris & Jago, 1999).

The time lines below reflect the developments noted in the previous discussion.

### Timeline of Events in Australia

#### Events

1940s	City and town festivals commence
1956	Melbourne Olympic Games
1982	Brisbane Commonwealth Games
1983	Australia wins the America's Cup
1985	First Adelaide Formula One Grand Prix
1986	Defence of America's Cup in Fremantle
1988	Australia's Bicentennial Celebrations
1988	Expo in Brisbane
1996	Formula One Grand Prix moves to Melbourne
1999	Millennium Celebrations
2000	Sydney Olympic Games

#### Government Event Agencies

1985	EventsCorp, Western Australia
1988	Queensland Events Corporation
1991	Melbourne Major Events Company
1992	Major Events Unit in Tourism Victoria
1993	Special Events NSW Ltd
1995	Australian Major Events Company, South Australia

#### Event industry organisations

1975	Meetings Industry Association of Australia (MIAA)
1987	Australian Celebratory Events (ACE) later to become the NSW Festivals & Events Association (NSWFEEA)
1991	Exhibitions and Events Association of Australia (EEAA)
1991	International Festivals and Events Association (IFEA) forms Australian Chapter
1996	International Special Events Society (ISES) forms Australian Chapter

### THE VALUE OF RESEARCH

The timelines noted previously reflect the fact that the events field is developing quickly in Australia, but as Getz (2000) notes it is still new and immature as an area of academic study and therefore has much to gain from greater attention from researchers (Getz, 2000). Indicative of these gains are those identified by Lynch and Brown (1995:11) when developing a research agenda for the not unrelated leisure field. Specifically they noted that research: helps to create efficient use of resources; assists in program planning; improves accountability; makes decision making transparent; promotes understanding of political, social, economic and ecological contexts in which decisions are made; facilitates critique; reduces reliance on culturally inappropriate overseas

research; and assists definition and promotion of an industry.

Many writers and organisations have lamented the lack of research in the event area and the subsequent benefits, such as Lynch and Brown (1995) describe. The Sydney Convention and Visitors Bureau (SCVB) in the context of the Meetings, Incentives, Conventions and Exhibitions (MICE) sector noted that research is "significantly deficient and must be improved" (SCVB, 1997:116). Shaw and Davidson (2000), in introducing their study of Australian convention delegates, reinforce this view stating that "the convention industry world wide and especially in Australia is under-researched". Commentary on public/special event research is less evident, which perhaps results from the organic and community-based nature of these types of events, difficulties in the definition of the term (Jago and Shaw, 1998) and lack of clear sectoral boundaries.

### Research Agendas in the Events Field

There have been some efforts in recent times to set research agendas in the event field, however these have been essentially confined to the meetings, conference and exhibitions area. In the context of the United States, Abbey and Link (1994) have produced a listing of operation and research needs for the conventions and meetings sector. Additionally Cunningham and Taylor (1995) have compiled a research agenda for the area of event marketing. Masberg (1999), while not producing a research agenda as such, undertook an analysis of research priorities in US convention and visitor bureaux. In the Australian context Carlsen (1999) has proposed a research agenda for the conventions and exhibitions sector.

The Cooperative Research Centre for Sustainable Tourism (hereafter referred to as CRC Tourism) has been the most active agency in Australia in terms of developing and progressing a research agenda in the event area. However, its focus is limited to events within a tourism context. The CRC Tourism contains within it a subprogram dedicated to event tourism research. The aim of the program is "the development of a strategic approach to understanding tourism special events, and the production of leading edge tourism special events research". Research priorities (in descending order from A to C) for this sub-program, are given below. The high priority placed on the development of a research agenda should be noted.

CRC priority research areas:

#### Rating A:

- Review the existing research and utilise industry networks as the basis for determining the research agenda for special events tourism
- Identify best practice in the management of special events (including marketing, service quality, finance and operations)

- Identify the role that special events can play in adding to the tourism sustainability of a destination
- Identify the most effective means of disseminating research findings to industry and other researchers

#### Rating B:

- Develop tools to evaluate the economic, social, cultural and environmental impacts of special events. This includes pre-event evaluation.
- Explore regional special events
- Develop evaluation and management options for various categories of events (including sports events)

#### Rating C:

- Develop a generic model of special events to guide the management and evaluation of special events
- Identify the role that special events can play in branding a destination.

A detailed listing of current CRC projects is given in the Appendix.

### Event Research: The Current State of Play

To determine the current state of research within the events field is not necessary an easy task. Even though the area is still largely 'virgin territory' from a research perspective there is still, both globally and in an Australian context, a not insubstantial number of articles/reports/thesis etc dealing with events. A way of approaching this task is simply to identify major themes currently being addressed in the literature, and to quantify the volume of research conducted in these areas. Several writers have already employed this technique within an event context. Formica (1998) examined three major tourism journals over the period 1970 - 96 as well as the *Journal of Festival Management and Event Tourism* (1993-6) with a view to identifying major research themes. His findings (see Table 1) point to the dominance of economic/financial impacts, and marketing and its associated concerns of sponsorship and event profile. He observed that relatively little research had been conducted regarding socio-psychological issues and events and that more research was needed in the areas of event management (including human resources), events in a global context and cross-cultural matters.

**Table 1 - Research Areas**

Research Area	Number
Economic/financial impact	15
Marketing	13
Profile of festival/event	10
Sponsorship	10
Management	10
Trends and forecasts	4
<b>Total</b>	<b>62</b>

(Source: Formica, 1998)

**Table 3 - Content Analysis of Australian and International Bibliographies**

Research Area	Australian %	International %
Economic development and economic impacts of events	27.3	14.4
Other management topics	10.5	5.0
Community impacts, resident attitudes and perceptions of event impacts, community development	10.0*	3.8
Historical perspectives/event descriptions	7.7	3.8
Visitor/participant/audience motives-demographics	6.3	8.4
Sponsorship and event marketing from the corporate perspective	4.9	17.5
Marketing, including segmentation	4.9	6.2
Volunteers	4.2	3.0
Event tourism /sport tourism	4.2	1.2
Education, training, accreditation, research, professionalism	3.5	1.0
Spectator behaviour	2.8	3.8
Arts/culture/heritage	2.8	2.8
Research Issues/terminology	2.8	1.2
Administration/logistics	2.1	3.0
Environmental issues	2.1	0.2*
Fundraising	1.4	10.3
Sociological/anthropological/psychological analysis	1.4	2.5
Law/Risk Management/Taxation/Security and safety	0.7*	2.6
Urban renewal	0.7	2.6
Descriptive analysis of the festival sector (seasonal, spatial, calendars)	0.7	1.0
Politics, policy and planning	0	2.2
Customer service/service quality	0	1.4
Attendance estimates and forecasts	0	1.0
Events and authenticity	0	-
<b>Total number of articles</b>	143	494

\* This represents one article.

(Source: Burkhardt and Harris, 1998; Allen, Harris & Huyskens, 2000)

**Table 3 – Events Beyond 2000 Conference: Research Areas Addressed**

Research Area	No.
Economic development and economic impacts of events	5
Case studies	4
Event management/operations	4
Education/training/taxonomy	3
Event sponsorship	2
Community perceptions/impacts	1
Customer satisfaction	1
Event marketing	1
Event tourism	1
<b>Total</b>	<b>22</b>

Given the relatively limited scope of Formica's study, the authors of this paper sought some measure of confirmation of his observations through an examination of two recently prepared event related bibliographies (Burkhardt, A. & Harris, R (1998) *Event Management: A Select Bibliography*, University of Technology, Sydney, Australia and Allen, J., Harris, R. and Huyskens,

M. (2000) *Event Management: An Australian Bibliography*, Australian Centre for Event Management, University of Technology, Sydney). Additionally as a further indicator of research trends the proceedings of this conference (*Events Beyond 2000: Setting the Agenda*) were examined, with papers again being classified by broad category. The results of this analysis are given above in tables 2 and 3.

The dominance of issues associated with the economic dimensions of events (economic impacts, sponsorship, fundraising and marketing) is again evident from tables 2 and 3. In fact if these areas are combined they account for almost half (48%) of the research identified in the sources noted. It is noteworthy in the Australian context that research dealing with event impact/evaluation has primarily concentrated on sporting events: the America's Cup (Fremantle); the Adelaide Grand Prix; the Ford Australian Open; the Melbourne Formula One Grand Prix; and the Western Australia State Masters Games. Additionally, while there appears to be a significant portion of research addressing community development/impact, the majority of these studies are again focused on sporting events.

It should be noted that bibliographies and conference proceedings have limitations in terms of their capacity to 'capture' a complete picture of research in a given area, nonetheless it is arguably the case that they provide a fair guide to the current situation in an area.

### Identifying Research Agenda Priorities

In framing a research agenda a significant consideration is the likely difference of priorities that will exist among major stakeholder groups. As part of this paper an exploratory study was conducted to determine the extent of such differences. The groups targeted for this purposes were:

- Metropolitan event organisations
- Regional event organisations
- Event organisers
- Tourist commissions
- Local government associations/councils
- State government event agencies
- Industry associations
- Academics

### APPROACH

A series of telephone interviews were first conducted with selected members of each stakeholder group. Two survey instruments were then designed. The first consisted of a series of open-ended questions that were designed to produce unprompted feedback as to important event research issues. 32 questionnaires were sent and nine useable responses were returned (a 28% response rate). These findings, combined with the results of the interviews and a review of event related topic areas addressed in various publications were drawn on to develop a second, more detailed questionnaire that listed potential research topic areas. In all 85 items were listed. Scope was provided for respondents to add to this list. For convenience topics were group under broad headings (e.g. marketing, risk/legal issues). Respondents were asked to rate topics on the following scale:

1. Not at all necessary
2. Desirable but not essential
3. Essential
4. No opinion/not sure

State and Territory event calendars were employed to select a convenience sample of city based and regional event organisations. Industry associations were used to identify event organisers. Australian academics with an interest in the events field were identified by reference to published articles and/or involvement with CRC research projects. The main questionnaire survey was pilot tested using a selection of events industry practitioners and academics. The questionnaire survey was then distributed to 242 managers, directors and academics. A reminder card was mailed and reminder phone calls made. Collectively these activities resulted in the return of 108 usable questionnaires (a 45% response rate). The exploratory nature of the study, combined with limited resources, limited the sample size.

### ANALYSIS

The relatively small sample precludes any advanced statistical analysis of its results. Similarities in terms of responses between stakeholder groups led to the decision to collapse groupings into three as follows:

#### *Group 1: Practitioners and Associations*

*N=73 or 67.7%*

- Metro events
- Regional events
- Event organisers
- Industry associations

#### *Group 2: Government*

*N=28 or 25.9%*

- Local government associations/councils
- Event agencies/tourist commissions

#### *Group 3: Academics*

*N=6 or 5.6%*

ANOVAs were employed to determine if any differences in research priorities between the various groupings could be identified. Of the 85 items, *Practitioners and Associations* rated 61 items as more important than did *Government*. There were 20 items that *Academics* rated more highly than either of the other two groups, however results for this group are based on a very small sample.

Statistically significant differences (at the 95% level) were found between the various groups on the following items:

- |  |  |
|--|--|
| • Ethics                               | Government highest                     |
| • Market segmentation / target markets | Practitioners and Associations highest |
| • Ticketing methods and strategies     | Academics highest                      |



- Distribution of purchasing opportunities Practitioners and Associations highest
- Media relationships Practitioners and Associations highest
- Control of ambush marketing Practitioners and Associations highest
- Volunteer training Practitioners and Associations highest
- Financial management Practitioners and Associations highest

The following table shows that there were substantial differences between the ten items that were rated as most important by the three groups.

Rank	Practitioners/Assoc	Government
1	Sponsorship decisions	Risk management factors
2	Valuing sponsors	Impacts of GST
3	Needs & motivations	Event feasibility
4	Market segmentation	Tools to assess economic impact
5	Optimal sponsorship levels	Trends impacting upon different event types
6	Event feasibility	Optimal sponsorship levels
7	Management	Reasons for event failure
8	Media effectiveness	Sponsorship decisions
9	Reasons for event failure	Programming
10	Internet promotion	Strategy formulation

At the other end of the scale, the three groups rated the following issues as least important:

*Practitioners and Associations:* - export of expertise, accreditation and bidding

*Government:* - ticketing, progression of volunteers and merchandising opportunities

*Academics:* - merchandising opportunities, site & design issues and ethics

## DISCUSSION

The outcomes of this survey appear consistent with conventional wisdom, and again demonstrate the dominance of the economic over other considerations associated with events. They are also therefore in line with the findings of previous studies referred to in this paper and the earlier content analysis of event bibliographies.

*Practitioners and Associations*, as would be expected, are primarily interested in research associated with generating funds, namely, sponsorship, as well as the needs of different consumer segments. *Government* is more interested in economic and risk factors as well as the ability to compare different events. This last point would align with their need to select 'winners' for funding purposes. *Academics* tend to be more interested in macro issues such as strategy, value of the industry, destination image and urban revival.

It is perhaps surprising that Practitioners and Associations rated 'bidding' low on the list, but otherwise the lowly rated issues for the three groups had high face validity. It is noteworthy, given recent efforts in Australia to establish or lay the ground work for accreditation in the events field (Harris & Jago, 1999), that accreditation is rated second last in terms of need for research from the practitioner perspective. The lowly rating for ethics by academics is also interesting.

While exploratory in nature, the results flowing from this study serve to highlight the need for those engaged in any agenda setting process to take into account the complicating factor of differing stakeholder perspectives on research priorities. They also serve to provide a useful starting point for future research efforts, and a way of assessing if current projects are taking place in areas of high need. For example, risk management was given by the *Government* group as its highest research priority, yet little research would appear to have been, or is presently being, conducted in this area. The same observation can be made in a number of other research areas including: reasons for event failure and event feasibility.

## CONCLUSION

The field of event research, as a number of writers referred to in this paper have observed, is a young and immature one, with the vast bulk of research that has taken place to date being concerned broadly with the economic and marketing dimensions of events. This orientation would seem to reflect a dominant view of events as economic development tools or as 'products'. The analysis of event bibliographies provided in this paper clearly displays this emphasis, as well as making clear the paucity of research in a range of significant areas.

In the Australian context, progress towards increasing the volume of research in the event area is evident. The CRC Tourism and its event sub-program, along with this conference are examples of this. However, in order for these and future research efforts to be of most use to the event field a greater understanding of the research priorities of key stakeholder groups is required. This paper has sought to provide some insights into what these might be for selected groups, and has identified that such priorities, to an extent, have not been reflected in past and current research efforts. Obviously more research is required to confirm these findings, but they should serve as a useful starting point for researchers seeking some guidance as to appropriate research directions, or who may be seeking to develop a research agenda in the area.

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## APPENDIX

**CRC Projects In Event Tourism**

Projects that are being undertaken under the auspices of the sub-program in Event Tourism are displayed in Exhibit 1 below:

**Exhibit 1 – CRC Projects in Event Tourism**

<b>The economic impact of local and regional arts festivals</b>	This project plans to investigate appropriate models for the evaluation of smaller regional arts festivals and events.
<b>A Study of convention delegates: marketing and survey research aspects</b>	This study intends to address ways convention management may be enhanced. The project aims to design a survey instrument for the convention sector that will ensure optimal data collection. It will act as a preliminary investigation into the economic impact of conventions.
<b>Host destination convention site selection: discrete choice modelling/scoping study</b>	The purpose of the project is to develop an understanding of the factors that play a pivotal role in determining how associations choose a convention site. The study is particularly interested in understanding the relative role of a wide range of factors by exploring the trade-offs that association meeting planners make when assessing alternative sites.
<b>Generic event evaluations: the case of two ACT events – Floriade and FAI Car Rally</b>	This project will develop and extend current methodologies that have been used in the ACT to evaluate events into a template style methodology that can easily be implemented by event organisers. It aims to provide reliable and accurate estimates of the direct and secondary economic impacts of events, along with indicators of satisfaction with the event, sponsors and visitor behaviour.
<b>Managerial decision making in tourism special events: the development of models through a longitudinal study</b>	This project will emphasise the need to identify and address general management issues associated with tourism special events.
<b>Leveraging hallmark events for flow-on tourism: lessons from the Olympics</b>	This project examines destination strategies intended to leverage the Olympic Games for tourism. Data will be used to formulate general models of leveraging tactics, and the requisites for their effective implementation.
<b>The convention sector: a longitudinal study of marketing, economic and survey research aspects</b>	This project addresses the issues surrounding decisions such as where conventions are held, how travel arrangements are made for delegates (including reservation systems), what activities are considered for social, cultural and other programs, how delegates decide to travel before and after conventions, what the economic impacts of conventions are and how yield from them can be increased.
<b>The Sydney Olympics and international visitor behaviour</b>	This project involves adding a small series of questions to the questionnaire used by the Bureau of Tourism Research's international visitor survey, to help examine the impact of the Sydney Olympic Games on tourism visitation to Australia. This project will encompass tourism from 1999-2002, and investigates the influence of various forms of marketing information about the Olympics on various tourists.
<b>The Sydney Olympics: corporate sponsorship and tourist market development</b>	The aim of this project is to understand the dynamics of one of the major markets that will be created by the Sydney Games by examining the role played by Olympic sponsors.
Under Program One, Environmental Management, and within the sub-program of Mountain Tourism, there is a further research project on events and festivals	
<b>Events and festivals: ensuring economic sustainability in mountain areas</b>	This project aims to develop a methodology that can be used by local councils or associations in mountain areas to simply, accurately and cost effectively calculate the direct and secondary economic impacts of festivals and events in their region.

(Source: CRC, 2000)

# **EVENT EVALUATION**

## A FRAMEWORK FOR EVALUATING AND FORECASTING THE IMPACTS OF SPECIAL EVENTS

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### ABSTRACT

In the interests of developing a simple means of estimating potential benefits before an event and actual benefits after an event, which draws to the maximum extent possible upon existing data, Tourism New South Wales resolved to concentrate on measuring the expenditure generated by special events held within the State with particular reference to expenditure 'injected' into the State from interstate and from overseas. In 1998 it commissioned the development of a framework for assessing the economic impacts of events by type and by location. This framework was expected to serve as a device for discerning trends in economic impacts of events by type and by location and also serve as a guide to Tourism New South Wales in projecting the likely economic impacts of future events by type and by location.

### INTRODUCTION

Governments are often asked to provide financial support for special events. There are sometimes good economic and non-economic reasons why a government may provide such support for special events that have the capacity to create income and jobs in the short term and generate increased visitation and related investment in the longer term. Special events can also result in associated social and cultural benefits to a destination; for example, they can enhance the exchange of ideas, foster business contacts, provide forums for continuing education and training and facilitate technology transfer.

Determining the role and value of special events has been a perennially difficult issue for government to resolve. As a result, government commitment to the resourcing of this activity and individual events has tended to wax and wane over time. Many events have, however, been supported, sometimes on the basis of a positive financial analysis, at other times on the basis of broader considerations.

Through Tourism New South Wales, the State Government of New South Wales, Australia, has provided substantial long term funding and assistance to the hosting of special events in the State. A Special Events Unit has been established within Tourism New South Wales, with responsibility for co-ordinating a comprehensive Events Strategy.

The main problem facing this or any government, for any given event is: what degree of support, if any, is warranted? The answer to this question varies according to the perceived benefits and costs associated with the event. Many events incur a financial loss to organisers but produce net benefits to the community. Clearly, some framework of analysis is needed that can be used to help determine which events should be supported, and to what extent, and which should not be supported with public funds. Ideally, the framework should also allow for consideration of the impacts of the event on the government's overall budgetary position, since some of the outlay of public funds will be recouped through taxes and charges resulting from increased economic activity.

In the interests of developing a simple means of estimating potential benefits before an event and actual benefits after an event, which draws to the maximum extent possible upon existing data, Tourism New South Wales resolved to concentrate on measuring the expenditure generated by special events (and conventions) held within the State. In 1998 a key priority of the organisation was the development of a model to provide government with data on the actual and estimated expenditure impacts of different types of event and to allow for an objective comparison of the relative expenditure benefits of events seeking financial or other assistance from Tourism New South Wales. Events receiving substantial levels of assistance will be required to undertake a post-event evaluation which will yield further expenditure and flow-on benefit data. This data will be fed into the model as it becomes available.

In late 1998, Tourism New South Wales commissioned the development of a framework for assessing the economic impacts of events and conventions (exhibitions, conferences) by type and by location.

This framework was expected to fulfil the following purposes:

- 1) serve as a device for discerning trends in economic impacts of events and conventions by type and by location.
- 2) serve as a guide to Tourism New South Wales in projecting the likely economic impacts of future events and conventions by type and by location.

This paper focusses on use of the framework for evaluating and forecasting special events. (For discussion of its usefulness for evaluating and forecasting the impacts of conventions, see Dwyer et al. 1999 a,b).

### **A FRAMEWORK FOR ASSESSING THE IMPACTS OF SPECIAL EVENTS BY TYPE OF EVENT AND BY LOCATION**

A literature search was conducted for material addressing the theoretical basis of economic impact assessment of special events. Useful discussion was found in Burns et al. (1986); Getz (1987); Crompton and McKay (1994); Crompton (1995); Dwyer and Forsyth (1997); Delpy and Li (1998); Mules (1999). However, no explicit framework for event assessment appears to have been published to date. Following the literature search, and discussion of the state of the evaluation literature, a framework, Framework 1, was constructed which lists key variables to be included in economic impact analysis. The structure of Framework 1 enables estimation of the economic contribution to a destination of different types of events /conventions in different locations.

The key input to economic impact assessment is the amount of expenditure by visitors, accompanying persons, organisers, participants, sponsors and others, e.g. media. Only that proportion of expenditure which represents an injection of 'new money' into an area is relevant to the calculation of the economic impacts. This proportion of expenditure is referred to as 'inscope' expenditure (Burns and Mules 1986). While surveys of visitor expenditure can help in identifying monies injected into the destination, in contrast to expenditure originating from within, the matter is not as straightforward when dealing with expenditure by organisers and sponsors. This is why it has been allocated to a separate box in Framework 1 see Framework 1A (Appendix 1).

Since this inscope expenditure has secondary (indirect plus induced) effects on the economy, multipliers are used to determine the contribution to value added and to employment.

The additional income and employment generated by the injection of 'new money' associated with an event will affect taxation revenue. While this effect is not additional to the changes in value added and employment, it may be useful for the government to determine an event's 'fiscal impact' separately from its other effects.

Among other effects, the holding of an event in a particular area may provide free publicity for the area as a tourism destination. The value of such publicity may be imputed as advertising and promotion expenditure saved.

The holding of an event may also generate what are called 'intangible' costs and benefits. By their nature, these costs and benefits are not quantifiable as precisely or objectively as are the economic impacts. By their nature, these types of impacts are very difficult to quantify in an objective way and, in some cases, quantification may be impossible to achieve. While some discussion of techniques for valuing the environment has taken place (Bull 1995, Tribe 1999, Sinclair and Stabler 1997) this topic has not as yet been addressed in detail by tourism researchers. Given the 'intangible' nature of many of these types of costs and benefits, it is recommended that staff at Tourism New South Wales, with appropriate consultation, allocate weightings to each cost/benefit category ranging from +, ++ or +++ for benefits to -, --, or --- for costs. The recommended method has the advantage of requiring the analyst to determine the relative weighting to be attached to social impacts and intangible economic impacts. It enables judgements to be made regarding intangible impacts. Too often these types of impacts are neglected altogether in economic impact studies of conventions and exhibitions. In studies where they are acknowledged, very often they are treated in a very unsystematic way. The recommended method requires intangibles to be recognised and given a qualitative weighting. It ensures systematic treatment of intangibles in the overall impact assessment of any convention or exhibition.

Framework 1, including 1A, allows each of the key inputs to economic impact assessment to receive explicit recognition both in the assessment process itself and in the process of forecasting impacts of different events by type and by location. The framework allows for assessment of both the 'tangible' and 'intangible' impacts of special events.

This framework for event evaluation is discussed in detail elsewhere (Dwyer et al 1999a, Dwyer et al. 2000). We can, however, point out here that the framework is useful in several ways. Its most obvious use is in facilitating the process of evaluation of an event to determine its economic contribution to the host destination. In this role the framework is employed after the event to guide the assessment process. An important feature of the framework is its explicit recognition of the so-called

'intangible' impacts that provide real costs and benefits that are traditionally excluded from economic impact assessment.

Another potential role for the framework is to guide the preparation of questionnaires and other survey instruments used to gather the expenditure data which form the crucial input into the evaluation process. This data must include organiser expenditure as well as visitor expenditure. In this role the framework can help to foster the development of questionnaires and surveys which yield the type of information necessary for credible impact assessment of different events, held in different locations and held at different times. The more consistent is the assessment process worldwide, the greater the scope for researchers into events tourism to derive general propositions regarding the impacts of these forms of special interest tourism.

A third use of the framework is that it can function as a model for forecasting the tangible and intangible impacts of events. Indeed, its potential usefulness in this role motivated the study commissioned by Tourism New South Wales. In this role it can provide valuable information for an organisation such as Tourism New South Wales, in its decisions as to which events to support or not support with public funds.

The usefulness of this framework as a forecasting model will now be explored.

### Use of Framework as a Forecasting Tool

Use of Framework 1 as an instrument for forecasting event expenditure data and for projection of impacts requires the delivery of an accurate and uniform set of events expenditure as input into the forecasting model. To this end, the authors collated information from all known published expenditure surveys of events held in Australia over the past 25 years, some of which also contained estimates of economic impacts.

Expenditure studies have been undertaken on a substantial number of events held in Australia. While many have been 'commercial-in-confidence' a good number of others have been published. Since a proportion of the latter do not employ appropriate survey instruments to estimate event related expenditure, they have been omitted from consideration here. The following events, classified under three main categories, provide results which were considered to be of potential use to Tourism New South Wales:

#### *Car/Motor*

- \* Formula One Grand Prix: 1985, 1988, 1992, 1996, 1997
- \* Motorcycle Grand Prix: 1989, 1991.
- \* Indycars: 1994, 1995, 1996.
- \* Winternational Drag Racing: 1998

#### *Arts/Music/Culture/Lifestyle*

- \* Gay & Lesbian Mardi Gras: 1993, 1998.
- \* EXPO 1988
- \* Adelaide Festival: 1990, 1992, 1996.

#### *Other Sport*

- \* World Cup of Athletics: 1985
- \* Australian Masters Games: 1987, 1989, 1993, 1995, 1997
- \* World Masters Games: 1994

Table 1. summarises expenditure data from these event studies, converted to 1998 dollars to facilitate comparisons.

For each type of event the authors prepared a 'Fact Sheet', setting out the expenditure data and economic impact estimates related to each individual event of that type. These Fact Sheets provide the expenditure data summarised in Table 1. They also provide additional information relating to multiplier values used in particular studies, estimates of economic impacts of particular events, estimates of media impacts, fiscal impacts and any estimates of 'intangible' impacts. An example of a Fact Sheet for Formula One Grand Prix events appears as Appendix 2.

Overall it appears that car/motor and sporting events are more uniform in injected expenditure and degree of economic impact and are more likely to have greater economic impacts than arts/cultural events. In contrast, arts/cultural events range in degree of impacts, from minimal to large. The same range in degree of economic impact was seen in both city and regional located events.

Whilst the data were incomplete and inconsistent and cannot be relied on absolutely, some trends are apparent. For example, both city and regional events range in degree of economic impact. Therefore the choice of one or other type of locality will not in itself predict the size of economic impact.

On the other hand, it appears that *type* of event is a greater predictor of large economic impact, namely in the car/motor and sport categories. Interestingly, besides the increased associated international visitation, these types of events tend to attract more male visitors, arguably as a group more mobile and with higher spending patterns relative to females.

The steps involved in forecasting the economic impacts of events are best understood with reference to Framework 1 and the relevant Fact Sheet. Suppose, for example, Tourism New South Wales is required to project visitor numbers, in-scope expenditure, economic impacts and the benefits and costs of 'intangibles' associated with proposed Formula One Motor Race to be held in the State. It could use average figures from previous events as inputs to the forecasting process. The required steps are set out below.

## A Step by Step Forecasting Process

### STEP 1. ESTIMATE NUMBER OF INSCOPE VISITORS

Interstate	17005	(84%)
Overseas	<u>3218</u>	(16%)
Total	20223	

### STEP 2. ESTIMATE INSCOPE EXPENDITURE OF VISITORS

Estimated expenditure by visitors  
 = no. of visitors x av. daily expenditure x av.  
 length of stay (days).

Interstate visitor expenditure

$$= 17005 \times 147 \times 5.3 = \$13.25M$$

Overseas visitor expenditure

$$= 3218 \times 183 \times 9.5 = \$ 5.60M$$

Total

$$= \$18.85M$$

### STEP 3. ESTIMATE INSCOPE EXPENDITURE OF ORGANISERS, PARTICIPANTS, TEAMS, MEDIA

Average expenditure by Participants / Organisers /  
 Sponsors / Media

$$= \$15.2M$$

### STEP 4. ESTIMATE TOTAL EVENT RELATED INSCOPE EXPENDITURE

Visitor Expenditure (average)

$$= \$18.85M$$

Organiser Expenditure (average)

$$= \$15.20M$$

Total (average)

$$= \$34.05M$$

### STEP 5. APPLY MULTIPLIERS TO ESTIMATE ECONOMIC IMPACTS

Value added multipliers are the conceptually correct multipliers to use to estimate the economic contribution to a destination of an event or

convention (Dwyer and Forsyth 1997, Mules 1999). Similarly, for forecasting purposes, a value-added multiplier can be used to estimate the contribution of an event to Gross State or Regional Product. It was recommended to Tourism New South Wales, that, for purposes of projecting the economic impacts of an event held within the State that a value added multiplier of 1.2 be used.

The suggested figure is that employed in the path-breaking study of the Adelaide Grand Prix (Burns et al 1986). It was also employed in the Gay and Lesbian Mardi Gras studies (Marsh and Greenfield (1993), Marsh and Levy (1998), and in the study of the economic impacts of the Adelaide Convention Industry (KPMG 1993).

It is conservative compared with some of the multiplier values which have been employed in some studies but it is a defensible figure for forecasting the economic impacts of events held in Sydney and major cities such as Newcastle or Wollongong. For regional areas, the multiplier value will be lower due to the larger volume of leakages arising from purchases of goods outside of the area. For regional areas, the correct multiplier value is likely to be less and could even fall below one. A fertile area for future research would be the appropriate values of the multipliers to be employed in economic impact assessment. In this respect there is a growing awareness of the advantages of Computable General Equilibrium Modelling over input-output analysis, particularly for large scale events (Adams and Parmenter (1999), Dwyer et al (2000).

Using the recommended value added multiplier, the event is projected to contribute just under \$41 million to Gross State Product.

### STEP 6. ESTIMATE MEDIA IMPACTS

No media impacts were estimated for Grand Prix events in this example. For the 1996 Indycars events held on the Gold Coast, the opportunity cost approach, that is, the cost of an equivalent amount of destination advertising, yielded a figure of \$15 million, associated with media discussion of the event worldwide.

### STEP 7. ESTIMATE FISCAL IMPACTS

The contribution to State taxation revenues associated with the Grand Prix was estimated at \$1.25 million in 1985 and \$7.1 million in 1996. In several studies of events held in Australia, the contribution of the event to State revenues ranges between 6% and 10% of inscope expenditure.



## STEP 8. RECOGNITION OF 'INTANGIBLE' COSTS & BENEFITS

<b>Social Benefits</b>		<b>Social Costs</b>	
• Community Development		• Disruption to resident lifestyles	-
• Civic Pride	+	• Traffic congestion	
• Event Product Extension		• Noise	
		• Vandalism	
		• Crowding	
		• Crime	
		• Property damage	

<b>Economic Benefits</b>		<b>Economic Costs</b>	
• Long Term Promotional Benefits	+	• Resident Exodus	
• Induced Development & Construction Expenditures		• Interruption of normal business	-
• Additional Trade & Business Development	+	• Under-utilised infrastructure	
• Increased Property Values			

Some studies of the economic impacts of Formula One Grand Prix events have attempted to estimate 'intangibles'. In the 1986 study of the Adelaide Grand Prix, civic pride generated by the event was estimated to be \$25 per resident, which, given the population of the State, created additional 'benefits' of around \$28 million. Formula One Grand Prix events receive global publicity and are regarded as providing long term promotional benefits to host destinations. These promotional benefits were estimated to be \$5.7 million for the 1986 event and \$6.2 million for the 1996 event held in Melbourne. On the cost side, this type of event does tend to disrupt resident lifestyles and create traffic congestion and other costs. In the 1986 study of the Adelaide Grand Prix traffic congestion and motor vehicle accidents were estimated to total around \$10 million.

These estimates of 'intangible' impacts of earlier events are indicative only. It is the responsibility of Tourism New South Wales to assess their potential magnitude and distribution for any new events which are proposed.

Some caveats must be introduced at this point.

(1) The studies which provide the raw data for the forecasting model, and which appear in the various Fact Sheets and Table 1, are of variable quality. These studies differ in their aims, methodology, data collection methods, accuracy of expenditure,

sources of economic impacts, surveys, scope of study, assumptions as to the causes and types of multipliers used and their values, and definitions of terms. Therefore, considerable difficulty was encountered in attempting to compile summary tables to facilitate analysis and to make comparisons between the different events.

(2) In addition, a number of inconsistencies were found within some reports, which cannot be simply explained, and hence considerable care should be taken in interpreting the data.

(3) As for the Office of National Tourism and other State Tourism Organisations, certainly for New South Wales, the regional benefits of tourism appear to be high on the research agenda. Unfortunately, the results of existing studies of events in Australia do not, in general, allow trends to be discerned regarding injected expenditure of events held in regional areas.

(4) The reports also varied in respect of the types of impacts identified and quantified. Very few of these studies have attempted to assess media and fiscal impacts. Further, no study has attempted any detailed assessment of 'intangibles'. In those reports which have addressed social and other costs and benefits associated with a particular event, eg. in Burns and Mules (1996), study of the

**Table 2 Comparison of Two Methods of Forecasting Events Related Expenditure.**

	(1) Inscope Expenditure Using Forecasting Model	(2) Inscope Expenditure Forecast based on average expenditure of 'typical' international business tourist(\$2060), and typical interstate visitor (\$112 per day)	(3) Inscope Expenditure Forecast based on average daily expenditure of 'typical' business tourist (\$169), and average daily expenditure of typical interstate visitor (\$112)
Formula One Grand Prix	\$18.80	\$16.70M	\$15.30M
Motorcycle Grand Prix	\$25.80M	\$24.00M	\$23.70M
Indycars	\$21.90M	\$18.00M	\$19.30M
Mardi Gras	\$16.30M	\$ 8.00 M	\$7.90M
World Cup	\$20.10M	\$19.40M	\$21.20M
<p>Column 1 comprises estimates derived from application of forecasting model.  Column 2 comprises estimates derives by assuming that each interstate visitor to an event of that type spends \$112 per day, and that each international visitor spends \$2060.  Column 3 is derived by assuming that each interstate visitor to an event of that type spends \$112 per day and each international visitor spends \$169 per day (which may be more or less than \$2060 depending on average length of stay within New South Wales).</p>			

Adelaide Grand Prix, there has been some useful discussion of 'intangibles' and suggested measures, but much more needs to be done in this area.

Framework 1 has the advantage, at least, of explicitly recognising the relevance of such impacts in overall event assessment.

As a check on the accuracy of the method as a forecasting tool, the study compared the forecasts of inscope visitor expenditure associated with different events, based on average values, with the spending of a 'typical' or 'representative' visitor to New South Wales. Thus, the forecast expenditure for five different types of events, using the process outlined above, was compared to projections of injected expenditure based on published data for expenditures by 'typical' or 'representative' visitors to Australia (International Visitor Survey 1998). Reflecting the likely profile of international visitors attending events in Australia, business expenditure data was chosen rather than holiday expenditure data.

According to the National Visitor Survey (NVS 1998) domestic tourists spending at least one night outside of their home state, spend, on average, \$112 per day, while away. According to the International Visitor Survey (1998), international tourists to Australia for purposes of business travel spend \$2060 whilst in Australia and spend, on average, \$169 per day.

The resulting forecasts, as shown in Table 2, are remarkably similar for each type of event. The exception is for forecasts of inscope expenditure associated with the Gay and Lesbian Mardi Gras. This is not surprising since the average daily expenditure of visitors associated with this particular event is substantially higher than for other events, and substantially higher than for 'typical' visitor expenditure levels.

It can be concluded that the use of expenditure data based on National and International Visitor Surveys (column 1) provides estimates which are of a similar order of magnitude to those based on average expenditure data derived from previous studies (columns 2 and 3). While the variability of the data indicates that caution must be exercised in using Framework 1 as a forecasting model at the present time, the projected visitor expenditure figures do appear to be close to those which would be generated as a result of 'naïve forecasts' using published statistics.

Moreover, the quality of this data may be expected to improve over time as more event expenditure studies are published. Knowledge of the appropriate assessment methodology for Special Events is improving steadily world-wide as consultants and personnel in relevant government agencies become more familiar with the growing research literature on this topic. In Australia, more attention is being paid to the quality and consistency of the survey instruments used in expenditure surveys and in economic impact

assessment of events (and conventions) (Dwyer et al 1999a,b).

Use of consistent and meaningful survey instruments will render the results of different studies comparable with each other and enable trends to be identified. As new and more accurate data become available they can be added to each Fact Sheet and averages re-calculated (with relevant changes to Table 1).

### **A Computerised Forecasting Model**

As part of the project a computer program has been developed which will facilitate the process of forecasting expenditure associated with events and conventions.

The forecasting model, as developed by Paul Davies of the Centre for Tourism and Hospitality Research, is written in Visual Basic for Excel and will require the following software for successful implementation:

- Operating System: Microsoft Windows 95, Windows 98 or Windows NT (workstation or server).
- Microsoft Excel 97 (or later)

The program uses Microsoft Excel as a front-end application and Visual Basic for Excel as the program engine. In the computerised forecasting model developed for special events, an analysis of each event Fact Sheet and forecasting report and forecasting model was carried out which examined the type of data recorded and the relationships between such data items. Based upon this analysis Microsoft Excel was chosen for this project since the program:

- offers features which can be tailored to the current project
- is readily available in the market place
- is easy to use
- is easily extendible

The main objectives of the program are:

- to generate fact sheets for each event
- to generate the forecasting report for each event

### **GENERATING FACT SHEETS**

A template fact sheet is the starting point for each event. The raw data for each year of the event is typed into the fact sheet (under direction from the program). The fact sheet will "grow" dynamically as each additional year's data is added. All calculations of averages, ranges and percentages are automatically updated by the program as the data is entered. A new template fact sheet is used for each individual event.

### **GENERATING THE FORECASTING REPORT**

A forecasting model is the main output of the program. The inputs to the forecasting process are appropriate values derived from the event fact sheet data. To carry out simple "what-if" analysis the user can change these values and then print the report for future reference and reporting. The initial default values can be easily restored by the press of a button. This feature of the program will enable Tourism New South Wales to easily run multiple scenarios of the forecasting model to determine projected viability of the event.

### **CONCLUSIONS**

At the present time the forecasting framework is only of limited usefulness to Tourism New South Wales as a forecasting tool. The overriding problem is the lack of accurate data as input to the forecasting process.

The results indicate that net injected expenditure patterns of visitors are strongly associated with the particular target markets that the individual event seeks to attract. Therefore targeting markets with higher net injected expenditure will potentially lead to greater economic impacts and events which attract such markets in turn will potentially attract higher yield markets. Thus motor/car and sporting events are more consistently likely to attract high yield markets of inscope visitors, whereas only some arts/culture events will do so. In this sense, the target markets of inscope visitors will predict the degree of economic impacts. Moreover, organisations such as Tourism New South Wales have a retrospective need for this type of information ie, in accounting for their decisions after an event.

While the accuracy of the input data remains a concern, there are, however, grounds for believing that use of the model to forecast events related expenditure is deserving of further exploration. Consistent use of survey instruments which yield meaningful data will enable Fact Sheets to be continually updated, with average values re-calculated.

The limitations of the data relating to 'intangibles' are even greater and existing studies have either ignored these impacts or treated them very superficially. In this respect the usefulness of past studies does not extend very much beyond the identification of some relevant impacts which Tourism New South Wales can further consider in its impact projections. For any proposed event it will fall on Tourism New South Wales to come to some view of the significance of 'intangibles' in their decision to support or not support a proposal. A full cost-benefit study might show that a large economic impact event produces smaller net benefits than a smaller scale event. Of course, following the identification of potential costs, steps

can be taken to minimise any adverse impacts expected to fall upon the community.

The project to date has had three major outcomes. First, it has clarified the nature of the process of estimating the economic impacts of events. An important element is the explicit recognition of 'intangibles'. In this respect Framework 1 is very useful in its introduction of discipline to the estimation process. Such discipline has been lacking in many studies to date.

Second, it has clarified the role that existing studies can play as guides to forecasting injected expenditure levels associated with proposed events. A comparison with visitor expenditure data from published International Visitor Surveys and National Visitor Surveys indicates that updated Fact Sheets can play a potentially useful role in generating data for the forecasting process.

Third, the discussion has highlighted the essential, but neglected, role of survey instruments in event assessment and forecasting. Estimation of the expenditure associated with events, and resulting economic impacts will only be as accurate as the survey data allows. Acknowledging this point, Tourism New South Wales is reviewing its survey instruments so that they will gather the specific type of data required for economic impact assessment. These surveys will also cover expenditures of event organisers and sponsors. The more accurate the Facts Sheets pertaining to particular events, the more accurate the resulting forecasts are likely to be.

Tourism organisations are increasingly being asked to support proposed events with public funds because of the potential economic benefits to the destination. The issues discussed here, and the assessment and forecasting frameworks developed, should help to promote more informed decision making by public authorities.

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Economic Impacts of Net Injected Expenditure			Additional Impacts				
Output \$	Value Added \$	Employment Numbers	Media Impacts \$	Intangible Impacts		Fiscal Impacts	
				Benefits	Costs	Incomings	Outgoings
				<b>Social Benefits</b>	<b>Social Costs</b>		
				• Community Development	• Disruption to resident lifestyles		
				• Civic Pride	• Traffic congestion		
				• Event Product Extension	• Noise		
					• Vandalism		
				<b>Economic Benefits</b>	• Crowding		
				• Long Term Promotional Benefits	• Crime		
				• Induced development and construction expenditures	• Property damage		
				• Additional trade and business development	<b>Economic Costs</b>		
				• Increased property values	• Resident exodus		
					• Interruption of normal business		
					• Under-utilised infrastructure		

### Framework 1A

Organiser Revenue				Organiser/Sponsor Expenditure			
Type Of Revenue	Origin of Revenue			Allocated to Industry Segment	Gross Expenditure Allocated By Industry & By Destination		
	Within Destination	Within State	Outside State		Within Destination	Within State	Outside State
Ticket Sales				Accommodation			
Registration Fees				Food & Beverage			
Corporate Sponsorship				Internal Transport			
Government Sponsorship				Shopping			
Association Sponsorship				Organised Tours			
				Entertainment			
				Other			
TOTAL				TOTAL			

Appendix 2 - Table 1

**Estimates of Numbers and Expenditure Associated with  
Selected Events in Australia (1998 Values)**

EVENT	Number of Inscope Visitors			Expenditure Per Day		Average Length of Stay in State		Inscope Expenditure Visitors	Inscope Expenditure Sponsors	TOTAL Inscope Expenditure	Economic Impacts on State		
	I'state	O'seas	Total	I'state	O'seas	I'state	O'seas				Output	Value Added	Employment
<b><i>Car/Motor</i></b>													
<b><i>Formula One</i></b>													
• 1985	17920	1600	19520	90	127	5	9.9	10.1	19.7	29.8	81.5	28.60	
• 1988	22280	3400	25680	98	66	5.7	11.7	15.1	17.26	32.4		31.6	
• 1992	16082	2695	18777	159	160	5.6	10.6	18.89	14.50	33.4		42.5	96
• 1996	11738	5176	16916	242	379	4.8	5.6	24.61	9.3	33.9		98.6	2270
Average	17005	3218	20223	147	183	5.3	9.5	18.85	15.20	34.00		50.3	
<b><i>Motorcycle Grand Prix</i></b>													
• 1989	38000	2505	40500	110	208	6.2	11.1	31.7	7.9	39.6		54.2	
• 1991	16720	1520	18240	134	193	6.8	10.8	18.4	9.7	28.1			
Average	27360	2010	29370	122	201	6.5	11.0	25.8	8.4	34.2			
<b><i>Indycars</i></b>													
• 1994	12939	4838	17777	204	185	5.4	15.9	28.5	15.8	44.3			
• 1995	9727	4086	13813	185	201	6.5	11.4	21.1	10.4	31.5			
• 1991	16720	1520	18240	134	193	6.8	10.8	18.4	9.7	28.1			
Average	12266	4430	16696	145	185	6.5	13.8	22.9	11.4	34.3			
<b><i>Drag Racing</i></b>													
• 1998	3151	498	3649	N/A	N/A	N/A	N/A	0.943	0.69	1.633	N/A	1.4 (local)	43 jobs (local)
<b><i>Art/Music/Culture/Lifestyle</i></b>													
<b><i>Gay &amp; Lesbian Mardi Gras</i></b>													
• 1993	3511	1810	5321	150	307	5.6	11.8	9.55	N/A	9.6		21.3	730
• 1998	4845	3633	8478	435	347	4.7	12.1	25.2	N/A	25.2		41.1	N/A
Average	4178	2722	6900	293	327	5.0	12.0	18.9	N/A	18.9			





**Appendix 3**

**Fact Sheet 1 - 1998 Values**

**Formula One Grand Prix**

**1) Inscope Numbers**

Visitor Origin	1985	%	1988	%	1992	%	1996	%	Range	Average	% Range	Average
Interstate	17920	92	2228	87	16082	86	11738	69	11738-22280	17005	69% - 92%	84%
Overseas	1600	8	3400	13	2695	14	5178	31	1600-5178	3218	8% - 31%	16%
Total	19520		25680		18777		16916					

**2) Daily Expenditure of Inscope Visitors (\$)**

Visitor Origin	1985	1988	1992	1996	Range	Average
Interstate	90	98	159	242	90-242	147
Overseas	127	66	160	379	66-379	183

**3) Average Length of Stay within State (nights)**

Visitor Origin	1985	1988	1992	1996	Range	Average
Interstate	5	5.7	5.6	4.8	4.8 - 5.8	5.3
Overseas	9.9	11.7	10.6	5.6	5.6 - 11.7	9.5

**4) Inscope Expenditure by Visitors**

Projected Expenditure = Average numbers inscope visitors x average daily expenditure x average length of stay by origin.

Interstate Visitors	17005	x	147	5.3	=	\$13.25M
Overseas Visitors	3218	x	183	9.5	=	<u>\$ 5.60M</u>
						\$18.85M

**5) Inscope Expenditure by Participants/Organisers/Sponsors/Media (\$M)**

	1985	1988	1992	1996
	19.7	17.26	14.50	9.3

Average = \$15.2M

**6) Total Injected Expenditure**

Visitor Expenditure (average)	=	\$18.85M
Organiser/Sponsor Expenditure (average)	=	<u>\$15.20M</u>
		\$34.00M

## 7) Multipliers

	1985	1988	1992	1996
Income – value added	1.192	1.089	1.0864	1.50
Employment (per \$M)			8.6	35.3

## 8) Economic Impact

	1985	1988	1992	1996
Output \$M			81.5	
Value Added			42.5	
Income \$M	28.6	31.6	22.7	98.6
Employment			96	2270

## 9) Media Impacts

	1985	1988	1992	1996
--	------	------	------	------

N/A

## 10) Fiscal Impacts (\$M)

	1985	1988	1992	1996
			\$1.25M (3.7% of total inscope expenditure)	\$7.1M (2.1% of total inscope expenditure)

assume taxation revenue to state is 4% of total inscope expenditure

## 11) Intangible Benefits & Costs

### Social Benefits

- Community Development
- Civic Pride
- Event Product Extension

++  
+

### Social Costs

- Disruption to resident lifestyles
- Traffic congestion
- Noise
- Vandalism
- Crowding
- Crime
- Property damage

-

Estimated social costs 1985 Grand Prix = \$6.2M  
plus accident \$4.5M = \$18.0M

Estimated social costs 1988 Grand Prix \$14.0M

### Economic Benefits

- Long Term Promotional Benefits  
1988 Adelaide Grand Prix estimated  
induced repeat tourism impact of  
\$5.7M.  
1996 Melbourne Grand Prix  
estimates \$6.2M induced tourism  
effects.
- Induced Development &  
Construction Expenditures
- Additional Trade & Business  
Development  
1996 Melbourne Grand Prix  
estimates increase in Victorian  
resident expenditure of \$10.2M
- Increased Property Values

++  
+

### Economic Costs

- Resident Exodus
- Interruption of normal business
- Under-utilised infrastructure

-

## EVENT ANALYSIS - UNDERSTANDING THE DIVIDE BETWEEN COST BENEFIT AND ECONOMIC IMPACT ASSESSMENT

**Barry Burgan and Trevor Mules**

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### ABSTRACT

Many special events are unable to earn sufficient revenue to cover their operating costs. Their financial structure is such that they would not be run without some form of Government assistance, usually a subsidy. Governments frequently justify such expenditure in terms of the economic impacts that the events bring to their host region, especially the expenditure by visitors who would not have come to the region but for the event. The method of measuring such impacts has been well documented.

Despite the demonstrated impacts, many events have also received widespread criticism, and there is often a degree of cynicism surrounding the announcement of outcomes. In some cases the cynicism is a result of a misunderstanding of the commonalities and differences between economic impact analysis and cost-benefit analysis. This paper provides an explanation of the differences between the paradigms of cost-benefit analysis and economic impact studies in the context of special events.

Cost-benefit analysis of public events is founded in the principles of welfare economics. It concentrates on consumer and producer surplus measures, with a particular emphasis on consumer surplus. In many cases the orientation of special events is not around local consumers, but on attracting from outside of the region. In this case, much of the benefit comes from the impact on production levels - and so producer surplus is the more appropriate focus. Producer surplus represents the return to producers for units of production up to and including the last unit above and beyond the cost of resources involved in the production. It generally assumes that resources used are used at their opportunity cost.

In contrast economic impact analysis involves estimating the full value associated with the use of either labour or capital. It says that the value of wages created by an event is a benefit to the region as a result of the event.

Therefore this paper demonstrates that there is a link between the welfare economics paradigm of cost-benefit analysis and the growth based paradigm of development economics. That link is based on an underlying presumption that resources are un- or under-utilised and therefore income generation is a real benefit.

### INTRODUCTION

Many special events are unable to earn sufficient revenue to cover their operating costs. Their financial structure is such that they would not be run without some form of government assistance, usually a subsidy in the form of operating and capital or set-up grants. They also receive un-costed' support through the time and effort of public servants in organising the activity.

Many events are justified primarily through returns such as cultural benefits (eg arts and music festivals) or through providing exposure to international benefits (eg sports events). However, governments are with increasing frequency using special events as a platform for industry and economic development, and therefore the expenditure is justified in terms of the economic impacts that the events bring to their host region, especially the expenditure by visitors who would not have come to the region but for the event. The method of measuring such impacts has been documented by Faulkner (1993) and by Burgan and Mules (1992). Further reviews and recommended approaches have been provided subsequently in Hunn and Mangan (1999) and Mules (1999).

These economic effects - the creation of jobs and the generation of regional incomes - are frequently the objective of governments when they elect to subsidise the event. In fact many state governments in Australia have established special event corporations whose charter is to attract events which have the potential to generate large economic impacts. The economic impacts involved are usually specified in terms of the multiplier effects on GNP and/or employment, that are generated by expenditure on the event and by visitors.

Despite the demonstrated positive economic impacts associated with most major events, many events have also received widespread criticism, and there is often a degree of cynicism surrounding the announcement of outcome. In some cases the cynicism has been an understandable consequence of evaluation based on poor research methodology, in others cases it is a result of a misunderstanding of the commonalities and differences between economic impact analysis and cost-benefit analysis.

Often, more directly, there is a criticism of the government for its support of the event, and a declaration by the critic that the benefits do not exist or are exaggerated, or are not really benefits. Black (1994) asserts that the assessment of the 1994 IndyCar race (Ernst and Young 1994) estimated benefits incorrectly. He suggested that the only appropriate measure of benefit is the impact on business profits (ie. a financial return). The recent running of the Clipsal Adelaide 500 has been criticised in letters to the editor of the Adelaide daily newspaper (*Advertiser*, April 12<sup>th</sup>, 2000) in that the supposed economic impact would be, in the writer's opinion, wiped out by inconvenience costs to locals.

This paper addresses the question - to what extent is an economic impact approach to the justification of government expenditure equivalent to the more conventional cost benefit analysis (CBA)?

Recent reviews concerning the approaches describe the methods as fundamentally different approaches, to be used in different circumstances, to assess different types of projects. Hunn and Mangan (1999) for example, in the BTR report *Valuing Tourism, Methods and Techniques*, suggest that 'input-output, benefit cost analysis and computable general equilibrium models measure quite different aspects of tourism' (p 16), and that 'the relative value of different techniques is determined partly by the needs of the user and by the sophistication of the results required' (p 13).

## CBA AND PUBLIC EXPENDITURE

CBA was developed expressly for the purpose of evaluating alternative uses of public funds from an economy-wide perspective (Mishan, 1988) rather than the perspective of an individual firm or industry. That is, a project or event or decision may have benefits beyond the scope of the financial returns for an individual user. Tourism is clearly an industry in which CBA frameworks apply. Because the actions of each individual supplier have implications for a broader industry group (positive and negative externalities) the decisions of and investment in, for example, a major hotel or casino will have an impact on the operations of the airport.

Cost-benefit analysis of public events is founded on the principles of welfare economics. It concentrates

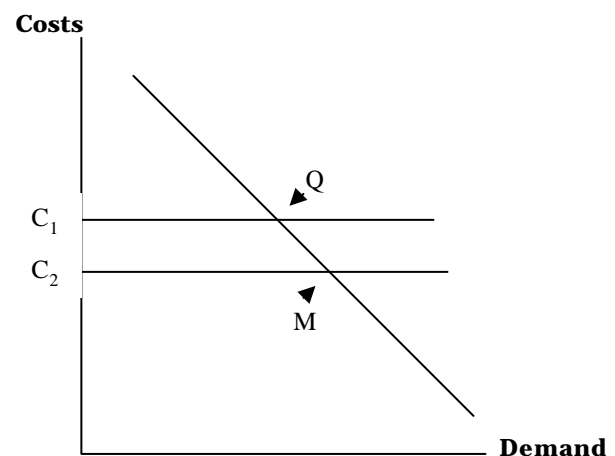
on principles of opportunity cost and consumer and producer surplus measures, with a particular emphasis on consumer surplus. In essence, the benefits of a project outweigh the costs if the consumer's willingness-to-pay outweighs the value of the resources used in the process (where value is represented by the opportunity cost involved).

Most texts on CBA make a distinction in the decision making processes between private and public investment. They start from the premise that there are well-defined procedures to be followed by private firms when evaluating their investment decisions. Potential projects are ranked according to some criterion, such as rate of return, and those projects for which the rate of return exceeds the cost of funds are undertaken (where not mutually exclusive).

In the public sector, projects do not have a directly equivalent concept to rate of return, since the 'return' accrues to a wide section of the community and is not captured by the investor (i.e. the Government). According to Dasgupta and Pearce (1978, p.14), CBA was developed in order 'to extend the idea of efficiency to public expenditures'. The theory says that public projects should be undertaken if their benefits exceed their costs. Where a number of projects are being considered, and where public funds are scarce, the alternatives are to be ranked in order of their ratio of benefits to cost. Provided these ratios exceed one, projects should proceed, starting at the top of the list and working down until the scarce funds are exhausted.

In practice, it tends to have been the measurement of benefits rather than costs which have caused most disagreement (although this depends on the individual project). Mishan (1988) proposes that benefits be measured by the increase in consumer surplus. For example, suppose that the government is considering a number of options for a new highway. Each will have the effect of reducing travel costs. This is illustrated in Figure 1.

**Figure 1. Demand Curve**



Suppose that option A for the new highway would reduce travel costs from  $C_1$  to  $C_2$  (with an implicit assumption of fixed marginal cost of travel per kilometre). The increase in consumer surplus would be the area  $QMC_2C_1$ . If the money value of this area exceeds the cost of option A for the highway, then option A has a benefit:cost ratio in excess of one.

If other options exist and they all have benefit:cost ratios in excess of one, the different options should be ranked in order of benefit cost ratio, and the option with the highest ratio should be the one chosen. This ensures the highest possible social return on public investment.

Texts such as Mishan (1988), typically advocate the use of the technique when comparing alternative projects within a broadly similar field. The choice of site for the third London airport, or the decision to build a motorway where different routes are possible, are examples of public investment decisions to be considered in this way. Typically the texts do not discuss its application in comparing different uses of public funds, e.g. comparing a proposal to build a motorway with a proposal to build a hospital. This is partly because the winners and losers are very different groups in each case and, in a welfare sense, it cannot be assumed that a dollar gain to a road user is equal to a dollar gain to a hospital patient. For this reason, the method of choosing between such competing claims on public funds is left to the political process.

A second issue to note is that the typical situation where CBA is advocated is one where the investment is expected to reduce costs. But in practice, public spending on tourism promotion, and on special events which attract tourism, has the effect of stimulating demand for transport, accommodation, shopping, entertainment, etc. There is no cost reduction effect as occurs in the motorway case. We turn now to an analysis of CBA in this situation, particularly in relation to the evaluation of special events.

It must be noted that in many cases the special events are not aimed specifically at providing benefits to local consumers, but rather at attracting tourists (and of course their spending) from outside of the region. This being the case, much of the benefit comes from the impact on production levels - and so producer surplus is the more appropriate focus.

Producer surplus represents the return to producers for units of production up to and including the last unit above and beyond the cost of resources involved in the production. It generally assumes that resources are used at their opportunity cost.

However, it is acknowledged in the texts (eg. Mishan 1998) that there are times that the use of resources have a value greater than their current

use. This generally occurs when either capital or labour are not utilised or are under-utilised and presumes some degree of market failure. This is certainly consistent with the socio-political context - within the political arena there is a heavy focus on job creation. The creation of jobs is seen as a good outcome, and the closure of a factory, and loss of jobs as a bad outcome. In times of unemployment, that many regions experience under-utilised factors of production is undeniable.

To the extent that private or public capital or labour is under-utilised, the value generated in their use is a benefit in a cost-benefit sense, but a cost in a financial evaluation sense. That is the labour used is a cost to conducting the event, but from the perspective of the regional economy, the creation of jobs is a benefit. This is the major point of difference between the Ernst and Young (1994) valuation of the 1994 IndyCar race, and the Black (1994) critique of that valuation. Black presumes that the use of labour is a financial cost - and implicitly assumes that it also represents a social cost, that the wages paid simply offset the alternative or opportunity cost of the individual's time. The input-output economic valuation technique treats the generation of wages as a benefit - implicitly assuming that the creation of wages is value-added against an alternative use of zero value.

## **CBA, ECONOMIC IMPACT AND SPECIAL EVENTS**

Public spending on special events is a specific example of public spending on tourism promotion. As has been detailed in Burgan and Mules (1992) and other studies, special events have an economic impact through the expenditure of visitors who would not have come but for the event being held.

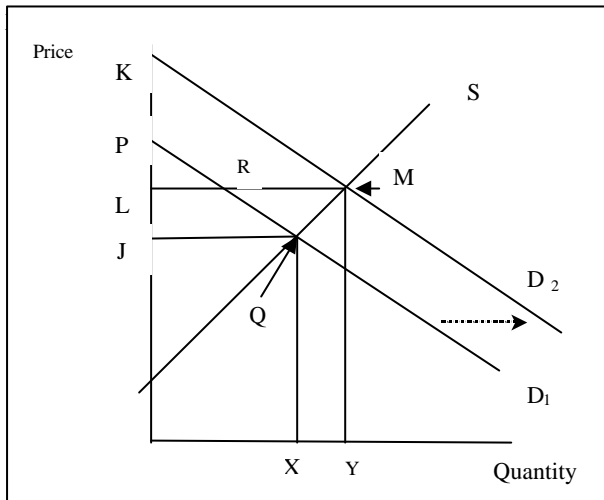
Such public spending can be justified if the benefits to society are greater than the costs. But since the beneficiaries are largely private firms providing tourism services, the question arises as to why these firms themselves do not fund the event. The answer lies in market failure.

Because individual firms are unable to capture all of the benefits of funding the special event, they are unable or unwilling to do so individually. They might do so collectively, eg. by forming a cooperative group to jointly fund the special event. However, individual firms can maximise their profits by opting out of the cooperative, eg. by allowing others to fund the event while enjoying the extra business that the event generates. This is called the 'free rider problem' in the economics texts.

Thus, without government funding, special events, like tourism promotion generally, would be provided at a level below the optimum or desirable point, if provided at all. We can apply CBA principles to the situation by considering Figure 2.

Government expenditure on the special event increases the demand for tourism services in Figure 2 from  $D_1$  to  $D_2$ . Consumers lose surplus equal to  $QRLJ$  and gain  $PRMK$ . If both supply and demand are relatively elastic, the gain exceeds the loss. Producers' surplus increases by  $QMLJ$ .

**Figure 2: Illustration of Impact of Increase in Tourism Demand**



Under CBA, the public spending is worth undertaking if this gain exceeds the cost of running the special event. However, since the consumers of tourism services are non-residents, consumers' surplus is an inappropriate measure of economic or social gain from the point of view of the host economy.

Studies which have been carried out in Australia on events such as the Formula One Grand Prix (Burns, Hatch and Mules, 1986), have used the increase in Gross Regional Product as a measure of the benefit to the host region. Table 1 shows the cost to the public purse in running a number of special events in Australia, together with the estimate by various authors of the impact on Gross Regional Product.

In terms of Figure 2, this corresponds with the increase in producers' surplus,  $QMLJ$ , plus the increase in payments to factors of production,  $QMYX$ . If the owners of the means of production are residents, this area represents extra income which the residents of the region receive as a result of hosting the event.

This demonstrates the difference between CBA and economic impact as a means of measuring the benefit from hosting an event. The conclusion that is implied is that, where resources (particularly the primary factors of production) are under-utilised an economic impact analysis becomes more relevant than both consumer surplus and producer surplus as the measure of benefit arising from the activity. It should be noted that this is of course no different from placing an emphasis on Gross Domestic Product as a measure of economic well-being.

Having identified the context of the value of economic impact, a further question is whether it is additive to other benefits and costs measured under a more standard CBA approach. For example, major events often cause inconvenience to local residents. In the case of the Grand Prix and subsequent car race events in Adelaide, major road networks have been closed off for significant periods. Such inconveniences can be evaluated in a number of ways - but primarily involve putting a value on lost time. The measure produced for the Adelaide Grand Prix was of the order of \$1 million to \$5 million.

Similarly, the process in a cost-benefit analysis includes getting a 'full list' of benefits and costs. Special events often create indirect costs, such as noise pollution, and congestion. Equally they can create indirect/intangible benefits such as 'excitement', cultural returns and international exposure. These types of benefits and costs can be measured using opportunity cost or willingness-to-pay valuation techniques.

**Table 1: Financial Costs and Economic Impact of Selected Events**

EVENT	FINANCIAL LOSS	IMPACT ON GSP
	AS m.	AS m.
1985 Adelaide Grand Prix	2.6	23.6
1992 Adelaide Grand Prix	4.0	37.4
1990 Adelaide Arts Festival	1.9	10.1
1991 Eastern Creek Motor Cycle Grand Prix	4.8	13.6
1994 Brisbane World Masters Games	2.8	50.6
1996 Adelaide Festival	3.5	11.6

The view discussed above - that economic impact and cost benefit approaches are somehow different paradigms - would suggest that the CBA estimates of cost and benefit could not be added to the economic impact to generate a value of net benefit or net cost.

The alternative perspective provided within this paper - that economic impact is to a degree consistent with the CBA perspective, in a situation with under-utilised resources - would suggest that economic impact estimates of benefit and cost-benefit valuations can, at broad levels, be considered additive. This is an important conclusion as it allows us to view the range of possible benefits and costs involved consistently.

### **THE DECISION TO PROCEED WITH AN EVENT**

Since CBA emphasises consumers' surplus, and since this is appropriate as a measure of benefit to the host economy only for some factors of impact, and further, given that producers' surplus is a very nebulous concept, it would seem that the economic impact approach is an appropriate methodology to assess what is essentially a major source of benefit of a special event. Indeed, this can be extended into the broader tourism sector. However, the question that still needs to be answered is whether the creation of an economic benefit justifies governments spending taxpayers' money on such events.

The argument that special events attract tourist expenditure, which is an export for the host economy, is not sufficient to proceed with a tourism project. Any export activity can claim the right to a subsidy on the same grounds. The market failure argument in favour of tourism promotion is relevant here. If an exporter of computers engages in promotion of demand for its product, the firm is able to capture all (or at least most) of the gains from the promotion of its computers. This is not true of demand for tourism. If a hotel promotes visitor demand, some of the benefits will accrue to providers of other tourism services in the region, for example taxis, restaurants or night clubs. This is the justification of government expenditure on tourism promotion, and the cost of running a special event must be seen as an act of tourism promotion.

At the national level in Australia, the additional point is that Australia's exports are mainly mineral and rural commodities. These tend to be a basic commodity, which is relatively homogeneous in nature. Tourism, on the other hand, is a differentiated product in the world market and is therefore more likely to gain from promotion than Australian coal or wool.

### **COMMENTS ON OTHER ISSUES**

The third basic methodology addressed in Hunn and Mangan (1999) - that of computable general equilibrium (CGE) modelling is described as producing a different outcome again. They suggest that the objective of CGE models is to produce measures of 'value-in-use for internally determined variables'. One of these internally determined variables is labour and another is capital. Therefore one of the outcomes of CGE models is entirely consistent (in objective) to the outcomes of an input-output model - the effect on household incomes and value-added. The key difference with a CGE model is that it includes measures of impacts on other internally determined variables - such as factor and commodity prices. Input-output models can only produce these outcomes with additional analysis. This distinction has been addressed in a range of papers in addition to the Hunn and Mangan explanation (eg Mules, 1996), but confusion still seems to exist at the practical level.

The key issue of difference is that where the non-utilised or under-utilised resources assumption does not apply, some of the benefit will be realised as an increase in incomes - both nominal and real - as resource allocation procedures determine the best use - and CGE modelling directly incorporates this. Resource or supply constraints are possible in primary factors and in other inputs into production.

In practice, at the regional level the supply constraint is in a general sense at most short-term. With good planning around a special event, it can be virtually non-existent. Therefore there would be no significant change expected in these other variables. This makes input-output an adequate methodology for assessing special events at the regional level - with the added benefit of the principle of parsimony being observed (ie. that simpler models are to be preferred, all other things being equal).

### **CONCLUSION**

This paper has demonstrated that traditional cost-benefit analysis is an appropriate means of evaluating public expenditure on special events, but a narrow view of benefits - concentrating on consumer surplus measures and profits only - would be inappropriate. The reason is that special events have as a major benefit the economic impact, initially on the tourism sector where consumers are not residents of the host region. A more appropriate measure of benefit than the consumer surplus measure used in cost-benefit analysis is the impact which the event has on regional incomes.

The spending of public money on hosting events is justified in terms of the tourism promotion implication of the event, and the existence of



market failure, which prevents individual providers of tourist services from capturing all of the tourist expenditure. This benefit of the public spend from a consumer viewpoint will be concentrated on visitors to the region.

In contrast to standard cost-benefit analysis, economic impact analysis involves estimating the full value associated with the use of either labour or capital. It assumes that the value of wages created by an event is a benefit to the region as a result of the event. It is clear that, for regional economies generally, the use of resources has a value greater than their current use. This generally occurs when either capital or labour are under-utilised or not utilised.

This paper demonstrates that there is a link between the welfare economics paradigm of cost-benefit analysis and the growth-based paradigm of development economics. This link is based on an underlying presumption that resources are not- or under-utilised and therefore income generation is a real benefit consistent with the perspective of a cost benefit approach.

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## Estimating the Impact of Events - Sampling Frame Issues in Identifying Event Related Expenditure

**Barry Burgan and Trevor Mules**

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### ABSTRACT

When undertaking an economic evaluation of a major event there are two key issues that need to be addressed to provide appropriate estimates of economic impact. Firstly, one must provide an estimate of how many people came to the event, including why they came, and where they came from. This area of questioning provides the basis for estimating how much tourism has increased as a consequence of the event. Secondly, information is needed on how much the attendees spend during their visit – leading to estimates of what they spend because of the event.

The major methodological approach, particularly for ex-post studies, has been to collect information by survey. The next key issue is the process of factoring the information for the survey up to represent the population as a whole.

This might seem a simple issue to resolve but it often proves harder than might be expected. Even where an organiser has an accurate measure of the *attendances* this does not represent the *actual number of people* who might attend – due to multiple or repeat attendances etc. It is made even more complicated when we recall that in the economic impact measure we are more interested in attendance by visitors attracted to the destination because of the event, than in overall attendance. This paper considers the implications of these issues within a random sampling approach to surveying.

In the first instance we need an estimate of aggregate attendance. In some cases the event organisers have very accurate estimates (tickets issued, turnstile counters). However this paper considers some of the issues in taking the survey results and applying them to aggregate attendances, and suggests that there are some sampling frame issues involved.

The second issue that arises is that in many cases, events encourage multiple attendances – and different groups (eg visitors versus local attendances) will have different patterns of attendance. In this case the paper demonstrates that in factoring survey information up to the

population level, the model must include an adjustment to the proportions of attendance to allow for 'bias'. The paper provides the 'rules' by which this adjustment must be performed.

Thirdly some more general issues that need consideration in developing the sampling frame and translating to the economic modelling are discussed. These include difficulties introduced by using techniques such as proportional sampling in order to minimise standard error estimates of overall expenditure, obtaining and using information from ticketing, and issues in the selection of interview sites.

### INTRODUCTION

The methodological approach to undertaking an economic evaluation of a major event has developed considerably over the last decade. Reviewing reports which estimate the impact of given events, and the academic literature providing comment on the methodology, suggests that there has been significant improvement in the treatment of the issues, with greater rigour and consistency in the way in which evaluations have occurred. The major issues that have been debated primarily surrounded factors such as the interpretation and use of given multipliers (specific debate related to the use of output versus value added multipliers), and the use of different modelling frameworks (debate over the use of Computable General Equilibrium frameworks versus multipliers from input-output models)

While the modelling methodology has received considerable attention (see for example Hunn and Mangan 1999, Mules 1999, Burgan and Mules 1992), the focus has been on the theoretical construct. There are equally important practical and empirical questions that must be addressed to provide adequate valuation. In essence the two key issues that must be addressed to provide appropriate estimates of economic benefit are:

- an accurate estimate as to how many people came to the event, why they came, and where they came from - this area of questioning provides the basis for estimating created tourism as a consequence of the event

- an accurate estimate of how much the attendees spend during their visit – leading to estimates of what they spent because of the event.

The major methodological approach adopted in most studies, particularly for ex-post studies, has been to collect information by survey. As pointed out by Corcoran (1999) surveying represents a primary data source to address the questions raised above – who comes, how much do they spend? The survey approach to collecting data in economic impact and cost-benefit studies has been used for the majority of event assessments that have been undertaken.

The survey process itself raises a large number of methodological questions – including the approach to the survey (eg. personal interview, mail-back, telephone). Many of these issues are discussed at a general level in papers such as Corcoran (1999) and research methodology texts such as Veal (1997). However, what is clear is that the survey provides information for the sample base, and there are some key factors related to how that sample base information is factored up to the event as a whole (ie. the population). This paper addresses some of the specific questions related to this factoring up process. Essentially the key issue addressed is how we provide an accurate estimate of the attendances at the event, and more specifically of the number of individuals involved. Individuals and attendances can differ where an event occurs over a number of days, or where an event has a number of multiple 'sub-events' and this paper has an emphasis on that aspect.

This might seem a simple issue to resolve but it often proves harder than might be expected. Even where an organiser has an accurate measure of the *attendances* this does not represent the number of *actual people* who might attend – due to such factors as multiple or repeat attendances. It is made even more complicated when we recall that, due to the event evaluation procedure, we are more interested in attendance by specific groups (visitors from overseas, or interstate versus local residents) than in overall attendance.

In order to factor up the sample information, we need an accurate or adequate estimate of aggregate attendance. In some events, organisers have very accurate estimates of aggregate attendances. Where entry is ticketed, or entry is based on restricted entry (eg. turnstiles) accurate attendance figures will be available. However as explained *attendances* and the *numbers of individuals* who attend are not necessarily the same – and this provides some complications. Given that surveys are used to provide estimates of expenditure per individual, it is necessary to ensure that the number of individuals attending is accurately estimated.

For many events, the event framework is that it includes free or non-ticketed activities. Examples

include some arts festivals, music festivals and broader based sporting events such as cycling tours. In this case, estimates of attendance are usually provided by event organisers, and are based on judgments (perhaps we should read guesses). The basis of the guess could be from supplier estimates (vendors often have an underlying 'feel' for the level of attendance), or from space occupancies (eg guess that the venue is 70% occupied). While they may well be quite plausible estimates, the lack of rigour leaves the analytical process open to question, particularly by critics of the event. Therefore, where possible, the analysis should be based on more rigorous methods.

One such more rigorous approach that will be relevant for some events may be to use box office or event revenues as a 'constraint' on the evaluation work.

## ISSUES IN ESTIMATING ATTENDANCE

### Estimating Attendance Using Box Office Data

In the case of an event with both free and ticketed activities, the survey process, undertaken with an appropriate sampling frame, would capture information about attendees who attended only ticketed events, those who attended only free events and those who attended both. Where the survey asks about expenditure on tickets, some may have a zero (attended only free events), some may have full ticket expenditure, and others a mixture of full price and free event balance. Therefore, there would, overall, be a lower average ticket spend than would occur if the zero responses were excluded.

The event organisers will have a formal measure of box-office revenue. Therefore the 'best measure' of the numbers of individuals attending will be obtained by dividing the box-office revenue by the average ticket spend.

The use of this estimation process is illustrated in the Appendix.

The advantage of the process is that the ticket revenue is an audited figure not based on guesswork. It must be noted that, where the sampling frame or sample data contains some degree of error (including the extent of sampling error itself – see the discussion below), using this constraint might provide an underestimate of attendances.

An alternative measure under the same principle would be the 'number of tickets sold' – and the population measure would be tickets sold divided by the average number of ticketed events attended. This alternative suffers two possible relative weaknesses – where an event has a combination of non-ticketed and ticketed events, the more formal process of recording revenues of the event (and difficulties in isolating free versus other tickets) and the fact that the revenues approach is pedagogically consistent with the aim of estimating expenditures.

It is likely that in many events visitors will be more likely to attend ticketed performances. Therefore to reduce the cost of surveying, there may be a tendency to focus surveys on these events. Further, surveying free events can be operationally more problematic. If free events are omitted or under-represented, the survey would overestimate the average ticket spend, and therefore underestimate attendance using this process.

However, on the basis of a presumption that those who are likely to spend more on tickets are also likely to spend more on accommodation, souvenirs etc., the sampling frame issue would also lead to higher estimates of overall spend. On this basis the under-enumeration of attendance would offset this factor.

### **OTHER METHODS OF ATTENDANCE ESTIMATION**

The approach described above is necessary for events with a mixture of free and ticketed performances, and with the potential for multiple attendances. Where even this approach is difficult (ie no formal box-office or ticketing procedure) other methods for population estimates have been used.

- Proportional occupancy - this process involves knowing the seating capacity of a venue and estimating the proportion of seats filled at various performances. It relies on judgment and observation and can be a relatively arbitrary approach.
- Hotel occupancy - hotel occupancy figures will give an underlying feel for the numbers of visitors using formal accommodation. This can be combined with additional information from a survey (eg. what proportion of individuals used hotel or motel accommodation during their visit/attendance). This approach offers some degree of formal estimation, but requires careful interpretation of the survey data.
- Access to additional revenue information - many retail and food service providers can provide expert opinion as to average consumption/sales levels per person - from extensive commercial experience. Therefore trading information of concessions associated with the event may be used to get a feel for attendance. Of course such a process can be affected by the number of concessions in place and the weather during the course of the event. This procedure tends to be drawn upon by event organisers, but can not be considered to be sufficient for evaluation work.
- Aerial survey - a recent event (Wintersun Festival at the Gold Coast) produced aggregate attendance estimates by using aerial survey techniques (ie. aerial photographs and counts). This approach would again need to be supplemented by survey information (such as average length of time spent at the site) and is only suitable for a single outdoor site.

### **Multiple Attendance and Sampling Frame Bias - Impacts on Attendance and Expenditure Estimation**

A second aspect involved in estimating the number of individuals is that multiple attendances can introduce sampling bias into the process. As already noted, arts and music festivals can include a number of different performances and sporting events can involve a number of days. Therefore the number of attendances does not represent the number of individuals involved. Attendances must be 'factored down' to the number of individuals by dividing by average attendance.

The complication is that different groups (and specifically visitors versus local attendees) will have different patterns of attendance. Therefore, in factoring survey information up to the population level the model must include an adjustment to the proportions of attendance 'bias'. That is the audience survey base has to be weighted for differing probability of responder selection. Otherwise the survey information will be biased towards those who attend multiple times.

The issue arises because the more times an individual attends performances at an event the greater the probability that they will be approached to take part in the survey. There is a higher probability that an individual who attends more events will be approached and/or receive and subsequently provide a survey response - even with the use of a screening question to determine if the individual has already been approached or been surveyed.

This issue has been recognised in a number of event studies - eg. the 1992 Adelaide Festival (SA Centre for Economic Studies, 1992) and the 1996 Adelaide Festival (Market Equity, 1996) but does not seem to have been fully explained, and has not received any real attention in the methodology or academic literature.

The Appendix contains a numerical example, and a generalised presentation of the potential implications of this factor.

The example is of an event with 9000 total attendances, average attendance of 2.25 events per individual; a variation in attendance patterns in that international visitors attend on average 4 performances, interstate visitors 3 performance and local residents 1.5 performances; and a proportional breakdown of 15% international visitors, 25% interstate and 60% local.

The example indicates that with this pattern and without adjusting the survey for the selection bias, international visitation would be 70% overstated, interstate visitation 31% overstated and local 'participants' 32% understated. Therefore overall attendance would be 14% overstated and, if it was assumed that visitors spent an average of \$1,000

per person, the tourism expenditure would be 46% overstated. The differences involved in attendance patterns in this numerical example are likely to be on the extreme side, but the direction of the implication is clear.

To generalise, the estimated proportional attendance in a given survey group will be based on the following weight adjustment:

$$r_j = p_j \frac{[1 - (1 - k)^{Z_{average}}]}{[1 - (1 - k)^{Z_j}]}$$

where  $r_j$  is the proportion of people in group  $j$  in the underlying population,  $p_j$  is the proportion of the sample in group  $j$ ,  $k$  is the proportion of attendances approached in the survey base,  $Z_{average}$  is the average attendance for the whole population and  $Z_j$  is the average attendance of those in group  $j$ .

## OTHER SAMPLING FRAME ISSUES

It should be noted that the above covers a small proportion of the issues involved in selecting and interpreting sampling frames for the evaluation of major events. There are a range of other issues that need to be considered in terms of selecting the sample size – relating to the sample frame. For example a possible approach would be to use proportional sampling in order to attempt to reduce standard error estimates of overall expenditure (particularly for the relevant groups of visitors as opposed to locals), eg. set targets of 400 visitors and 400 locals. In order to use such methods, there must be an alternative estimate of underlying attendances by sub-group, because if proportional sampling is used the sample cannot be used to get this information. One process suggested is to use ticketing information. If ticket purchases identify the location of purchaser this database would become a secondary information source. Unfortunately, in practice, this approach is not particularly useful. Ticketing systems do not consistently contain such data. Further it is possible that locals will make purchases on behalf of visiting friends and relatives (and perhaps even vice versa).

Selecting interview sites of the more popular and strategic events can be used as a strategy for reducing sampling costs. In this case, careful consideration must be given to whether this is likely to introduce any biases (eg. whether a particular venue or performance is more likely to attract visitors, or those more likely to have multiple attendances).

These issues are introduced to make the point that the practical issues involved in the survey process are many and complex. Failure to recognise all of the implications can result in flawed evaluations.

## ESTIMATING TOURISM EXPENDITURE

### The Importance of Sample Size for Expenditure Estimates

When sampling at an event the larger the size of the sample, the greater the accuracy of the estimates. There are two reasons for this.

One is that larger samples have the effect of diluting the impact of an unusual respondent being included in the sample. It is well known that the mean of a sample is particularly sensitive to extreme values. Thus the inclusion of an unusually profligate spender in the sample would tend to raise the mean unless countered by many spenders closer to the 'typical' level of expenditure. Secondly, larger samples produce greater confidence that the sample reflects the characteristics of the whole population of visitors to an event.

Sample means are used to estimate the aggregate expenditure of visitors. The mean is multiplied by the aggregate number of visitors, which is estimated from ticket sales, turnstile counts, or other means (see above).

For example, at the 1999 Canberra Floriade Festival, some 1,100 patrons were surveyed. This included 539 locals and 561 visitors to Canberra. Of the visitors to Canberra, 58% gave attending Floriade as their prime reason for the visit. The total visitation to the event was estimated at 153,774. The mean per head expenditure of the visitors staying at least one night, whose prime reason was attending Floriade, was \$184.97. Total expenditure in the ACT by this group was estimated by multiplying \$184.97 by 26,858, the latter being the estimated number of patrons to the event in this category (daytrippers and package tourists were other categories used in the study) (Coughlan and Mules, 1999).

The resultant estimate of aggregate expenditure of \$4,967,961 was heavily dependent upon the mean of \$184.97. Most studies of events present their results as if numbers like \$184.97 are parameters of the population of all visitors to the event. In fact, they are really *estimates*. As such, it is worth emphasising that if the sample were to be repeated, its very randomness would almost guarantee a different result. If the sample were to be repeated several times, several estimates would be obtained.

The *representativeness* of a sample estimate depends upon a particular sample result being close to the true mean of all visitors to the event. Using statistical methods it is possible to provide a range within which some confidence can be held about the true mean. This range is called a *confidence interval*, and is usually expressed as '95% confidence that the true mean lies between...'. In the Floriade example above, the 95% confidence interval is between \$178.42 and \$191.52, with the

interval for aggregate expenditure being between \$4,676,246 and \$5,259,602.

From the perspective of the economic impact, the wider the confidence interval the less certain the researcher can be about the true value of the event. In statistical methods, the confidence interval depends upon *absolute sample size*, in that in general the smaller the sample, the wider the confidence interval.

Many special event studies are conducted by commercial consultants rather than in-house or academic researchers. While all research budgets are under pressure, the profit imperative and competitive bidding process of consultancy may sometimes lead to an inadequate sample size in order to stay within budgets. An illustration of the problem lies in our example of Canberra's Floriade Festival. In 1998, a private consultant carried out an economic impact study of Floriade, using a sample size of 400. The 1999 study carried out by the ACT node of the CRC for Sustainable Tourism used a sample size of 1,100. On the face of things, a sample size of 400 would appear to be quite reasonable. However, when allowance is made for local residents (54% in 1998), and people for whom Floriade was not the prime reason for the visit (34% of visitors in 1998), from a survey of 400 we are left with a relevant sample of only 121 from which to estimate mean expenditure of the whole group of visitors whose main purpose was to visit Floriade.

To illustrate the importance of this, we have calculated 95% confidence intervals for expenditure for both the 1998 and 1999 studies of the event. Apart from sample size differences, there were some consistencies between the two years' studies so as to provide continuity for event managers and planners. Both studies identified three categories of visitor, namely overnight visitors, day-trippers, and package tourists. Within each of these categories both studies were able to separate out the visitors who came primarily to visit the Floriade Festival.

We were not able to gain access to the statistical results from the 1998 study, so we have assumed that the underlying variability, as measured by standard deviations around sample means was the same for 1998 as for 1999. Thus our comparison of the two sets of confidence intervals is influenced only by two different sample sizes.

**Table 1** shows the two sets of confidence intervals for each of the three categories of visitor. The table also shows the aggregated confidence interval, based on adding the lower limits across the three categories and then adding the upper limits. This is not strictly according to statistical theory but it provides a guide to the influence of sample size on the overall estimate of economic impact. As the table shows, the inherent variability in the estimates for package tourists produces quite wide intervals for the aggregate expenditure of this category. The width of this interval becomes unacceptably large when the sample size is only 400.

The 1999 study of Floriade, with a sample size of 1,100 estimated total expenditure of \$7.5 million by visitors who had visited Canberra for the event. The 95% interval was from \$6.2 million to \$8.8 million which is narrow enough to have some degree of faith in the point estimate of \$7.5 million. However, had we used a sample size of only 400, the total interval would have been from \$5.4 million to \$9.6 million. Here the upper limit is almost double the lower limit and the width appears to be too wide to be of use to the managers of the event.

The optimal sample size for an economic impact study varies with the type of visitor to the event and the cost of surveying. The more varied the visitors are in terms of their expenditure, the greater should be the sample size. Thus, for motor racing events such as Formula One or IndyCar, there are two extreme types of patrons:

- those who sleep on the back seat of their car and spend a lot on beer, and
- those who stay in five star hotels and eat at restaurants.

This inherent variability in expenditure at motor racing events means that a larger sample size is needed than at a concert where there is more homogeneity of socio-economic status. Thus studies of the Formula One and IndyCar races have used over 2,000 face-to-face interviews, whereas the Gold Coast Wintersun Festival used only 700 interviews.

When an event manager first confronts the issue of having an economic impact study conducted, choosing a research team for the job should clearly not be based on cost alone. The cheapest bidder

**Table 1: Confidence Intervals for Aggregate Visitor Expenditure, \$ '000**

	<b>1999 Study: Sample Size = 1,100</b>		<b>1999 Study: Sample Size = 400</b>	
	Lower Limit	Upper Limit	Lower Limit	Upper Limit
Overnighters	4,792	5,144	4,676	5,260
Day-trippers	287	399	250	436
Package Tourists	1,144	3,253	450	3,947
Total	6,223	8,796	5,376	9,643

will most likely be planning to use the smallest sample and therefore will yield the least reliable result. In the first instance, and without any prior knowledge of the variability of patrons' behaviour, a rough rule of thumb would be to aim for a sample size of 1,000. Over time, as more becomes known about the event, this may be pared back or expanded depending upon the knowledge gained.

## CONCLUSION

The range of issues involved when using survey processes to provide data as a basis for event evaluation are complex. A particular issue often overlooked is the process of selecting the sampling frame, and appropriately inferencing information with respect to the population from that sampling frame.

This paper confirms that surveying to provide the base data for the economic evaluation of events is a complicated procedure, but proposes some methodological improvements in processes being adopted in practice. It suggests that consideration should be given to using audited figures as a control factor in the inferencing procedure – that is estimating aggregate numbers and expenditure for the whole population rather than the sample. It warns that where events involve multiple attendances at performances there is the potential for bias in attendance estimation. Lastly it reminds readers that survey estimation is subject to sampling error – a factor that must be recognised in the process.

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**APPENDIX – Examples and Calculations**

**Box Office Data and Event Attendance**

The use of box office data in estimating attendance can be illustrated by a simple example. Suppose a particular event had ticket revenue of \$1 million. Further, suppose the survey reveals that 30% of people who were surveyed attended only ticketed events, and spent an average of \$60 on tickets, while 30% attended only free events. The remainder attended some free events and some ticketed events, with an average ticket spend of \$40. On this basis, the average spend on tickets by attendees would be \$34, and the estimated attendance would be 29,412.

**Multiple Attendance and Sampling Frame Bias**

In order to consider the implications of weighting we consider a numerical example, and then generalise the outcomes.

Consider an event which 4,000 people attend (which of course would be unknown), and attendances need to be broken down to 3 groups of interest – international visitors make up 15% of those attending (ie. 600 people), interstate visitors 25% (ie 1000 people) and locals the remaining 60% (ie 2400 people). Again these numbers are unknown. Further suppose that a survey reveals that internationals attend on average 4 performances, interstate visitors on average 3 performances and locals on average 1.5 performances.

On this basis, international visitors would account for 2,400 attendances, interstate visitors 3,000 attendances and locals 3,600 for a total of 9000 attendances (or 26.7%, 33.3 and 40% of attendances respectively). Average attendance overall will be 2.25 performances.

When we consider the implications of this pattern for the sampling frame, the issue is that at any given performance a certain number of individuals would be approached. We can therefore define the probability of any individual being approached at a particular performance as:

$$k = \frac{\text{number\_approached}}{\text{estimated\_total\_attendance}}$$

Therefore the probability of not being selected at any individual performance is (1-k).

For a simplifying assumption that *k* is the same across all events, individuals who attend multiple performances increase their chance of selection based on the number of performances they attend. However there is a joint probability issue also, that they may be approached at more than one performance – in which case they will only respond once.

Using the rules of joint probability, the probability of individual *i* being a survey respondent is therefore  $\left[1 - (1 - k)^{z_i}\right]$  where *z<sub>i</sub>* is the number of events attended by individual *i*.

To consider the implications for our example, consider a target survey of 5% of the attendance at any given performance. The number of people surveyed from each of our sub-population groups would be:

International:  $600 \times \left[1 - (1 - .05)^4\right] = 111$

Interstate:  $1000 \times \left[1 - (1 - .05)^3\right] = 143$

Local:  $2400 \times \left[1 - (1 - .05)^{1.5}\right] = 178$

or, 25.5%, 32.7% and 40.8% respectively.

Note that for simplicity a hundred percent response rate is assumed. This does not affect the argument if there is no significant difference in response rates between groups.

These ratios or proportions would therefore be the expected values of the survey base. However, what is clear is that they come from the proportions in the population base of 15%, 25% and 60% respectively. Sub-groups with more multiple attendances are over-represented in the sample, while sub-groups with fewer multiple attendances are under-represented.

Therefore the proportions of individuals in the sample must be adjusted by appropriate weights to allow for this greater probability of being in the surveyed group. The necessary adjustment is as follows:

$$r_j = p_j \frac{\left[1 - (1 - k)^{Z_{average}}\right]}{\left[1 - (1 - k)^{Z_j}\right]}$$

where *r<sub>j</sub>* is the proportion of people in group *j* in the underlying population, *p<sub>j</sub>* is the proportion of the sample in group *j*, *Z<sub>average</sub>* is the average attendance for the whole population and *Z<sub>j</sub>* is the average attendance of those in group *j*.

Therefore in our example the adjustment for internationals would be:

$$r_{o/s} = 25.5\% \times \frac{\left[1 - (1 - .05)^{2.25}\right]}{\left[1 - (1 - .05)^4\right]} = 15\%$$

which is the underlying share of the population.

Application of the same formula for interstate and locals would produce the underlying shares of the population (ie. 25% and 60%).



The survey approach is to factor up the numbers estimated from the survey in each group to the total 'attendances' and to apply these estimates to underlying expenditures. It is therefore the number (and of course proportion) of individuals that is important.

Therefore the approach would usually be to divide the number of attendances by the average attendance identified in the survey, and then divide into sub-groups on the basis of identified proportions from the survey. The argument above says it must be the adjusted proportions rather than the proportions of respondents in each sub-group - if there a substantial difference in average attendances within each sub-group.

In practice, in the example above we would start from a position of knowing there were 9,000 officially recorded attendances. Our expected survey base would be 432, with 25.5% international respondents, 32.7% interstate and 40.8% local. Using these unweighted proportions would suggest an attendance per individual of 2.61 (compared to actual of 2.25). Adjusting the proportions with the weights based on this indicative attendance would produce calculated proportions of 17.3%, 28.8% and 69.1%. The proportions are 'incorrect' in that they add to 115.1% - due to the overstatement of the indicative average attendance. Scaling each of these calculated proportions down by 100/115.1 produces the proportions of 15%, 25% and 60% respectively, and a revised average attendance per individual of 2.25 overall (which matches the underlying true situation) - with a total estimate of individual attending of 4000 (9000/2.25).

A key question is the extent of error that would be introduced if the calculations were unweighted. For indicative purposes assume that the average expenditure per visitor is \$1000. The Table below indicates the calculations of numbers and 'new' regional expenditure for the above situation, using weighted and unweighted bases

From this illustration, the number of visitors (who we would generally expect to attend a greater number of performances - given that they have come to the region because of the event) has been overstated, while the number of people attending has been understated. Because of the overstatement of visitor numbers, created expenditure has also been overstated.

It is clear that the greater the divergence in attendance patterns between groups, the more important the process of weighting for sampling likelihood becomes.

The weighting calculation is based on the target handout rate used in the sampling procedure at an individual event. The response will be below this target rate, because of the joint probabilities argument. In our example we have achieved 432 responses out of 9000 attendances (or 4.84%). The relationship between responses received and our effective hand out rate is as follows:

$$k = 1 - \left( 1 - \frac{S}{A} \times Z_{average} \right)^{\frac{1}{Z_{average}}}$$

where S is the total sample size, and A is the total number of attendances.

As a final issue in this section the adjustment of proportions discussed above is based on sampling with replacement. A common practice in surveying is to use a screening question before handing out the questionnaires - making the sampling procedure a 'without replacement' case. The weights developed assuming replacement would overstate the weight required. However, the smaller the survey size relative to the population size the less significant will be the extent of overstatement, given the magnitude of the probability of selection.

**Illustrative Implications of Using Unweighted Proportions**

	Unweighted			Weighted		
	Proportion %	Number	Expenditure (\$million)	Proportion %	Number	Expenditure(\$million)
International	25.5	879	0.88	15.0	516	0.52
National	32.7	1126	1.13	25.0	861	0.86
Local	40.8	1404	na	60.0	2066	na
Total	100	3443	2.01	100	4000	1.38

## COMMUNITY PERCEPTIONS OF THE IMPACTS OF EVENTS

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### ABSTRACT

This paper presents the results of an examination of host community perceptions of two major sporting events, the Gold Coast Indy Car Race and the Australian Formula One Grand Prix in Melbourne. Representative samples of local residents in Melbourne and the Gold Coast were questioned using a self-completion mail survey. Cluster analysis was used to identify sub-groups of local residents who felt differently about the way in which the events impacted upon their quality of life. Five clusters were identified, labelled as most negative, moderately negative, ambivalent, moderately positive, and most positive. Similar groups were identified in similar proportions in both cities.

Profiles of each cluster were developed using socio-political and demographic data, and logistic regression was used to assess the relative importance that these variables play in determining residents' reactions to the events. Identification with the theme of the event, level of contact with the area in which the event is held, perception of justice, and community attachment were among the variables found to be most important in discriminating between residents with positive, negative, and ambivalent attitudes.

This type of research provides insight for relevant public sector agencies and event organisers into any issues that may be of concern to local residents, allowing them to develop strategies to ameliorate negative impacts wherever possible. It also provides information about perceptions of positive impacts that could be useful in the marketing of the event both within the community and also to the wider market.

### INTRODUCTION

In recent years there has been an increase in the number of events staged throughout Australia, and indeed throughout the world. Events can be seen as an additional element in a destination's tourism

marketing mix alongside permanent attractions, both natural and man made. There are clearly many benefits associated with the hosting of events, the most commonly referred to being tourism promotion and the associated economic opportunities this brings to the region. However, it is vital that governments and event organisers consider all of the potential impacts an event may have on the host community. Clearly there is a moral obligation to ensure that events do not substantially disadvantage local residents but, more pragmatically, dissatisfaction amongst the community is likely to have negative implications for the sustainability of the event in the long term.

The research presented in this paper centres on two case studies examining host community perceptions of the Gold Coast Indy and the Australian Formula One Grand Prix in Melbourne. By investigating similar events in different locations it was possible to examine how perceptions vary both within and between the two communities. The aim was to identify groups of residents with different attitudes towards the events.

### LITERATURE

Early research into host community reactions to tourism concentrated on the distribution of costs and benefits related to tourist activity as a means of explaining residents' perceptions. Variables such as residential proximity to the tourist foci (Pizam, 1978; Belisle & Hoy, 1980; Brougham & Butler, 1981; Sheldon & Var, 1984; Keogh, 1990; Perdue, Long & Allen, 1990) and involvement in tourism (Pizam, 1978; Brougham & Butler, 1981; Milman & Pizam, 1988; Perdue, Long & Allen, 1990; Madrigal, 1993; King, Pizam & Milman, 1993; Pizam, Milman & King, 1994; Snaith & Haley, 1994; Haralambopoulos & Pizam, 1996) were often found to discriminate well between residents with positive and negative attitudes. This is presumably because the groups defined by these variables experience differing levels of actual impact.

Other variables though, such as community attachment, clearly tap into differences in values

rather than differences in actual impact. Attachment has been variously operationalised by years of residence in a community (Brougham & Butler, 1981), place of birth (Davis, Allen & Cosenza, 1988) or a Likert-type scale asking respondents about their preferences for staying in the community (McCool & Martin, 1994). More recently researchers have investigated other predictors related to varying values within a community, such as socio-political values (Snepenger & Johnson, 1991; Lindberg & Johnson, 1997), and perception of control over or participation in the tourism development decision making process (Lankford & Howard, 1994; Madrigal, 1993).

Many of the studies referred to above investigate the differences in perceptions of tourism held by groups defined *a priori* by the levels of the independent variables. An alternative approach has involved the use of cluster analysis to identify residents with similar perceptions, and then to investigate any relationships between cluster membership and the independent variables. This method has the advantage of allowing researchers to identify a small number of groups with relatively similar perceptions, which has far more meaningful implications for tourism planners and managers (Pearce, Moscardo & Ross, 1996).

Davis, Allen and Cosenza (1988) differentiated five such clusters (haters, cautious romantics, in-betweeners, love 'em for a reason, and lovers) based on Florida (USA) residents' attitudes, interests and opinions of tourism. Ryan and Montgomery (1994) found three clusters of residents in Bakewell, UK. These groups were labelled as enthusiasts, somewhat irritated, and middle of the roaders. Madrigal (1995) also identified three groups (haters, realists and lovers) and found that these groups, while identifiable in two different cities, appear in different proportions in cities with different characteristics and tourism profiles. Fredline and Faulkner (2000) also found five clusters with close parallels to the above mentioned studies. This study, which investigated residents' perceptions of the Gold Coast Indy, identified five groups labelled as lovers, haters, ambivalent supporters, realists, and concerned for a reason.

The recurring pattern in all of these studies is the identification of positive, negative, and ambivalent groups within each community. Pearce, Moscardo and Ross (1996) suggest that the different attitudes toward tourism, identified using this approach, tap into different underlying social representations. Social representations have been defined as "systems' of preconceptions, images and values which have their own cultural meaning and persist independently of individual experience" (Moscovici, 1982, p.122). They are complex sets of perceptions about a particular phenomenon, which are formed within a social context and provide a basis for the interpretation and categorisation of new information. Representations are not inflexible, and can be influenced by direct experience with a

phenomenon, through social interaction, and through other sources, such as the media. However, they are prescriptive and, in the absence of evidence to the contrary, the preconceptions, images and values associated with an event will endure.

The social representations framework provides an appropriate mechanism to simultaneously investigate the extent to which actual level of impact and underlying value systems contribute to residents' perceptions of the impacts of an event, while also recognising both direct and indirect social influences on individual representations.

## METHOD

The data were collected from local residents of the cities of Melbourne and the Gold Coast, with the data collection phases timed at two weeks after the respective events had taken place. In both cases a disproportionate stratified random sampling procedure was used. The stratification was based on State Electoral Districts (SEDs), and an arbitrary decision was made to only include SEDs where at least part of the district fell within a 10km radius of the track. This is because the conurbations of both cities are quite extensive, and sampling over a wider area for a given sample size would be likely to increase variance associated with proximity. The SEDs in which the events actually took place were further stratified into two sections comprising the immediate vicinity of the track (the 'race zone'), and the remainder of the electorate. The strata were sampled disproportionately to ensure a sufficient sample size in the areas closest to the track, to enable statistical comparison. One third of each sample was drawn from the 'race zone' in each city, and in the remaining strata the sample size was determined by a factor based on the inverse of the mean distance from the track, thus ensuring larger sample sizes in closer electorates. Residents were randomly selected from the electoral rolls and sent a questionnaire to be completed and returned in a reply paid envelope. One thousand questionnaires were dispatched in each city resulting in 393 usable responses from the Gold Coast and 279 from Melbourne. After non-deliverables were excluded, this represented response rates of 42.3% and 32.2% respectively.

The instrument used in these studies was somewhat different from that typically used in this type of research. Traditionally a Likert-type scale is used, where the reactions to a series of statements about the impacts of tourism/events are recorded in terms of level of agreement or disagreement with the statement. The advantage of this approach is simplicity; however, it also has a number of shortcomings related to use of biased statements and the meaning of the mid-point on the scale. In an effort to overcome some of these problems, a more complex two-part dependent measure was used in this study, allowing respondents to first

comment on the direction of the change in the impact (Part A) and then to assess the impact on their quality of life (Part B).

The independent variables investigated in this study included proximity, level of contact, involvement in tourism, use of recreational facilities, socio-political values, community attachment, identification with the theme, and a variety of demographic variables, including age, gender, and level of education. In addition, respondents were asked about their perception of their ability to participate in the planning and management of the events, and their perceptions of distributive justice with regard to the costs and benefits of the events.

## RESULTS

The responses of residents in each city were initially examined descriptively and many similarities were observed in the response patterns. It was therefore decided to cluster analyse all responses together rather than perform separate analyses for each city. This approach aids comparison of the two cities and has implications for a higher level of generalisability of the results to other locations. The clustering variables used were the responses to the Part B of the dependent variable, that is, the residents' perceptions of the effect on their personal quality of life, regardless of their perception of the direction of change. This was justified on the grounds that the aim of the clustering procedure was to identify differing perceptions of the magnitude of impact on quality of life, with the nature of the impact being of secondary importance. The scale ranged from very bad impact (-3) to very good impact (+3), with the mid-point indicating no perceived impact.

A two step clustering technique was used. The first step involved a hierarchical analysis. Several different algorithms were tested, however, Ward's method was eventually chosen and Squared Euclidean Distances were used as the measure. Ward's method, which is known to be biased toward producing more even-sized clusters, attempts to minimise the within-group sums of squares, thus hopefully producing the most homogeneous clusters. It must be remembered that there is no one correct solution to cluster analysis.

It is basically just a tool used to summarise and simplify a data set in a way that makes it manageable, providing insights into grouping patterns. Alternative solutions are not wrong, they are just tapping into dimensions that are less relevant to the current research issues.

A range of solutions was examined and, based both on previous literature and the observed means, a five cluster solution was selected as the most suitable. In the second stage the means generated from the hierarchical analysis were used to seed a non-hierarchical (quick cluster) analysis performed on the whole data set. The final solution resulted in the classification of 662 cases into one of five clusters. There were ten cases with insufficient data to be classified. Table 1 shows the number of cases allocated into each cluster in each city. A chi-square contingency table analysis indicates no significant relationship between cluster membership and city ( $\chi^2_{(4)} = 7.03, p > 0.05$ ). That is, the proportions of the different clusters are similar in Melbourne and the Gold Coast.

The means of each cluster for each of the clustering variables are shown in Table 2. For each variable the most negative cluster had the lowest mean, indicating that on average this cluster perceived every impact more negatively than other groups. In most cases the highest mean was for the most positive cluster. There are three exceptions where the impact was agreed to be negative by all clusters, but the ambivalent (or moderately positive) cluster appeared to be slightly less concerned. The differences between the ambivalent and positive clusters for these items were not significant.

Broadly speaking, Cluster 5 is the most positive group perceiving almost all of the impacts to be beneficial to them personally and those that they do regard as negative have means quite close to zero, indicating very little effect. Cluster 4, is also quite positive, though not to the same extent, and they acknowledge the negative potential of more of the impacts. However, they do not seem to regard the negative effect to be substantial and have therefore been labelled as moderately positive. The first and second clusters show similar variations in depth of negative feeling, with Cluster 1 (most negative)

**Table 1. Cluster membership by city**

Cluster	1	2	3	4	5	Total
Name	Most Negative	Moderately Negative	Ambivalent	Moderately Positive	Most Positive	
Gold Coast	38	88	120	85	55	386
Melbourne	36	47	95	69	29	276
TOTAL	74	135	215	154	84	662

In order to ascribe ordinal properties to the cluster membership variable the cluster numbers allocated during the analysis were changed so that the most negatively disposed cluster was designated as 1, and the most positive cluster was designated as 5. This has no effect on the interpretation of the analysis.

**Table 2. Cluster means for each variable**

Type of Impact		1	2	3	4	5
		Most Negative	Moderately Negative	Ambivalent	Moderately Positive	Most Positive
		n=74	n=135	n=215	n=154	n=84
<b>B3</b>	noise	-2.86	-1.58	-0.35	-0.31	0.27
<b>B35</b>	rights of powerful	-2.79	-1.46	-0.22	-0.30	0.03
<b>B25</b>	civil liberties	-2.72	-1.36	-0.19	-0.15	-0.10
<b>B24</b>	traffic congestion	-2.66	-2.42	-0.65	-1.22	-0.68
<b>B19</b>	damage to environment	-2.63	-1.56	-0.23	-0.16	-0.14
<b>B30</b>	disrupts life/causes stress	-2.63	-1.74	-0.19	-0.28	-0.07
<b>B9</b>	quality of life	-2.56	-1.11	-0.05	0.46	1.10
<b>B6</b>	crowding	-2.41	-1.42	-0.20	-0.10	0.80
<b>B17</b>	drinking/rowdy behaviour	-2.35	-1.30	-0.28	-0.26	0.05
<b>B16</b>	dangerous driving	-2.29	-1.27	-0.41	-0.29	-0.38
<b>B34</b>	divides community	-2.26	-0.69	-0.09	-0.07	-0.07
<b>B31</b>	theme fits poorly	-2.25	-0.32	-0.05	0.00	0.04
<b>B10</b>	litter	-2.20	-1.35	-0.16	-0.16	0.11
<b>B28</b>	diverts funds	-2.12	-1.13	-0.29	-0.20	0.00
<b>B23</b>	parking spaces	-2.04	-1.41	-0.25	-0.29	-0.32
<b>B1</b>	appearance of local area	-2.01	-0.59	0.20	1.03	1.63
<b>B15</b>	pride in city	-1.98	0.13	0.39	1.52	2.16
<b>B14</b>	crime	-1.84	-0.61	-0.10	-0.07	0.10
<b>B20</b>	facilities available	-1.82	-0.75	0.12	0.52	0.94
<b>B2</b>	maintenance of facilities	-1.57	-0.19	0.39	1.22	1.73
<b>B5</b>	life more interesting	-1.52	0.16	0.35	1.58	2.67
<b>B11</b>	relationships between locals and	-1.52	-0.03	0.10	0.65	1.35
<b>B7</b>	awareness of sport	-1.08	0.14	0.19	0.89	1.80
<b>B13</b>	prices of goods and services	-1.02	-0.74	-0.08	-0.13	-0.46
<b>B8</b>	property values/rental costs	-0.98	-0.01	0.02	0.32	0.95
<b>B26</b>	trade	-0.95	0.08	0.04	0.32	1.26
<b>B18</b>	range of goods and services	-0.88	-0.10	0.02	0.43	1.03
<b>B32</b>	social dislocation of poor	-0.80	-0.33	-0.01	-0.05	0.00
<b>B22</b>	business opportunity	-0.72	0.08	0.06	0.44	1.60
<b>B12</b>	entertainment opportunity	-0.67	0.19	0.18	1.16	2.27
<b>B37</b>	too many tourists	-0.66	-0.24	-0.02	0.02	0.27
<b>B21</b>	opportunity to meet new people	-0.23	0.26	0.17	1.01	2.27
<b>B38</b>	show what we can do	-0.23	0.25	0.23	1.31	2.55
<b>B27</b>	international identity	-0.15	0.47	0.27	1.21	2.51
<b>B4</b>	employment	-0.14	0.26	0.07	0.32	1.34
<b>B29</b>	opportunity to attend	-0.12	0.24	0.24	1.32	2.51
<b>B33</b>	unites community	0.00	0.12	0.16	0.91	2.28
<b>B36</b>	economic boost	0.07	0.21	0.14	0.69	1.80

Scale ranged from -3 (very bad impact) to +3 (very good impact) with the mid-point (0) indicating no perceived impact.

**Table 3. Means and ranges of overall perceptions for each cluster**

	Cluster	Mean	Range
1	Most Negative	-1.40	-2.61 to -0.79
2	Moderately	-0.49	-1.00 to 0.03
3	Ambivalent	0	-0.37 to 0.42
4	Moderately	0.33	-0.05 to 0.76
5	Most Positive	0.89	0.32 to 1.76

appearing to perceive almost every aspect of the event to be detrimental to their quality of life. Cluster 2 (moderately negative) perceives primarily negative personal impact, while still being able to acknowledge the positive potential of some aspects of the event. The remaining group, Cluster 3, does not appear to perceive any major impacts from the event, although they do seem to acknowledge the potential of both positive and negative affects. They have therefore been labelled as ambivalent.

As a crude indicator of the overall success of the cluster solution, the mean of all responses to Part B was calculated for each case. The overall response was relatively normally distributed, with a mean of

-0.05 (very close to the centre of the scale) and there were similar numbers below zero (313) and above zero (323). The means and ranges for each cluster are reported in Table 3. A perfect discrimination cannot be claimed but a strong relationship can be observed, and this unrefined measure lends support to the interpretation of the clusters.

In an effort to achieve the second aim of the research, cluster membership was then examined in terms of the influence of a series of independent variables identified from the literature, using chi-square contingency table analysis. The profiles are summarised in Table 4.

**Table 4. Summary table of cluster profiles**

Variable	Response	1 Most Negative	2 Moderately Negative	3 Ambivalent	4 Moderately Positive	5 Most Positive
<b>Proximity to Track</b>	Median Distance in km	1.04km	2.13km	5.76km	3.68km	3.62km
<b>Contact with area around track</b> $\chi^2_{(16)} = 110.17^*$	live in Event Zone or visit every day	<b>73%</b> -	<b>54%</b> -	<b>21%</b> -	42%	48%
	Never visit	<b>0%</b> -	5%	<b>15%</b> -	5%	7%
<b>Involvement in Tourism</b> $\chi^2_{(12)} = 46.03^*$	work in tourism or perceive increased volume of work	15%	24%	23%	33%	<b>54%</b> -
	perceive no involvement	69%	60%	61%	48%	<b>36%</b> -
<b>Use of Recreational Facilities</b> $\chi^2_{(8)} = 77.74^*$	use park at least once a week	<b>64%</b> -	34%	<b>15%</b> -	28%	21%
	never use park	<b>16%</b> -	41%	<b>54%</b> -	37%	40%
<b>Socio-Political Values – Materialism</b> $\chi^2_{(8)} = 85.15^*$	post materialist	<b>43%</b> -	21%	10%	<b>4%</b> -	<b>1%</b> -
	mixed	54%	65%	74%	76%	82%
	materialist	<b>3%</b> -	14%	16%	20%	17%
<b>Community Attachment</b> $\chi^2_{(8)} = 16.82^*$	not attached	15%	13%	<b>16%</b> -	7%	<b>2%</b> -
	attached	74%	77%	72%	83%	88%
<b>Age</b> $F_{(24, 634)} = 9.76^*$	Mean age in years	53.48 <sub>45</sub>	47.75 <sub>5</sub>	50.74 <sub>45</sub>	43.79 <sub>13</sub>	41.37 <sub>123</sub>
<b>Education</b> $\chi^2_{(16)} = 48.07^*$	university education	<b>58%</b> -	42%	30%	33%	<b>20%</b> -
<b>Identification with Theme</b> $\chi^2_{(12)} = 276.19^*$	interested in motor racing	<b>1%</b> -	<b>7%</b> -	<b>12%</b> -	<b>27%</b> -	<b>55%</b> -
	not interested in event at all	<b>92%</b> -	<b>52%</b> -	44%	<b>8%</b> -	<b>1%</b> -
<b>Public Participation</b> $\chi^2_{(8)} = 51.38^*$	agree	19%	16%	<b>7%</b> -	24%	<b>34%</b> -
	no opinion	<b>11%</b> -	23%	<b>35%</b> -	25%	28%
	disagree	70%	61%	58%	51%	<b>38%</b> -
<b>Social Justice</b> $\chi^2_{(8)} = 157.45^*$	agree	<b>16%</b> -	<b>18%</b> -	26%	39%	<b>58%</b> -
	no opinion	<b>7%</b> -	26%	<b>47%</b> -	<b>45%</b> -	30%
	disagree	<b>77%</b> -	<b>56%</b> -	27%	<b>16%</b> -	<b>12%</b> -

\* all values significant at 5% level

- indicates significantly higher frequency than expected

- indicates significantly lower frequency than expected

subscript numbers following mean ages indicate a significant difference from the cluster with that number

The third objective of the research was to investigate differing response strategies and future preferences with regard to the event, and to identify whether these are related to cluster membership. In this regard, respondents were first asked whether or not they wanted the event to continue, and if so, whether or not they would prefer the current or a different location. In addition, the residents were asked about their activities on the weekend of the event, in an effort to determine whether varying perceptions were related to different behaviours. Finally, respondents were asked to select a statement that best described their response strategy based on Ap and Crompton's (1993) continuum of responses, ranging from embracement, through tolerance and adjustment, to avoidance. Each of these variables was analysed using chi-square contingency tables, and the results are summarised in Table 5.

### Summary of Cluster Profiles

#### CLUSTER 1 - MOST NEGATIVE

This group, which has been labelled as being the most negative, contains 74 respondents, or 11% of the classified sample. The issues that appeared to be of greatest concern to this group include noise, the rights of the powerful winning out over rights of the ordinary people, decrease in civil liberties,

traffic, disruption, environmental damage, and reduced quality of life.

Amongst this group there was basically no concession to acknowledging any benefits of the events, with their highest mean being for economic boost (0.07). The majority of this group has close links with the area in which the event is staged, with 64% living in the immediate vicinity of the track and another 8% visiting it every day. They are also the most prevalent users of the park for recreational purposes, with 64% using the park every week.

The residents in this cluster were less likely than others within the community to work in tourism, to perceive that the event benefited their industry, or even to have friends or relatives working in tourism (92% perceived no involvement). This group had the highest mean age (53.5 years) and the highest incidence of university level education (58%). A large proportion of this group (92%) claimed to have no interest in motor racing or anything to do with the event staged in their city.

This cluster showed the highest incidence of post materialist values. They tended to disagree that they were able to participate in the planning and management of the event, and that the costs and benefits of the event were distributed fairly.

**Table 5. Summary table of relationship between cluster membership and other dependent variables**

Variable	Response	1 Most Negative	2 Moderately Negative	3 Ambivalent	4 Moderately Positive	5 Most Positive
<b>Future Preferences</b>	Yes - current location	0% -	23% -	70% -	87% -	96% -
	<b>Continuation</b>					
$\chi^2_{(8)} = 363.40^*$	Yes - other location	12%	31% -	19%	10%	4% -
	no	88% -	46% -	11% -	3% -	0% -
<b>Behaviour</b>	attended	0% -	8%	6% -	22% -	41% -
	$\chi^2_{(16)} = 213.12^*$					
	watched on t v	3% -	18%	24%	37% -	42% -
	normal weekend activity	34%	41%	55% -	27% -	8% -
<b>Response Strategies</b>	left town	49% -	25% -	10%	8% -	1% -
	$\chi^2_{(8)} = 419.74^*$					
	embrace	0% -	14% -	13% -	46% -	80% -
	tolerance	4% -	33%	62% -	46%	18% -
	adjustment	45% -	31% -	8% -	4% -	0% -
	avoidance	51% -	33% -	17%	4% -	2% -

\* all values significant at 5% level

- indicates significantly higher frequency than expected

- indicates significantly lower frequency than expected

No members of this group were in favour of the continuation of the event in its current location, and the vast majority (88%) favoured complete cancellation. No members of this group actually attended their respective events, while an amazing 49% claimed to have left town on the weekend that the race took place.

#### CLUSTER 2 - MODERATELY NEGATIVE

This cluster, which comprises 20% of the classifiable sample, also appears to be primarily negative about the event, but the intensity of this feeling generally appears to be lower. The impacts that attracted the lowest means, indicating that they considered them to have the most detrimental affect on quality of life, were traffic congestion, disruption, noise and environmental damage. Excepting traffic congestion, which attracted a mean of -2.42, no other impacts appeared to attract the same depth of feeling as in the most negative cluster.

In terms of profile the moderately negative cluster are quite similar to the most negative group. A large percentage (54%) lives in the event zone or visits every day, although far fewer (34%) use the park frequently. A large proportion perceives no involvement in tourism and no interest in the events.

Many in this group (46%) would prefer complete cancellation of the event, but a substantial number appeared to be prepared to tolerate the event particularly if it were relocated to another location within the city (31%).

#### CLUSTER 3 - AMBIVALENT

The biggest cluster, containing 215 residents or 32% of the sample, has been labelled as ambivalent in terms of their perception of the impacts of the event on their lives. As can be seen in Table 2, there are no impacts that attracted means substantively different from zero, although the fact that there are 19 small positive and 19 small negative means, suggests that they acknowledge the potential for the events to have both positive and negative impacts. On average they live furthest from the track (median distance 5.67km) and this cluster has the lowest proportion of people living within the event zone (18%), and the highest percentage reporting that they never visit the event zone (15%), and never use the park (54%). This group also contains a fairly small proportion who work in tourism (23%) and a large group who perceive no involvement (61%). It is therefore logical that they are less concerned about the impacts as many of this group would appear to be unaffected by their respective event.

Although this group is predominantly in favour of the event and its continuation (70% in current location), very few of them actually attended it (6%) or claim to have any interest in motor racing as a sport (12%). The majority (55%) said that they just went about their usual activities on the weekend that their respective event took place.

#### CLUSTER 4 - MODERATELY POSITIVE

The fourth cluster contains 23% of the sample, and has been labelled as being moderately positive. The statements that attracted the highest means dealt with the event making life more interesting and giving them pride in their city. However they were not completely positive, with the group as a whole having negative means for 16 of the impact statements. Most of these were not substantially different from zero, however, the mean for traffic congestion of -1.22 implies that this group considers this to be at least a minor inconvenience.

#### CLUSTER 5 - MOST POSITIVE

The final group, which contains 13% of the sample, can be regarded as the most positive. Although they had eight negative means that were mostly close to zero, with the highest negative mean being -0.68 for traffic congestion. The most important positive impacts related to the event making life more interesting, 'showing what we can do', giving the city an international identity, and providing an opportunity to attend the event.

On average the members of the two positive clusters live somewhere between the negative and ambivalent groups with median distances of 3.68km and 3.62km for the moderate and most positive groups respectively. They also fall somewhere between these groups in terms of contact levels and recreational use of the parks. In respect to most of the other variables, however, the positive clusters represent the other end of the continuum to the negative groups. About 30% of the most positive cluster work in tourism, with another 24% perceiving that the volume of work in their industry is favourably affected by the event. They were also less likely to embrace post materialist values than other groups with only 4% (moderately positive) and 1% (most positive) primarily selecting post materialist values.

The positive clusters had the lowest mean ages and showed the highest level of interest in motor racing as a sport. These groups showed lower incidence of university education particularly the most positive group in which only 20% had university degrees. They were also more likely to agree that they were able to participate in the planning and management of the event, and that the costs and benefits of the event were distributed fairly.

Very high levels of identification with the theme were observed, particularly in the most positive cluster (55%), and accordingly a high level of event participation was observed (41% of this cluster attended and an additional 42% watched the race on television).

This descriptive phase of the research provides a summary of the characteristics of the members of each cluster in terms of numerous variables considered in isolation. The next phase makes an attempt to examine how these variables work together to explain variance in cluster membership. In this regard a series of three logistic regression



analyses were undertaken attempting to explain total variation in host community reactions to major sporting events. In each analysis 11 independent variables were initially entered using a direct or standard logistic regression method (all variables were entered in one step). Further details regarding the rationale for using dichotomous logistic regression, definitions of the variables used, and technical details of the three analyses are contained in Appendix A.

### Logistic Regression

The first analysis, predicting negative versus ambivalent cluster membership, yielded a significant model, including 400 cases and five independent variables, as shown in Table 6. An adjusted generalisation of the coefficient of determination ( $R^2$ ) proposed by Nagelkerke (Hair, Anderson, Tatham & Black, 1998) suggests that the model accounts for 37.4% of the variance.

The signs of the B coefficients indicate the direction of the relationship. As ambivalent membership was coded with a higher number, a positive relationship indicates that higher levels of the independent variable were associated with ambivalent cluster membership, while a negative relationship indicates that lower levels of the variable were associated with being a member of the ambivalent cluster. For example, respondents with greater perception of justice were more likely to be in the ambivalent group ( $b = .5131$ ). However, respondents with higher levels of contact were less likely to be in the ambivalent group ( $b = -.5181$ ) and therefore more likely to be in one of the negative clusters. Higher scores on the materialism scale and greater interest in the theme of the event were positively associated with ambivalent cluster membership, while those who agreed that they had an opportunity to be involved in the planning and management were more likely to be in the negative cluster. The latter relationship seems counter-intuitive, however

inspection of the means for each group for perception of participation indicate that on average, both groups disagreed that they were able to participate, it is just that the ambivalent group disagreed more. This is likely to be related to the fact that they have lower levels of contact with the event.

Also reported in Table 6 are the odds ratios, EXP ( $b$ ), for each of the independent variables. The odds ratio, which is calculated by the exponentiation of the  $b$  coefficient, indicates the change in the log odds associated with a one unit change in the independent variable, when all other variables are held constant (Hazard Munro, 1997). Therefore the odds of being in the ambivalent cluster are 1.46 times higher for every unit increase in identification with the theme of the event. It therefore follows that, when all other variables are held constant, the odds of a resident who has some interest in the festivities associated with the event (level 2) being in the ambivalent cluster (as opposed to the negative cluster), are 1.46 times higher than someone who has no interest at all in the event (level 1). The odds ratio is similar in concept to a standardised beta coefficient in normal multiple regression, and gives an indication of the strength of the predictor. It can therefore be said that variations in perception of justice produce the greatest changes in probability of being in the ambivalent cluster, followed by identification with the theme, materialism, perception of participation and contact. The two remaining analyses are interpreted in the same way (see Appendix A for details).

As shown in Table 6, reasonable prediction success was achieved in each of the models, and adequate amounts of variance were explained, particularly in the final model differentiating the positive and negative clusters, which is to be expected. A number of mis-classifications were observed and these clearly detract from the predictive power of

**Table 6. Logistic Regression Results**

	Analysis	Final Model	Cases	Proportion of cases successfully classified	Percentage of Variance explained Nagelkerke's $R^2$	Variables	B	Odds Ratio Exp (B)
1	Negative vs Ambivalent	$\chi^2 = 131.664^*$	400	76.75%	37.4%	Perception of Justice Materialism Identification with Theme Contact Perception of Participation	.5131 .2365 .3768 -.5181 -.2945	1.3313 1.2668 1.1575 .5956 .5903
2	Positive vs Ambivalent	$\chi^2 = 172.496^*$	439	76.77%	43.4%	Age Contact Attachment Identification with Theme	.0376 -.3451 -.6288 -.9120	1.0383 .7081 .5332 .4017
3	Negative vs Positive	$\chi^2 = 244.851^*$	430	81.63%	58%	Identification with Theme Perception of Justice Attachment Age	1.2246 .6646 .2870 -.0291	3.4027 1.9437 1.3325 .9740

\*all values significant at 5% level

the models, but such anomalies are not uncommon in social phenomena. The unexplained variance may indicate a lack of consideration of related variables or it may be a function of the fundamentally fluid, and therefore unpredictable, nature of perceptions. As social representations theory suggests, it is possible for perceptions to be based on direct experience, or for them to be transmitted via social interaction or through the media. Where direct experience is low, there is a tendency to rely more heavily on the other two sources. Measuring the transmission of representations through the media would prove problematic, and it would be virtually impossible to trace the transfer of ideas through the labyrinth of intertwined networks that characterise social interaction.

It is therefore relatively easy to explain the misclassifications where the scores on the direct contact variables are low. Respondents may have 'picked up' a representation either socially or through the media. It is more difficult though to explain away inconsistencies where levels of direct contact are high.

Figure 1 shows a schematic summary of the findings of the logistic regression analyses. It shows that a person who has low identification with the theme would be predicted to be in a negative cluster, while someone who had high identification would be predicted to be positive, and moderate identification with the theme is associated with ambivalent cluster membership. A

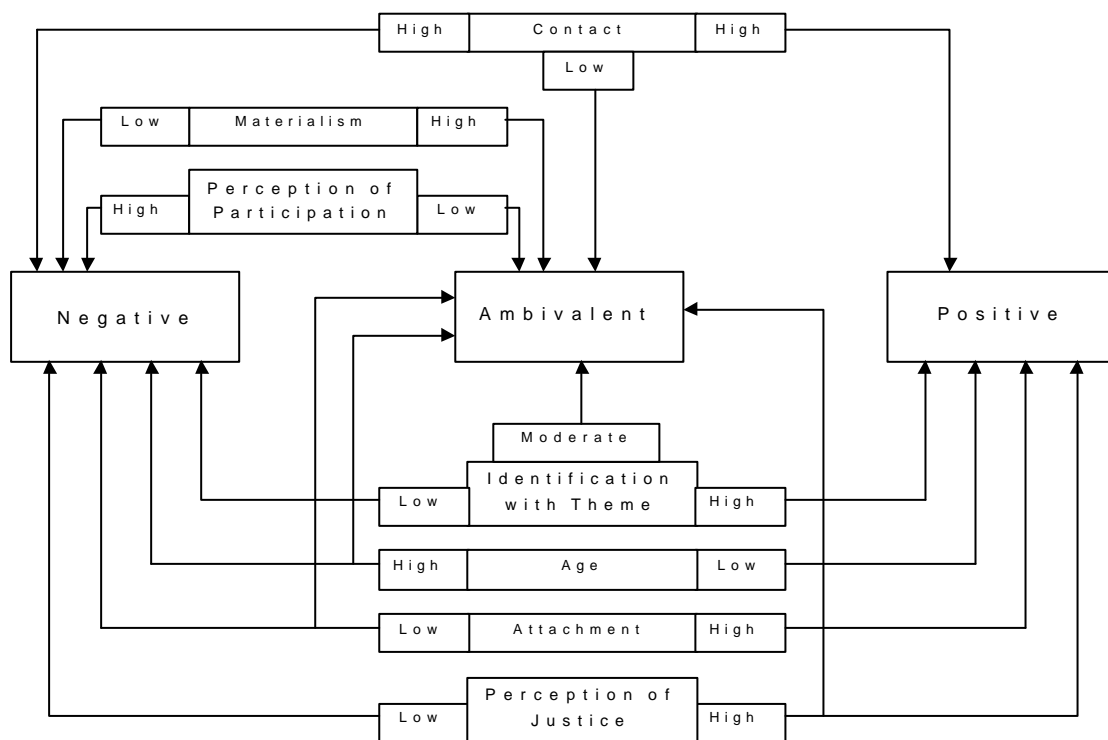
resident who was low on the materialism scale, that is identifies more with post-materialist values, is likely to be negative, while those with more materialistic values are more likely to be ambivalent. Someone who has a high level of attachment to the community would be predicted to be positive, while a low level is associated with both negative and ambivalent cluster membership.

The effect of the age variable was such that younger residents were more likely to be positive, while older residents tended to be negative or ambivalent. Those who perceived a lack of justice in the distribution of costs and benefits associated with the event were understandably more likely to be negative. Finally, as highlighted in the cluster profiles, the relationship between contact and cluster membership was non-linear, with low contact residents most likely to be ambivalent and high contact residents more likely to be either positive or negative.

**DISCUSSION AND IMPLICATIONS**

A fairly high overall level of support was found for both events, with about 65% of the population favouring continuation of the event in its current location. (This percentage has been weighted to compensate for disproportionate sampling). Additional support for this result is suggested by the classification of 68% of respondents into either one of the positive clusters or the ambivalent cluster. Approximately 17% of residents suggested that, although they did not approve of the event in

**Figure 1. Schematic summary of relationships suggested by logistic regression analyses**



its current location, they were prepared to consider the continuation of the event in an alternative location within the community, where the negative impact could be reduced. In effect, therefore, over 80% of the combined populations of the two cities support their respective events, albeit with some qualifications.

Given the salience of impacts such as noise, traffic, and disruption, and the obvious importance of proximity and contact in determining the level of these impacts, a permanent facility in a less densely populated area would be likely to improve perceptions substantially. However, this option has been debated in the media in both cities, and it seems fairly evident that planners and managers are unwilling to consider relocation to a permanent facility. The main arguments against such a move have centred on the excitement and 'romance' generated by a street circuit in a scenic location. In Melbourne it is argued that Albert Park is the historical home of Formula One, as a number of races were staged there in the fifties.

In any case, the success of a relocation strategy in increasing the level of support would depend on the extent to which a new location affected a different group of residents. Assuming that existing facilities are not suitable, a purpose-built facility would require a large investment, and the returns would be limited unless it could be utilised for other purposes at other times of the year. It is also apparent that, to some extent, some of the benefits of increased employment associated with assembling and dismantling infrastructure would be reduced at a permanent site.

If relocation is not an option, the scheduling of erection and dismantling of the event infrastructure needs to be considered so as to ameliorate the negative impact. Noise could perhaps be controlled through the use of sound barriers, although that would come at an additional cost, and as many residents suggested, much of the noise actually comes from aircraft rather than from the cars. Possibly, an alternative form of support entertainment could be considered. It is unrealistic, though, to expect that substantial reduction in traffic, disruption, and noise can be achieved. As some residents have acknowledged, these dimensions have improved over the years but there is surely a limit to what can be achieved. Maybe a potential solution would involve acknowledgement of the negative impact and provision of some form of compensation to those most adversely affected.

It would appear that perceptions of participation and justice seem to play an important role in determining cluster membership, and that some residents feel disenfranchised by the planning process. Some sort of resident consultative process may be useful to ensure that locals have a voice in the planning and management of the events, and therefore feel that their concerns are being heard and addressed. This could also be an appropriate forum for developing strategies for ameliorating

costs and compensating residents in the immediate vicinity.

As previously mentioned, identification with the theme of the event was established as the most important variable in distinguishing positive and negative cluster members. In the most negative group 92% reported no interest in the event or any of the associated festivities, while 99% of the most positive cluster, expressed some interest. Given this, there may be value in exploring options for broadening the appeal through ancillary entertainment associated with the event. However, any subsidiary events should be compatible with the general culture of the main theme, and not represent a complete contrast (Hall, 1989).

Substantial investment has been made in organising and managing these events in a certain way, and it may be costly, both financially and in terms of valuable experience, to change these events at this stage. However, planners and managers of future events can utilise information about the issues that appear to be associated with residents' perceptions, to develop events that meet the aims of sustainable tourism development and ensure maximum improvements in quality of life.

The most obvious implication for those considering the introduction of an event concerns the level of disruption that it will create for the host community. To this end, a permanent facility seems logical, given that an event held in such a location can have much the same benefits (perhaps excluding the generation of some employment associated with assembling and dismantling infrastructure) while greatly reducing the level of disruption. As one Melbourne resident suggested, other existing Melbourne events, such as the Melbourne Cup and Australian Football League Grand Final appear to have better cost-benefit ratios because they are staged in existing, purpose-built, facilities. However, it must be noted that these two facilities are used on a regular basis, and this would seem to be a prerequisite for maximising the return on investment.

Another extremely important consideration is the theme of the event. It would appear that residents who identify with the theme are more likely to disregard or tolerate the negative impacts, because of the offsetting benefit they derive through being entertained. Issues of authenticity are also relevant in this regard.

The identification of the most highly perceived benefits also provides valuable information for event organisers. These benefits may provide insights for promotional strategies aimed at both locals and visitors. The perception of these benefits in regard to existing events creates benchmarks for future events. It generates a set of criteria that need to be met if future events are to be regarded as successful.

## CONCLUSION

As mentioned at the outset of this paper, an understanding of the way in which events impact upon the quality of life of local residents is important for the success of any event. The results are presented within the framework of the theory of social representations, which suggests that the way in which people feel about phenomena, such as the hosting of an event within their community, is affected both by their direct experience and by personal and societal values. Further, these representations are transmitted throughout the community and shared by groups with similar experience and values.

The results of the cluster analysis presented here support this theory to the extent that fairly internally homogeneous sub-groups of the community have been identified, and that these sub-groups are quite different in their reactions to the events. Significant and substantive relationships were observed between cluster membership and a number of independent variables, implying that factors associated with direct experience (such as proximity, level of contact, use of recreation facilities, and involvement in tourism) as well as those associated with values (socio-political values, community attachment, age, education, identification with theme, and perceptions of participation and justice) are related to overall perceptions of the impacts of the event.

In addition, the relationships observed between cluster membership and other dependent variables, such as support for continuation of the event, behaviour on the weekend of the event, and Ap and Crompton's response strategies, to some extent supports the assertion that the groups identified are indeed fairly internally homogeneous, and yet quite discreet from one another. The logistic regression analyses shed further light on the relative importance of each variable, and how they work together to explain total variance in cluster membership.

Finally, the discussion and implications section attempted to draw conclusions for the benefit of event planners and managers that may help to increase local residents' support for events in the future.

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## APPENDIX A

Logistic Regression is a form of multiple regression analysis that is appropriate for a dichotomous non-metric dependent variable. It also has a multinomial form, however given the non-linear relationships observed between cluster membership and the distance/contact variables, the use of this form would have been problematic. It was therefore decided to look at the linear combination of variables that would best explain the differences between two groups at a time. Given the relative similarities between the profiles of the two negative groups and the two positive groups, these clusters were combined to reduce the number of analyses required and ensure adequate sample sizes for each comparison. Three analyses were therefore performed; the first aimed at predicting membership of the negative clusters versus the ambivalent cluster, the second looking at membership of the positive clusters versus the ambivalent cluster, and the third investigating membership of negative versus positive clusters.

Like other regression techniques, step-wise or hierarchical methods are also available, but these

require some knowledge of the relative importance of the predictors. The technique also allows interactions between independent variables to be entered into the model. However, it was decided that the added complexity introduced by interaction terms would be counter productive at this stage of the research, as there is no theoretical foundation to suggest which variables may interact. In an effort to reduce confusion in the interpretation of the results, variables were recoded as necessary to ensure that, in each case, a larger number indicated a higher level of the variable being measured. The variables are summarised in Table 1

### Analysis 1: Negative versus Ambivalent Cluster Membership

A test of the full model with all 11 predictors against a constant only model (with no predictors) was statistically reliable ( $\chi^2 = 127.036$ ,  $p < 0.05$ ), indicating that, as a set, the predictors reliably distinguished between the negative and ambivalent clusters, and that prediction was significantly better than that of a model not containing the independent variables. The contribution of individual variables is evaluated using the Wald statistic, which is the square of the  $b$  coefficient divided by its standard error.

The final model ( $\chi^2 = 131.664$ ,  $p < 0.05$ ) included 400 cases and five independent variables: contact, materialism, identification with theme, perception of participation, and perception of justice. An adjusted generalisation of the coefficient of determination ( $R^2$ ) proposed by Nagelkerke (Hair, Anderson, Tatham & Black, 1998) suggests that the model accounts for 37.4% of the variance.

The signs of the B coefficients indicate the direction of the relationship. As ambivalent membership was coded with a higher number, a positive relationship indicates that higher levels of the independent variable were associated with ambivalent cluster membership, while a negative relationship indicates that lower levels of the variable were associated with being a member of the ambivalent cluster. For example, respondents with greater perception of justice were more likely to be in the ambivalent group ( $b = .5131$ ). However respondents with higher levels of contact were less likely to be in the ambivalent group ( $b = -.5181$ ) and therefore more likely to be in one of the negative clusters. Higher scores on the materialism scale and greater interest in the theme of the event were positively associated with ambivalent cluster membership, while those who agreed that they had an opportunity to be involved in the planning and participation were more likely to be in the negative cluster. The latter relationship seems counter intuitive, however inspection of the means for each group for perception of participation indicate that on average, both groups disagreed that they were able to participate, it is just that the ambivalent group disagreed more. This is likely to be related to the fact that they have lower levels of contact with the event.

**Table 1. Variable types and levels**

	Variable	Variable Type	Description	Range
IV's	Distance	Metric Continuous	Measured in KMs	0 – 38km
	Contact (recoded)	Ordinal – 6 levels	Larger number denotes more contact	1 = never visit area 6 = live in area
	Involvement (recoded)	Ordinal – 4 levels	Larger number denotes more involvement	1 = no involvement 4 = work in tourism
	Use of Park (recoded)	Ordinal – 5 levels	Larger number denotes more use of park	1 = never 5 = every day
	Materialism	Ordinal – 7 levels	Larger number denotes more materialism	0 = pure post materialist 6 = pure materialist
	Attachment	Ordinal – 9 levels	Larger number denotes more attachment	1 = highly unattached 5 = highly attached
	Age	Metric Continuous	Measured in years	16 – 86 years
	Education	Ordinal – 7 levels	Larger number denotes more years in education	1 = no formal education 7 = post graduate degree
	Identification with Theme (recoded)	Ordinal – 5 levels	Larger number denotes more identification with theme	1 = no interest 5 = avid fan
	Perception of Participation	Ordinal – 5 levels	Larger number denotes higher perception of ability to participate	1 = strongly disagree 5 = strongly agree
	Perception of Justice	Ordinal – 5 levels	Larger number denotes higher perception of justice	1 = strongly disagree 5 = strongly agree
DV's	Negative vs Ambivalent Cluster Membership	Dichotomous	Larger number denotes more ambivalent	1 = negative 2 = ambivalent
	Positive vs Ambivalent Cluster Membership	Dichotomous	Larger number denotes more ambivalent	1 = positive 2 = ambivalent
	Negative vs Positive Cluster Membership	Dichotomous	Larger number denotes more positive	1 = negative 2 = positive

**Table 2. Analysis One: variables in the final model**

	B	S.E.	Wald	df	Sig	R	Exp(B)	95% CI for Exp(B)	
								Lower	Upper
Contact	-.5181	.0690	56.3940	1	.0000	-.3134	.5956	.5203	.6819
Materialism	.2365	.0851	7.7192	1	.0055	.1016	1.2668	1.0721	1.4967
Identification with Theme	.3768	.1176	10.2659	1	.0014	.1222	1.4576	1.1575	1.8353
Perception of Participation	-.2945	.1186	6.1635	1	.0130	-.0867	.7445	.5903	.9399
Perception of Justice	.5131	.1158	19.6385	1	.0000	.1785	1.6704	1.3313	2.0960
Constant	.0031	.4671	.0000	1	.9947				

Also reported in Table 2 are the odds ratios, EXP ( $b$ ), for each of the independent variables. The odds ratio, which is calculated by the exponentiation of the  $b$  coefficient, indicates the change in the log odds associated with a one unit change in the independent variable, when all other variables are held constant (Hazard Munro, 1997). Therefore the odds of being in the ambivalent cluster are 1.46 times higher for every unit increase in identification with the theme of the event. It therefore follows that, when all other variables are held constant, the odds of a resident who has some interest in the festivities associated with the event (level 2) being in the ambivalent cluster (as opposed to the negative cluster), are 1.46 times higher than someone who has no interest at all in the event (level 1). The odds ratio is similar in concept to a standardised beta coefficient in normal multiple regression, and gives an indication of the strength of the predictor. It can therefore be said that variations in perception of justice produce the greatest changes in probability of being in the ambivalent cluster, followed by identification with the theme, materialism, perception of participation and contact.

### **Analysis 2: Positive versus Ambivalent Cluster Membership**

The full model was found to be significantly more reliable than the constant only model ( $\chi^2 = 164.601$ ,  $p < 0.05$ ). Based on insignificant Wald statistics, seven variables were removed from the model. While perception of participation appeared to have some relationship with membership, as evidenced by a small partial correlation coefficient, the difference between the chi-square of models including and excluding this variable was not significant ( $\chi^2 = 1.728$ ,  $p > 0.05$ ). This indicates that this variable does not significantly improve prediction.

The final model ( $\chi^2 = 172.496$ ,  $p < 0.05$ ), was based on 439 cases, and included four independent variables, contact, attachment, age and identification with the theme of the event. Nagelkerke's  $R^2$  indicates that 43.4% of the variance has been accounted for.

As membership of the ambivalent cluster was coded higher than positive membership, the negative coefficient indicates that higher levels of contact were associated with positive cluster membership. Similarly, higher levels of attachment and identification with the theme were related to higher

probabilities of being in the positive group. Age, however, has a positive relationship, revealing that older respondents were more likely to be ambivalent than positive. The odds ratios indicate that age has the most influence on differentiating positive and ambivalent cluster members, followed by contact, attachment and identification with the theme.

### **Analysis 3: Negative versus Positive Cluster Membership**

A significant chi-square was found for the test of difference between the full and constant only models ( $\chi^2 = 248.78$ ,  $p < 0.05$ ). While only four variables had significant Wald statistics, there are another three variables; contact, materialism, and participation, which appear to have some relationship with cluster membership, as indicated by their partial correlation coefficients. A model that included these variables was therefore compared with a model that contained only the significant predictors. The difference in the chi-square statistics of the two models was not significant ( $\chi^2 = 2.379$ ,  $p > 0.05$ ), indicating that these variables do not significantly improve the predictive power of the model.

There were 430 cases included in the final model ( $\chi^2 = 244.851$ ,  $p < 0.05$ ), which included four independent variables; attachment, age, identification with the theme, and perception of justice. Nagelkerke's  $R^2$  indicates that 58% of the variance in cluster membership is accounted for by the relationship with these predictors.

Membership of the positive cluster was coded higher than membership of the negative cluster therefore the positive coefficient for attachment indicates that higher attachment is associated with a higher probability of being in the positive clusters. Likewise, higher levels of identification with the theme and greater perceptions of justice were also associated with being classified as positive. The negative coefficient associated with age reveals that increases in age increase the probability of being in the negative group.

Perusal of the odds ratios shows that the greatest change in probability of cluster membership is associated with changes in identification with the theme of the event. The next most important predictor is perception of justice, followed by attachment and age.

**Table 3. Analysis Two: variables in the final model**

	B	S.E.	Wald	df	Sig	R	Exp(B)	95% CI for Exp(B)	
								Lower	Upper
Contact	-.3451	.699	24.3575	1	.0000	-.1919	.7081	.6174	.8122
Attachment	-.6288	.1276	24.2716	1	.0000	-.1916	.5332	.4152	.6848
Age	.0376	.0076	24.2912	1	.0000	.1916	1.0383	1.0229	1.0539
Identification with Theme	-.9120	.1160	61.7849	1	.0000	-.3139	.4017	.3200	.5043
Constant	4.4080	.7231	37.1560	1	.0000				

**Table 4. Analysis Three: variables in the final model**

	B	S.E.	Wald	df	Sig	R	Exp(B)	95% CI for Exp(B)	
								Lower	Upper
Attachment	.2870	.1388	4.2743	1	.0387	.0619	1.3325	1.0150	1.7491
Age	-.0291	.0091	10.1642	1	.0014	-.1173	.9713	.9540	.9888
Identification with Theme	1.2246	.1348	82.4978	1	.0000	.3683	3.4027	2.6125	4.4318
Perception of Justice	.6646	.1247	28.3978	1	.0000	.2109	1.9437	1.5222	2.4819
Constant	-4.5703	.7971	32.8787	1	.0000				



## ISSUES IN EVALUATION: EVENTSCORP'S PERSPECTIVE

### Mike Rees

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### ABSTRACT

Event Tourism is a growing niche market in the wider world of tourism. In Australia, state tourism bodies have invested heavily to attract and host major events for the benefit of tourism. Major events now play an important role in the marketing of all states.

Western Australia has developed a calendar of major events which provide significant visitor expenditure and international media exposure as well as boost the state's image as a vibrant tourism destination. The calendar is marketed as the *Best on Earth in Perth* series and is promoted by the Western Australian Government's major events agency EventsCorp, a division of the Western Australian Tourism Commission.

### ISSUES IN RESEARCH EVALUATION

EventsCorp was established in 1986 as a result of the America's Cup. Since then we have been conducting research on many of our events. Although the sophistication of the methodology has steadily increased over this time, we have observed varying treatments of event analysis through out Australia.

Realising the need for a definitive model, Edith Cowan University (ECU) and EventsCorp applied for, and received, a federal grant to undertake innovative research that aimed to create a methodology to evaluate the impact of events. The research project being conducted in conjunction with Edith Cowan University has two stages of development.

The first stage involves the analysis of the criteria used by event corporations to justify their investment in events. Whilst that project still continues, there is little doubt that one of the main criteria is the injection of economic impact into the relevant economy. EventsCorp is committed to developing a process to research the economic

impact of major events which will stand the test of time. It has become obvious that there is great disparity between nations, states and indeed research companies with regard to the measurement of economic impact. As governments of all persuasions are becoming increasingly concerned with accountability, it is imperative for the creditability of the industry that accurate methodologies are used to measure the return on the investment related to event tourism.

It is intended that a standardised approach to the measurement of economic impact will be developed in the second stage of the project. We believe that having involved the national and international academic, research and event management community in the development of this model, it has the potential to be applied internationally.

In addition, the existence of established evaluation criteria would clarify and enhance the value of events' positive impact on economies, tourism destination marketing and other benefits they bring to the business sector and the wider community.

One such criterion currently receiving increased emphasis is the media impact of events on the tourism industry. The analysis and evaluation of media impact is a controversial area, which also needs a standardised process. This is particularly important where event managements incorporate the economic impact of an event with the media value measured to deliver a total value for the event.

### SUMMARY

EventsCorp believes that the future of the event tourism industry will be dependent on the industry's ability to produce credible information related to the performance of events. There is considerable scope to improve the quality of the information currently being produced, to ensure there is the ability to evaluate events in a uniform manner.

## PRE-EVENT AND POST-EVENT EVALUATION CRITERIA RESEARCH

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### ABSTRACT

The need to adopt a strategic approach to attracting, hosting and evaluating international events is widely recognised. In Western Australia, the Auditor-General has recommended that any tourism event program that receives public funding be fully accountable in terms of costs and benefits to the state. Private sector corporations are also accountable to shareholders for the allocation of funds to events through sponsorship and support.

This paper describes the results of an investigation of the current use and importance of evaluation criteria by tourism destination authorities (TDAs). The study involved a Delphi survey of Australian and international experts in event evaluation from the public and private sector. Both pre-event and post-event evaluation criteria were investigated using a Likert scale and conjoint analysis. The importance of alternative methodological issues including return on investment (RoI), use of multipliers and the issue of time switching and event-related travel was also investigated.

The results demonstrate consensus on the frequency of use and importance of a range of criteria and provide a platform for development of an internationally recognised approach to pre- and post-event impact evaluation. The research was funded by the Australian Research Council under the Strategic Partnerships in Industry Research and Training (SPIRT) and EventsCorp Western Australia.

### INTRODUCTION

Ongoing public sector reform and rationalisation have placed public tourism authorities, such as the Western Australian Tourism Commission, under increasing pressure to operate cost-effectively. In line with this trend is the onus on government agencies to be more accountable for the policies and programs implemented in any financial year (Office of the Auditor-General Western Australia 1996). One sector of tourism that is under increasing public scrutiny is the tourism events sector which is responsible for managing and

funding major events that attract interstate and international visitors and have substantial economic value to the host destination. In the last few years it has become evident that there are no standard criteria for evaluating the economic significance of staging major tourism events. Thus we have the dual problem of the increasing need for accountability from the public sector perspective and an absence of rigorous and comprehensive criteria for evaluating publicly funded tourism events.

A report by the Office of the Auditor-General Western Australia (1996) found that with respect to the events tourism sector greater accountability is needed. A similar direction was made by the Audit Office of New South Wales with respect to the financial estimates incurred in staging the Sydney 2000 Olympics (Audit Office of New South Wales 1994). Evaluation of the economic significance of event tourism is, thus, a national problem that needs to be addressed. With the scale and scope of event tourism continuing to grow nationally and internationally, there is potential for the development of an agreed framework for evaluation of tourism effects that could be applied to all major events. This would facilitate national and international comparisons, and lead to greater justification of events tourism within the global tourism industry.

With limited budget allocation for undertaking comprehensive evaluations of events, and the complexity in the process of quantifying event project costs and revenues, the events sector is finding it difficult to meet the current requirements for accountability. This project is designed to enable this important sector of tourism to develop a research framework for comprehensive tourism event evaluation.

### BACKGROUND

Events tourism has become a key component of Australia's tourism activities over the last decade. Tourism destinations in Australia are increasingly incorporating a range of community-based events and cultural festivals into their tourism promotion programs. At a

state level, the attraction of national and international events to major urban areas is an important responsibility of state tourism commissions and related government agencies. The private sector is also increasingly involved in events through sponsorship and partnership arrangements for promotional purposes. In all cases, there is a need for evaluation, particularly in the tourism sector.

The success of events such as the America's Cup in Fremantle, Western Australia, encouraged the establishment of WA Events Foundation in 1985, which evolved into EventsCorp Western Australia. EventsCorp's mission is to "develop and support hallmark events that are capable of generating substantial economic activity and increasing the profile of Western Australia within Australia and overseas" (EventsCorp 1992). EventsCorp is the longest-standing and most experienced public sector event corporation in Australia.

EventsCorp's activities include bidding for and securing local, national and international events and development of new events; promotion of Western Australia through those events; establishing partnerships between events and sponsoring organisations; assisting with management of annual events (which include Rally Australia [motor sport], the Hopman Cup [tennis] and The Heineken Classic [golf]); promoting and packaging events for tour operators and wholesalers; and assisting in event management.

The importance of event tourism is evident in other states of Australia. Victoria has attracted a number of events formerly hosted in other states (The Formula One Grand Prix, the Motorcycle Grand Prix and the Heineken Classic 2002) as part of an overall development strategy for tourism in the state. In New South Wales, the tourism commission (Tourism New South Wales) has established a new Special Events Unit that is already attracting some new events. Brisbane has established a good track record by hosting the Brisbane Expo in 1988 while Adelaide continues to host a series of cultural festivals that are internationally recognised. The Queensland government has invested substantial funds into hosting events such as the Indy Car Grand Prix, which receives approximately five million dollars per annum of public funding.

The need to adopt a strategic approach to attracting, hosting and evaluating international events has been recognised for, as Faulkner (1993, p. 1) noted, "just as national and state tourism agencies have been placed under increasing pressure to justify the community's investment by substantiating the effectiveness of their promotional and marketing programs through the conduct of more rigorous evaluations....it is now equally important that the effectiveness of hallmark

events and extensions of programs be demonstrated." In Western Australia the Auditor-General has recommended that any tourism event program that receives public funding be fully accountable from the public sector perspective. Private sector corporations are also accountable to shareholders for the allocation of funds through direct involvement and sponsorship of events.

In Australia, state and federal tourism bodies, have spent heavily on attracting and hosting events. One of the benefits for tourism is the potential for events to create the images that attract visitors to their destinations before, during and after the event. For example, the Sydney Olympic Bid Ltd. invested at least \$A25 million in the successful bid to host the Sydney 2000 Games (McGeoch 1995). Sydney was awarded the right to host the Games with much fanfare on September 23rd 1993. The forecast extra visitors that will flow to Australia because of the tourism generated by the 2000 Olympic Games is between 1.2 and 2.1 million between 1994 and 2004 (Commonwealth of Australia 1995).

In Western Australia, EventsCorp, as a division of the Western Australian Tourism Commission (WATC), has been involved in a destination branding campaign, "Best on Earth in Perth", in which twelve international sporting (including four Olympic sports) and cultural events have been marketed under one brand, which provides the major theme of the current WATC destination marketing campaign, "Brand WA". The aim of this campaign is to generate tourism to Western Australia from the key national and international tourist generating markets and create a tourism image of Western Australia as a destination offering a continuous program of international tourism events.

The evaluation of these events will clarify and enhance the economic impacts of events, tourism destination marketing, sponsorship and partnerships and other benefits that flow to the business sector and the wider community. This, in turn, will allow EventsCorp to refine its strategic management of events tourism and produce on-going benefits for the state of Western Australia.

## METHOD

The aim of the research was to investigate best practice in event impact evaluation leading to the development of industry standards for the completion of such research. Best practices were identified through a survey of event experts to identify key issues in event evaluation, preceded by a comprehensive review of existing research. This review covered the different theoretical perspectives on event tourism evaluation and the methodological issues that arise. The findings of the survey and review will inform the development of best practice to be implemented in all future evaluations of the events tourism industry in WA.

The specific objectives of the research were:

- To identify key issues for evaluation of tourism events in Australia and internationally.
- To develop a set of industry standards and guidelines that will be used for tourism event evaluation nationally and internationally.
- To investigate comparability and consistency of event evaluation in Australia and internationally.
- To identify the benefits as well as any barriers to implementation of standards for event evaluation.
- To communicate the outcomes of the research to the industry, consultants and other researchers.

The research project used the Delphi technique involving a target group of approximately 55 events management industry experts to identify the benefits, limitations and barriers to implementation of industry standards for event evaluation. As the Delphi technique is future-oriented, the likely relative importance of the each dimension of event evaluation (economic, tourism and commercial, physical, socio-cultural, psychological and political (Ritchie 1984)) was identified for use as a "weighting" factor in the evaluation framework. The Delphi technique was used to systematically combine expert knowledge and opinion to arrive at an informed group consensus about the evaluation of events. These opinions were identified through the following rounds of the project.

**Preliminary research** involved the collection of individual expert opinion on the key issues regarding the development of event evaluation models. Likely benefits and limitations of developing evaluation were identified during this early stage of the project. The preliminary stage involved interviews with senior staff in six Australian agencies that bid for and support events, and documents were obtained for analysis, including impact studies commissioned by the agencies and criteria employed in making bids. A comprehensive literature review was undertaken on the value and impacts of tourism in general and events in particular. The use of interviews in the first round allowed for probing of respondents on the benefits, limitations and issues of event evaluation. It also enabled the interviewer to assess the degree of commitment each individual had to the opinions expressed.

**Round one** required an international and Australian panel of about 55 experts to participate in a Delphi study. This Delphi panel consisted of those who had been previously interviewed plus some of their staff, selected academics and consultants, and editorial board members of the journal *Event Management*. This sample is by no means representative of all the stakeholders in event evaluation, but the goal was to consult only those with a high degree of expert knowledge of the issues.

The evaluation criteria listed for the panellists were drawn from the interviews and literature review. They were judged by the researchers to represent a very wide range of possible criteria and to include all the commonly used ones. Provision was made on the survey form for others to be written in, but few were added. Questions asked of the Delphi panellists sought their rating on the frequency of use of criteria by Tourism Destination Authorities (TDAs) on a five-point Likert scale, where 1=Always, 4=Never, and 5=Don't know. An un-balanced scale was used as it was known from the preliminary research that all criteria were used to some extent by TDAs. Hence there were three positive response alternatives (1= Always, 2=Often and 3=Sometimes) and only 1 negative response category (4=Never). Respondents views on the importance of each criterion for TDAs was indicated using a balanced 7-point Likert scale, where 1=Not at all important to 7=Extremely important.

The survey sought the opinions of the expert panel on the following:

- criteria currently used by TDAs in pre-event evaluations
- criteria that should be used by TDAs in pre-event evaluations
- criteria currently used by TDAs in post-event evaluations
- criteria that should be used by TDAs in post-event evaluations
- relative importance of various evaluation methodologies.

The results of the round one survey were reported back to the expert panellists in round two. The findings of round one and some preliminary discussion were presented at the Conventions Expo in Las Vegas in February 2000 (Getz et al. 2000).

**Round two** involved a mail survey of approximately 30 of the experts in event evaluation as there was some attrition after round one. Round-one results for each variable were returned to the panellists to assess their level of agreement with the overall expert panel response. Panellists were asked to indicate whether their response differed from the median response for each variable. Centrality in the response was measured by the median and dispersion was measured by the inter-quartile range. The level of consensus for each criterion was indicated by the level of dispersion as measured by the value of the 1<sup>st</sup> and 3<sup>d</sup> quartiles. The median scores for each criterion were then treated as representative of the expert panel's opinion of the frequency of use and importance of event criteria and methodology.

**Round three** will gather somewhat different data. Conjoint analysis, which enables tradeoffs between attributes to be estimated (Green and Srinivasan 1990), will be used to better understand the relative importance that respondents attach to the various

aspects of events (eg economic and environmental effects). The design of the conjoint task (the attributes and the "levels" of these attributes) will be developed from the second round so that it will supplement the traditional Delphi data collected in such studies. Round three results will be presented in a separate paper. This paper presents the detailed responses from round two of the research.

## RESULTS OF ROUND TWO DELPHI SURVEY

Consensus was reached on all pre- and post-event evaluation criteria in the second round of the Delphi survey. The level of consensus for each criterion was indicated by the value of the 1<sup>st</sup> and 3<sup>rd</sup> quartile reaching equivalence. The corresponding median scores for each criterion gave an indication of the divergence between what criteria are currently used and what criteria should be used. The criteria which had a differential between frequency of "current use" and frequency that they "should be used" for pre-event evaluation are shown in Table 1.

The size of the differential was used as a basis for identification of *convergence* and *divergence* between criteria currently used and criteria that should be used in pre- and post-event evaluation. Convergence is defined by a differential  $<1$  and divergence is defined by a differential  $\geq 1$ . The use of 1 as a point of convergence/divergence is arbitrary at this stage and it may be appropriate for it to be based on a test of statistical significance.

In pre-event evaluation, there was convergence between what is currently used and what should be used for the following criteria:

- Capacity of existing venues
- Suitability of existing venues
- Time of year of the event/ seasonality
- Level of financial assistance needed
- Growth potential of events
- Expected level of local support
- Enhanced prestige for the location
- Potential economic impact
- Potential employment creation
- Potential for sponsorship
- Potential media impact.

However, there was divergence between what is currently used and what should be used for the following criteria:

- Potential risk exposure for the TDA
- Probability of success
- Compatibility with existing venues
- Event manager's capability
- Potential community benefits
- Benefits to host discipline eg. sporting and cultural benefits)

- Potential environmental impacts
- Forecast number of tourists
- Fit with destination image/brand
- Catalyst for infrastructure development
- Potential links with other events
- Regular staging in the location.

The criterion with the highest level of divergence was "Potential risk exposure for the TDA" with a differential between the median scores of 2. This indicates that, according to the expert panel, evaluation of their risk exposure when deciding on whether to bid for or support an event should be conducted more frequently. The literature on event bid failure and financial risk is not extensive and this is an area that requires more investigation and documentation. This would not be a difficult field of investigation, as for mega-events such as the Olympic Games and the World Cup of Soccer, for every successful bidder, there are five or six unsuccessful bids. The financial, social and commercial repercussions of unsuccessful bids should be readily documentable. Other financial and tourism-related criteria displaying divergence are: probability of success; compatibility of existing venues; event manager's capability; forecast number of tourists; fit with destination image/brand; catalyst for infrastructure development; and potential links with other events. Social criteria displaying divergence are potential community benefits and environmental impacts, and the expert panel agreed that these criteria should be used more frequently in pre-event evaluation. These criteria could form the basis of a pre-event evaluation model for use by TDAs when deciding on whether or not to bid for events.

Those pre-event criteria having both a high level of divergence and of importance (median  $\geq 6$ ) were identified as follows:

- Potential Risk exposure for the TDA
- Probability of success
- Compatibility with existing venues
- Event Manager's capability
- Potential community benefits
- Potential environmental impacts
- Forecast number of tourists
- Fit with destination image/brand.

These criteria should definitely be considered in any pre-event evaluation model.

**Table 1. - Round Two Delphi Results - pre-event event evaluation criteria**

<b>Criteria</b>	<b>Frequency of current use by TDAs *</b>	<b>Importance to TDAs **</b>	<b>Differential</b>
	Median Score	Median Score	
Potential Risk exposure for the TDA	3	1	2
Probability of success	2	1	1
Compatibility with existing venues	2.5	2	2
Capacity of existing venues	2	2	0
Suitability of existing venues	2	2	0
Time of year of the event/ seasonality	2	2	0
Level of financial assistance needed	1	1	0
Growth potential of events	2.5	2	0.5
Expected level of local support	2	2	0
Event Managers capability	2	1	1
Potential regional benefits	2.5	2	0.5
Enhanced prestige for the location	2	2	0
Potential community benefits	3	2	1
Benefits to host discipline eg. sporting and cultural benefits)	3	2	1
Potential environmental impacts	3	1.5	1.5
Forecast number of tourists	2	1	1
Potential economic impact	1	1	0
Potential employment creation	2	2	0
Fit with destination image/brand	3	2	1
Potential for sponsorship	2	2	0
Potential media impact	2	2	0
Catalyst for infrastructure development	3	2	1
Potential links with other events	3	2	1
Regular staging in the location	3	2	1
Note: Convergence is defined by a differential <1; Divergence is defined by a differential >=1			
* Scale: 1 = Always, 2 = Often, 3 = Sometimes, 4 = Never			
** Scale: 7 = Extremely important to 1 = Not at all important			

Some of the above criteria were considered less important in terms of what should be used in pre-event evaluation (median <= 5.5), such as:

- Capacity of existing venues
- Time of year of the event/ seasonality
- Enhanced prestige for the location
- Benefits to host discipline (eg. sporting and cultural benefits)
- Catalyst for infrastructure development
- Potential links with other events
- Regular staging in the location.

These criteria could possibly be excluded from any standardised pre-event evaluation model.

Those pre-event criteria having both a high level of divergence and of importance (median  $\geq 6$ ) were identified as follows:

- Potential Risk exposure for the TDA
- Probability of success
- Compatibility with existing venues
- Event Manager's capability
- Potential community benefits
- Potential environmental impacts
- Forecast number of tourists
- Fit with destination image/brand.

These criteria should definitely be considered in any pre-event evaluation model.

Turning to post event evaluation, the convergence (differential  $< 1$ ) and divergence (differential  $\geq 1$ ) between what is currently used and what should be used is indicated in table 2. In post-event evaluation, there was convergence between what is currently used and what should be used for the following criteria:

- Economic impact at the national level
- Number of interstate visitors
- Additional Bed nights (occupancy rates)
- Prestige
- Image Enhancement
- Total attendance
- Enhanced potential to host future events.

Some of these criteria, however, displayed a relatively lower level (median score of 5.5 or less) of importance in terms of what should be used in post event evaluation. These criteria were:

- Economic impact at the national level
- Prestige.

Based on their level of importance, these criteria could be excluded from any model of post-event evaluation.

There were many instances of divergence between what is currently used and what should be used in post-event evaluation the following criteria:

- Economic impact at the state level
- Economic impact at the city/community level
- Number of international visitors
- Direct visitor expenditure
- Value media coverage
- Positive community attitudes
- Financial results (profit/loss)
- Problem-free operations
- Sponsor satisfaction
- Employment creation
- Cost benefit analysis
- Environmental impacts
- Community (socio/cultural) impacts
- Yield per visitor

- Infrastructure improvement
- Urban redevelopment/renewal
- Higher voluntarism and event expertise
- Future use of purpose built facilities (legacy).

TDA's should use all of these post-event evaluation criteria more frequently when conducting post-event evaluation. Interestingly two criteria - problem-free operations and sponsor satisfaction - displayed the highest level of divergence. Any model of post-event evaluation should include these criteria, along with all those displaying a relatively higher level of importance. Those post-event evaluation criteria having both a high level of divergence and importance (median  $\geq 6$ ) were identified as follows:

- Economic impact at the state level
- Economic impact at the city/community level
- Number of international visitors
- Direct visitor expenditure
- Value media coverage
- Positive community attitudes
- Financial results (profit/loss)
- Problem-free operations
- Sponsor satisfaction
- Cost benefit analysis
- Environmental impacts
- Community (socio/cultural) impacts
- Yield per visitor
- Future use of purpose built facilities (legacy).

These criteria should definitely be considered in any post-event evaluation model.

The final part of the Delphi survey measured the importance of alternative methods used in evaluation of in-scope benefits, that is, legitimate benefits that can be attributed to an event. The panellists considered all methods were important (on a scale of 1 = not important at all to 7 = extremely important) with all methods rated at 5,6 or 7 (see Table 3). However, as an indication of the most important methodological considerations, the evaluation of expenditure by event organisers and event related travel by visitors rated highest. Calculation of income (value-added) and employment multiplier effects and return on investment were rated as next most important. Finally, calculation of output multiplier effects, econometric modelling, time switching related to events and event related expenditure were rated least important methodological considerations. A number of panellists also suggested that other methodological considerations including:

- Measurement of local, national and international sponsorship
- Calculation of yield from different market segments
- Level of visitor satisfaction.

**Table 2. - Round Two Delphi Results - post-event event evaluation criteria**

<b>Criteria</b>	<b>Frequency of current use by TDAs *</b>	<b>Importance to TDAs **</b>	<b>Differential</b>
	Median	Median	
Economic impact at the national level	3	3	0
Economic impact at the state level	3	1.5	1.5
Economic impact at the city/community level	2	1	1
Number of international visitors	2	1	1
Number of interstate visitors	2	1.5	0.5
Additional bed nights (occupancy rates)	2	2	0
Direct visitor expenditure	2	1	1
Value media coverage	3	2	1
Positive community attitudes	3	2	1
Financial results (profit/loss)	2	1	1
Problem-free operations	3	1	2
Sponsor satisfaction	3	1	2
Employment creation	3	2	1
Cost benefit analysis	3	2	1
Environmental impacts	3	2	1
Community (socio/cultural) impacts	3	2	1
Yield per visitor	3	2	1
Infrastructure improvement	3	2	1
Urban redevelopment/renewal	3	2	1
Prestige	2.5	2.5	0
Image Enhancement	2	2	0
Total attendance	1	1	0
Enhanced potential to host future events	2	2	0
Higher voluntarism and event expertise	3	2	1
Future use of purpose built facilities (legacy)	3	2	1
<p>Note: Convergence is defined by a differential &lt;1; Divergence is defined by a differential &gt;=1  * Scale: 1 = Always, 2 = Often, 3 = Sometimes, 4 = Never  ** Scale: 7 = Extremely important to 1 = Not at all important</p>			



**Table 3 - Importance of Evaluation Methodology.**

Evaluation Methodology	Importance (median scores)
Expenditure of event organizers	7
Event related travel by visitors	7
Income (value-added) multipliers	6
Employment multipliers	6
Return on investment	6
Output multipliers	5
Econometric modelling	5
Time switching (related to event)	5
Event related expenditure by local residents	5

The final part of the Delphi survey measured the importance of alternative methods used in evaluation of in-scope\* benefits, that is, legitimate benefits that can be attributed to an event. The panellists considered all methods were important (on a scale of 1 = not important at all to 7 = extremely important) with all methods rated at 5, 6 or 7 (table 3). However, as an indication of the most important methodological considerations, the evaluation of expenditure by event organisers and event related travel by visitors rated highest. Calculation of income (value-added) and employment multiplier effects and return on investment were rated as next most important. Finally, calculation of output multiplier effects, econometric modelling, time switching related to events and event related expenditure were rated least important methodological considerations. A number of panellists also suggested that other methodological considerations including

- Measurement of local, national and international sponsorship
- Calculation of yield from different market segments
- Level of visitor satisfaction

## CONCLUSION

A standardised model for evaluating tourism events has never been proposed in Australia, despite the need for such a model. This project has identified the criteria that, according to expert panellists, should be used in pre-event and post-event evaluation. Comparison with the criteria currently used by TDAs highlighted the divergence between current use and criteria that should be used. For pre-event evaluation, that divergence was highest for evaluation of risk

exposure for the TDAs, indicating that any standardised pre-event evaluation model should include assessment of risk. Other financial, tourism related, social and environmental criteria displaying divergence were identified. However, some of these were considered less important in terms of what should be used in event evaluation and could possibly be excluded from any standardised pre-event evaluation model. Similarly, divergence between criteria currently used by TDAs and those that should be used for post-event evaluation were identified. Those criteria displaying the highest level of divergence were problem-free operations and sponsorship satisfaction. These criteria should be included in any standardised model for post-event evaluation. Other criteria displaying a high level of importance in terms of what should be used were identified. Finally, the most important evaluation methodological issue was expenditure by event organisers and event-related travel by visitors.

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# **EVENT MANAGEMENT AND OPERATIONS**

## TOWARDS THE INTEGRATION OF EVENT MANAGEMENT BEST PRACTICE BY THE PROJECT MANAGEMENT PROCESS

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### ABSTRACT

This paper explores the underlying processes in event management and their convergence toward the project management system. In particular, the dynamic system of event management is outlined with examples in current events and festivals. The latest trends in project management and the influence of information technology have recently given rise to a system suitable to event management. The external environment in which the event occurs, including stakeholder objectives, has brought about the obligation of an accountable system. This paper is the first step towards an event project management system that integrates all elements of the planning and control of events, but must also respond to change and take opportunities where necessary. Events as large as the Sydney Olympics and as small as the Illawarra Folk Festival use the processes, language and to a degree, the software of Project Management.

The topics covered include:

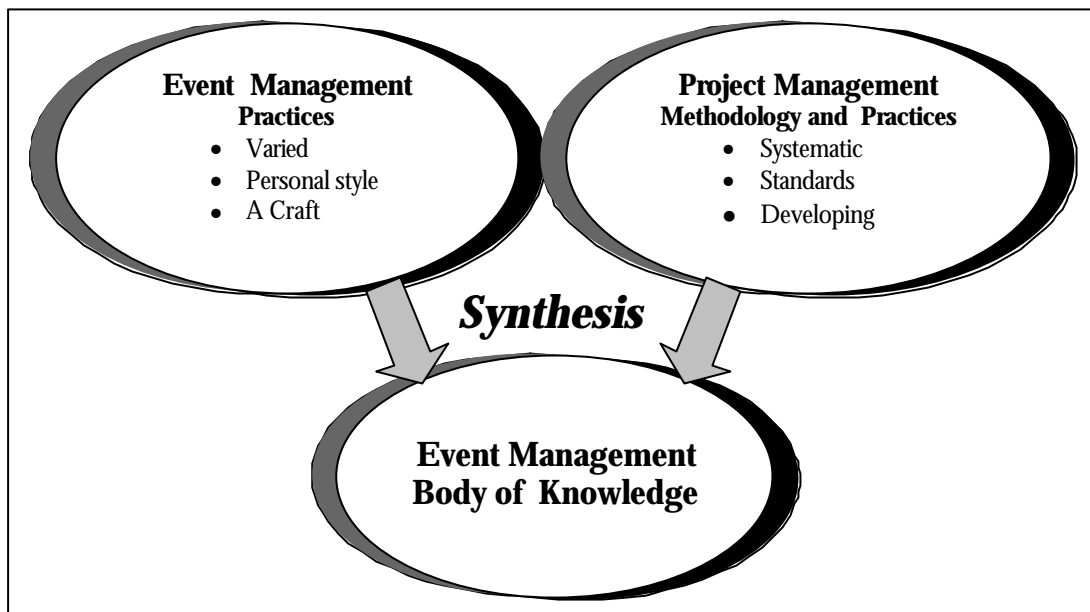
1. The current trends in Project Management suitable to event management. This includes the influence of the information technology (IT) industry on project management theory and the use of the Web as an event control tool.
2. The convergence of diverse event management procedures. The examples range from small award ceremonies to large hallmark celebrations.
3. The differences between the current project management body of knowledge and the practice of event management. In particular the dynamic nature of special event management, the priority of deadlines and the lack of an event management body of knowledge.
4. The concept of a workable dynamic Event Project Management System as a synthesis of event best practice and the project management process.

### INTRODUCTION

When I started in the events industry - although it was not recognised as such - an event organiser was called a promoter or an agent. The skill of successfully creating and managing a concert, product launch or seminar was gained on the job or from fellow workers. It was more a folk craft than a profession. This was reflected in the style of the events at that time. They were very personalised events. Issues such as risk management, occupational health and safety and environmental impact assessment were virtually unknown. Just as in other industries, the rising need for professionalism meant that the rule of thumb method was no longer good enough. An example is the Woodford Festival in Southern Queensland. Their detailed Operational and Site Management Plan (1997) was compiled as much in response to the requirements of their bank loans as to the need for a plan for their increasingly large festival. For the last ten years I have used project management tools to both help organise events and explain the events to the various stakeholders.

The purpose of this paper is to track the movement of event management towards the project management model. The need for thorough accountability to stakeholders, risks, complexity, rules and regulations affecting events, cross border status, increasing size, number and economic importance of events are factors that create the need for a systematic and accountable approach to the actual management of events. This paper is not concerned with the sponsorship, economic impact management texts listed in the bibliography only one uses events as an example of a project. Websites such as [www.pmforum.org](http://www.pmforum.org) list *Construction, Defence, Equipment, Information Technology, Pharmaceuticals, Software, Government and Other* as the areas that use project management.

The reasons for this are perhaps the perceived economic impact of events and probably include the work history of the authors as distinct from the work history of the event managers. Although there

**Figure 1. Synthesis of Project Management and Event Management**

is no formal study on the backgrounds of event managers, a quick survey will find that many have come from theatre, film or other parts of the culture/arts industry. As one would expect, this is hardly conducive to a sharing of knowledge with project managers in construction and defence industries.

The history of project management is the history of the development of a method, the absorption of useful techniques from other disciplines, refinement of these techniques and shifts in focus. The method, combined with systems analysis and operations research, forms an integrated system and a science (Kerzner 1998, Badiru 1995). The formalised beginnings in the 1950s for the US Airforce Joint Project Offices and Weapons System Project Offices emphasised an integrated base forming into a systems method (Morris 1999). Interestingly Morris shows how the techniques of project management were developed not in the construction industry, but in the space and arms race. NASA was a primary developer of project management. In a sense one can see that event management, such as putting a man on the moon, was at the core of the development of project management. The development of information technology has important results in both the application of systems management (namely it was easier to use the project management tools), and in project management itself, as the priorities of software development were different from those of construction and weapons development. A more recent development is the use of project management as a basis of organisational change in a company. The work of the University of Technology, Sydney is an example of project management being used to bring about a change in an entrenched corporate culture. The latter

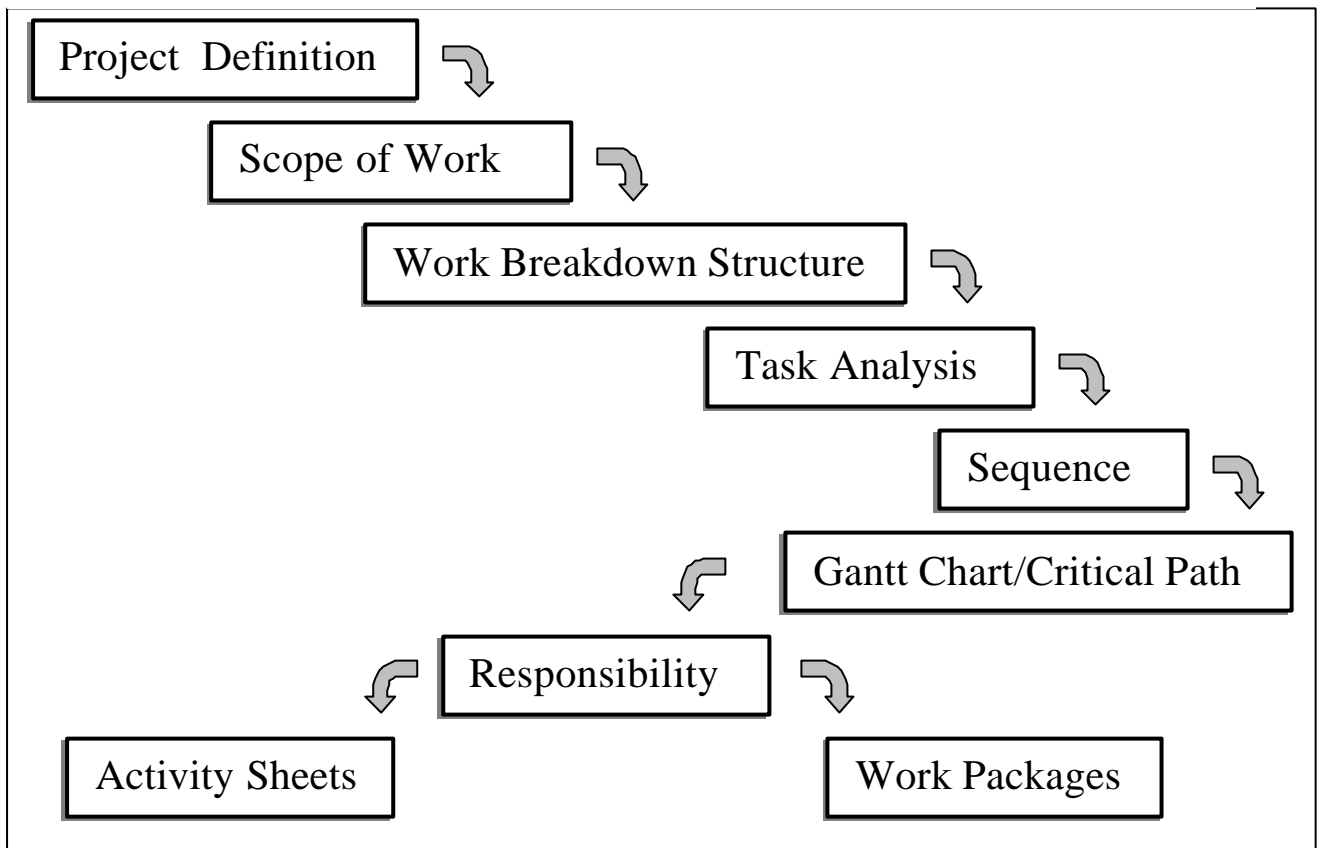
employs the Soft Systems Methodology (SSM) approach that emphasises change by consensus and human resources (Crawford 2000).

Project management has absorbed complex techniques from a variety of disciplines such as the operations research tools of linear analysis, as set out in Badiru (1995), decision optimisation methods and probability, as set out in Schuyler (1996). It has incorporated the straightforward production tools such as the Gantt Chart and resource scheduling. The basic process of decomposing a project, that is creating a work breakdown structure and refining this down to the level of actual tasks and work packages as illustrated in Figure 2, Project Planning Cascade, underpins the discipline. To illustrate the continuing links with the US Department of Defence, one can visit their website and download an entire manual on how to construct a work breakdown structure and this elegant reason for using one:

'A work breakdown structure (WBS) provides a consistent and visible framework for defense material items and contracts within a program. This handbook offers uniformity in definition and consistency of approach for developing the top three levels of the work breakdown structure. The benefit of uniformity in the generation of work breakdown structures and their application to management practices will be realised in improved communication throughout the acquisition process.'  
(USA Department of Defense, 1998)

These techniques are the basis of traditional project management. However this traditional process has been under increasing review due to its numerous

Figure 2. Project Planning Cascade



shortcomings. These modern movements are of interest to the event manager because the event industry may well provide a solution to many of the problems.

The trinity of project management - cost, quality (or content or scope) and time - are supposed to be the three major objective functions on a project. However, time and again, as pointed out by Jaafari (2000), Kerzner (1998), Morris (1999) and Kharbanda (1983), there are overruns. As Leach (2000) writes :

'Projects fail at an alarming rate. Quantitative evaluations show that as many as 30% of projects are cancelled before completion, wasting all the time money and effort spent on them. Surviving projects usually fail to deliver the full initial project scope or deliver late or overrun the budget' (Leach 2000).

There are a number of solutions proposed to these problems ranging from a complete overhaul of the critical path method and discarding milestones to taking project management out of the confines of middle management and considering the larger strategic issues. In the latter case the interests of the stakeholders become paramount and objective functions are identified that drive the whole process.

## CONVERGENCE OF EVENT MANAGEMENT

The event industry has to be aware of these changes as there is an increasing use of project management within the industry. One of the most obvious examples is the use of the software package Primavera to plan and control the Sydney Olympics. The history of the development of the Olympics at Homebush illustrates the extent of its use. It seemed a natural progression to go from the model of management used in the construction to the event overlay process to the event itself. Richard Fechner (1999), Principal Project Manager of GHD, writes of the challenge of this event overlay and the way this reflects back on the construction project management. In a recent lecture to the New South Wales Festival and Events Association, Neil Timmins, a member of the Project Management Group at the Sydney Organising Committee for the Olympic Games, gave a valuable insight into the importance of project management to the organisation of the Olympics. Their first task was to create a common language of terms so that communication could be precise. Terms such as *bump in* and *bump out* had different meaning to the computer technicians than they did to the stage hands, for example. Once this was established the reports generated by Primavera could be used to maximum effect. The importance of this is demonstrated by the fact that, of all the various departments within the Olympics, the Project

Management Group reports directly to the SOCOG Board.

In other major events in Australia, project management companies are taking a leading role. The Adelaide and Melbourne Grand Prix are further examples. The former was managed by Kinhill, a management engineering consultancy. Australian Pacific Projects (APP) the building project company formed a subsidiary, APP Events, to bid for events as well as manage events, including the Royal Easter Show.

The major promotions of Australia overseas comprised of a large number of diverse events, including cultural, conferences, seminars, trade exhibitions and sport competitions. The \$6 million promotion in India - called New Horizons - was organised along project management lines.

However the use of project management is not confined to large scale events such as New Horizons or the Olympics. It is being used in exhibitions and festivals. Many of the exhibition event companies are using some of the techniques of project management. Tour Hosts, for example, use the concept of a critical path in their work. The Illawarra Festival on the South Coast of NSW used MS Project to create its Gantt Charts and control its multistage events.

From the above it is evident that as events and the event environment (legal, financial and otherwise) become more complex, event management is turning towards project management to provide a systematic methodology. Currently this is done in a patchwork and disparate way. Some large events are wholeheartedly using the project management system and small events using bits and pieces. This Darwinian approach has the advantage that a new system may emerge that can be used by all events. The next section of this paper highlights the differences between current project management theory and event management practice.

## THE DIFFERENCES

Table 1 is a comparison of areas of project management as they relate to different industries. It is based on a similar comparison by Dinsmore (1999).

Some of these areas of project management contain subtle, yet important, differences, ones of priority rather than qualities. Others are significant differences which effect every aspect of the planning and implementation of the project. The overriding constraint of the deadline is without a doubt the defining difference between project management as practiced in engineering and IT, and events. The show must go on even if the suppliers didn't deliver. The difficulty of time constraints in the development of computer software and systems, as illustrated at length by Collins (1998) and Cooper (1999), is intolerable in the event industry. This

sense of urgency filters throughout event management. Cost and content can be sacrificed if need be to achieve the deadline. The recent cost overrun of the Perth Festival was not a cause to sack the event manager but regarded as a learning experience. It is a similar outlook to the media industry where the deadline or time to air is all important. This puts a different emphasis on the traditional task and critical path analysis. Events work back from the date of the event - not forward from the first task. Interestingly early project management software didn't have the capability to work back from the project date.

Another overriding constraint is the venue or event site. Although obviously significant in the construction industry, the event site determines so much of the project that the site visit is recommended by all event management books. However unlike the construction industry, the event site is vacated completely once the event concludes. This means that all works have a transitory nature to them. Once again this is reflected back throughout the planning of the event. Whatever is done has only a lifespan extending to the end of the event. There may be a legacy of the event, such as a cultural product or fixed facilities, but these are of secondary importance to the event.

The major resource that is different in events to other project based industries is the use of volunteers. This is common throughout the industry from small corporate events that use their staff to help out, to the Olympics. The use of volunteers creates an event organisation with different methods of motivation to the construction and IT industries. In particular leadership plays an important role.

Also, the use of volunteers makes many of the standard estimations of tasks and resources difficult to perform. The major area that concerns event management is the ability to make decisions in a changing environment. The remarkable growth of project management is an indication of a change in business practices throughout all organisations. It is implemented to bring about change in organisations so they can catch up with or lead change in society. Special events are also used as a tool to bring about corporate change. Seminars, conferences, training sessions, incentives and other corporate events can all be used to assist this change. Concomitantly as events are creating change, there are fundamental changes in the event environment. The use of the web, information technology advances, the deregulation of Australian industry, market segmentation and even the influence of a fashionable event, have produced an ongoing instability. The risks have changed to include many outside forces. It is this ability to function successfully in a volatile environment which gives the event industry a heuristic methodology which can contribute to the project management theory.

**Table 1. Project Management Comparison Across Industries**

Aspect of a Project	Engineering and Civil Works	Information Technology Project	Event Management
<b>Organisation Structure</b>	Concurrent structure - fairly autonomous network within a traditional company or bureaucracy	Network of experts	Vary - often entrepreneurial
<b>Time</b>	A major priority	Often has overruns as the product is not as well defined	Absolutely must meet the deadline.
<b>Risk Management</b>	Systematic methodology developed -tested many times	A developing methodology	Varied and event dependent
<b>Cost</b>	A major priority	A major priority however cost overruns are common	A priority
<b>Content/end product</b>	Fixed and decided upon	Variable due to change in software and new problems	To a degree variable
<b>Site plan</b>	Overriding constraint	Inapplicable	Overriding project constraint
<b>Human resources</b>	Skilled staff essential	Highly specialist staff essential	Staff ranges from volunteers to specialists
<b>Planning</b>	Planning, then implementation	Planning and implementation often at the same time with feedback.	Planning and implementation overlap
<b>Implementation</b>	May take years and is completed	Is ongoing	Actual event may be over in hours.
<b>Dynamic and responding to change</b>	Not a high priority	A high priority	A high priority

Managing in a changing environment requires:

- Capability to make optimal decisions quickly - this requires both skill, based on experience, and knowledge of the alternative results.
- Capability to communicate those decisions and have them carried out - this requires qualities of leadership, delegation of responsibility and pervasive culture of the urgency and importance of each task.

Many of these qualities are the ones described in the Critical Chain (Goldratt 1997) methodology as essential to successful project management and lacking in traditional project management. In particular the 'student syndrome' of leaving a task until it absolutely has to be done. The buffer times will be filled even if a task is completed early. The result is that projects run over time. Also the vital need for the project manager to be focused on the project objectives and the limiting factors or constraints.

Jaafari's (2000) recent work on Risks and Projects reflects the need to integrate fully the risk management with the management of the project. In changing times it becomes important to identify the life cycle objective functions, soft variables and to undertake real time evaluation of a project.

It is commonly known that projects often suffer serious set backs due to political, social, environmental and community challenges and through statutory processes. Despite their vital influence on the eventual state of a project these factors are often managed informally.

Large sections of recent project management texts are concerned with the project variables and tradeoff analysis (Kerzner 1998, Schuyler 1996). Rather than being an occasional necessity, tradeoff is often the ongoing situation of event management.

This suggests that not only has project management a system that can be used by event management, but that event practice can teach project management new insights.



## SYNTHESIS

Three recent publications in Australia are indicative of the changing event environment:

- The 1997 Major and Special Events Planning, A Guide for Promoters and Councils, produced by the NSW Department of Local Government in response to the need for a standardisation of the rules relating to events
- The 1999 Manual of Emergency Management Australia, Safe and Healthy Mass Gatherings (Dickson 1999), produced after a number of intensive cross discipline workshops
- Traffic Management for Special Events (1999) published by the Roads and Traffic Authority.

None of these publications replaces any previous ones. They indicate a response to the increasingly complex environment in which events operate. It is similar to the situation during the standardisation and regulation of the building industry. Kharbanda (1983) illustrates the increasing rules and regulation from the 60's to the 80's governing aspects of construction project management. It would be instructive if we had similar figures for the event industry. Areas not directly related to events are creating the need for some standardisation. The draft occupational Health and Safety Regulation 2000 contains a number of new sections that will, if adopted, have a significant effect on event planning and control. The similarity between the development of the two systems is obvious. The current disparate state of event management is equivalent to the early stages of project management.

Returning to table 1 and choosing one area of projects - risk management - highlights the immature phase of the event industry. In engineering, risk management is well developed, tried and tested, with a systematic approach. There are innumerable texts and articles on the subject. For the IT industry, risk is a growing area of study with a number of recent books pointing out the current crisis in IT projects (such as Collins T. 1998 and Cooper A. 1999) and there are numerous websites and newsgroups devoted to risk and IT projects (such as www.drivers.com) However for the high-risk industry of events there is little published with the notable exception of Berlonghi (1990).

The synthesis of event practice and project management process can produce an event management body of knowledge. It can comprise the best practice in the event industry and the processes of project management.

Event can contribute:

- the ability to get tasks done on time
- management that is familiar with external and internal change
- extensive experience and examples.

Project management can contribute:

- an established system to classify and link the areas of event management,
- a system of management planning and control,
- a nomenclature that can be used in all areas of events and general business,
- a system of documentation to enhance communication and record the event.

That is not to say that project management will survive intact. Its history, as pointed out in the first section of this paper, is highly influenced by the new industries as each new business applies its methodology. It is definitely a two way influence. The integration of event best practice by the project management process could begin by establishing an event management body of knowledge. This can be planned along the lines of the creation of Project Management Body of Knowledge (PMBOK®Guide) where practitioners and academics gathered together to create the PMBOK®Guide. From this collective experience the subject areas can be decided and these may be similar to PMBOK®Guide or the work done at the Centre for Research in Management of Projects (CRMP).

## CONCLUSION

This paper has outlined the need for a systematised methodology for the planning and control of events. The external environment requires it. The event internal environment is already starting to use it.

The points made were:

1. Event management is converging towards a systematic approach to planning and control
2. The complexity and increasingly regulated environment requires some standardisation
3. Events, as they become more central to the company's or organisation's marketing are required to use a common business methodology
4. Project management provides a solution to all these problem, but will change with the inclusion of event management
5. Given the above, it is time to create an Event Management Body of Knowledge (EMBOK).

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## **PULSATING SPORTING EVENTS: AN ORGANISATIONAL STRUCTURE TO OPTIMISE PERFORMANCE**

**Clare Hanlon and Leo Jago**

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### **ABSTRACT**

Toffler coined the term 'pulsating organisation' to reflect organisations that expand and contract. This term has relevance for major sporting events. Such organisations generally operate with a small core of staff for much of the year but have to expand quite quickly and substantially in the lead up to an event. Following the event, these organisations shrink in size. This effect poses substantial challenges for these organisations in delivering the high quality product that the consumer is increasingly seeking.

This study first evaluates more traditional organisational structures in relation to their ability to cope with the pulsating effect of major sporting events. In-depth interviews with managers at two major Australian sporting event organisations are used to identify the impact that organisational structure can have on organisations during the pulsation of such events. These organisations are the Australian Open Tennis Championships (AOTC) and the Australian Formula One Grand Prix (AFOGP).

Results indicate that when establishing a structure that copes with the pulsating nature of an event, it is important to consider the variables of differentiation, formalisation, decentralisation, flexibility, and simplicity. This is necessary in order to cater for full-time and fluctuating seasonal, outsource and volunteer personnel.

Based on the results, an organisational structure is proposed to cope with the pulsating nature of major sport events. The structure is designed to cope with the nine-month contraction of personnel before the event but also tailored towards the expansion of personnel required for a major sport event.

### **INTRODUCTION**

Major sport events play a significant role in generating tourism and economic activity on a national and international scale (Jago & Shaw, 1998). They have positive economic benefits

(Spilling, 1996), they increase public awareness (Torkilsen, 1992), and they create pride and a positive image within the community (Hall, 1992; Getz, 1997). Therefore, it is important to effectively manage such events to ensure their success. This requires the effective and efficient management of personnel. However, such effectiveness depends on the organisational structure that, according to Cascio (1992) and Doherty (1998), dictates power and communication.

Toffler (1990) referred to organisations that regularly expand and contract over their commercial life cycle as regular rhythm pulsating organisations. Crawford's (1991) research expanded this definition referring to them as holding organisations with temporary work units that evolve and dissolve according to environmental change, consisting of personnel in small, cross-disciplinary teams. Such pulsating organisations have relevance to major sport organisations where the number of personnel employed in the lead up to an event increases substantially, peaking during the event, and then falling after the event. These events are quite different to 'normal organisations' and need to be separately researched in order to identify how personnel are managed within such organisations. Management of so-called 'normal organisations', is premised on the fact that they have a relatively stable workforce in terms of number of employees and because of this have clearly defined and recognised power and communication channels.

Minimal research has been conducted regarding pulsating organisations, with researchers such as Toffler (1990) and Crawford (1991) providing a brief overview of what these organisations involve, but little has been done as to how they should be structured. Underpinning this study is the thesis that organisational structure is fundamental to the effective management of personnel within an organisation. Therefore, the purpose of this paper is to identify an appropriate organisational structure that caters for organisations involved with the pulsating nature of major sport events.

An organisational structure is proposed for pulsating organisations based on the literature.

**Table 1. Comparison between traditional and contemporary organisational structure and management system.**

Traditional		Contemporary	
Positives	Negatives	Positives	Negatives
Reliable	Rigid	Flexibility	Increased external pressures
Clear lines of control	Management directed	Self directed	Reduced number of employees
Expertise	Controlled supervision	Lateral communications and collaboration	Lack of hierarchal promotion
Employee stability	Management powered	Customer powered	Employee instability
Fewer subordinate competitors	Management goals	Shared goals	Increased subordinate competitors

This proposed structure is then modified based on semi-structured interviews with managers at two major regular rhythm sport event organisations, namely, the Australian Open Tennis Championships (AOTC) and the Australian Formula One Grand Prix Corporation (AFOGP).

### **WHY SHOULD STRUCTURE BE CONSIDERED?**

Organisational structure dictates power and communication channels (Cascio, 1992; Doherty, 1998). It establishes formal relations and influences the position descriptions for personnel, which in turn influences operational efficiency (Spangler, 1997). Organisational structure illustrates how personnel are managed by identifying the grouping of tasks, which facilitates the coordination and design of jobs (Cascio, 1992). Appropriate organisational structures facilitate greater specialisation, thereby producing increased efficiency within the organisation (Casio, 1992). It is important for managers to have an understanding of personnel, personnel relations and organisational structures (Torkildsen, 1992).

### **TRANSFORMATION OF THE ORGANISATIONAL STRUCTURE**

There are a variety of views as to what form organisational structure should take. For example, recent research has challenged traditional mechanistic structure and identified an alternative structure for today's more turbulent operating environment. Key features of this contemporary model are that it is lean, flexible, and flat with information flowing both vertically and horizontally (Ancona, Kochan, Scully, Van Maanen and Westney, 1996; Slack, 1997). These features provide a stark contrast to the traditional organisational structure and management systems whose Weberian features involved tiers of hierarchy, rules, set boundaries, divisions of labour, and separate offices (Matheson, 1996).

Underpinning the contemporary organisational structure and management systems is innovation. Handy (1996) went so far as to suggest that the virtual organisation has arrived, with organisations now being systems or arrangements rather than physical locations. However, such contemporary structures also have their problems, with employee instability increasing largely as a result of a lack of traditional hierarchical promotion opportunities (Robbins and Barnwell, 1998). New types of employee incentives have been introduced in order to maintain employee satisfaction, for example, varying job roles and career planning. There is a vast body of literature covering the strengths and weaknesses in both traditional and contemporary organisational structures and management systems (Robbins and Barnwell, 1998; Getz, 1992; Matheson, 1996; Spangler, 1997). A summary of this literature is presented in Table 1.

### **KEY DIMENSIONS OF A STRUCTURE**

There are three key dimensions of organisational structure, namely, degree of differentiation, formalisation and centralisation (Slack, 1997; Robbins and Barnwell, 1998). Each dimension is discussed briefly below.

The degree of differentiation within an organisation refers to its complexity (Robbins and Barnwell, 1998). It involves the *horizontal* separation between units, the *vertical* depth existing in the organisational hierarchy, and the *spatial* differentiation of facilities and personnel. According to Robbins and Barnwell (1998), the greater the organisation's complexity, the greater the time required by managers to deal with problems of communication, coordination and control.

Formalisation influences the way individuals behave within an organisation (Slack, 1997) with more formal organisations tending to rely on comprehensive manuals to assist personnel resolve most queries (Robbins and Barnwell, 1998).

The final dimension, centralisation, refers to the frequency with which decisions are made by managers, as opposed to the frequency with which they are delegated to lower level personnel.

The so called 'normal organisation' in the modern era, can be described as:

- Flexible
- Flat in terms of degree of differentiation
- Formalised
- Generally centralised
- Innovative.

### **ADAPTING THE 'NORMAL' ORGANISATIONAL STRUCTURE TO PULSATING MAJOR SPORT EVENT ORGANISATIONS**

In major sport event organisations, an organisational structure is needed that will cope with the pulsating effect of personnel. Given that such organisations change so dramatically over the operating cycle, it is difficult to find a single structure that will suit overall. The fact that these organisations involve rapid change, organisational growth, and increased diversity, means that a highly flexible and innovative structure is required. This is to facilitate communication, coordination, control and at the same time reduce conflict (Hall, 1992). Therefore, when applying the aforementioned three dimensions to a major sport event organisation, the structure used tends to become more detailed than 'normal organisations' due to the pulsating nature of personnel within the organisation.

The degree of differentiation is similar to 'normal organisations' with a structure illustrating the vertical, spatial and horizontal differentiations. However, the complexity of a pulsating structure dramatically increases in the lead-up to the event. With a high level of complexity, Robbins and Barnwell's (1998) research suggests the need for resources such as committees, information technology, and formal policy manuals. Therefore, the degree of differentiation tends to be flexible and expands both vertically due to appointment of managers and horizontally through increased personnel appointment. The 1997 Australian University Games organisational chart, Figure 1, was modelled on previous Games and the 1994 World Masters Games (Australian University Games, 1997). This chart displays such flexibility and expansion. Apart from the two committees, two managers are initially employed to plan the Games. In the lead up to the Games, the structure expands below the dotted line in Figure 1. Five managers are appointed who are directly responsible to the General Manager and once these managers are employed, nine other full time staff are appointed to assist the managers. The structure figuratively explodes as four hundred volunteers are appointed within the five management areas. However, this

spatial aspect is missing from Figure 1. In other words, Figure 1 fails to display the complete impact of the pulsating effect with the arrival of volunteers and where they are positioned within the structure.

Despite this structure being similar to 'normal organisations', additional characteristics need to be recognised in its degree of differentiation. This event structure has been successful, at least in part, as a result of its recognition of the need to expand horizontally, as indicated by the dotted line in Figure 1. The fact that vertically there are few levels within the structure improves the organisational flexibility, simplicity, and speed of decision making. The structure presented in Figure 1 is consistent with Getz (1992) who suggests that events can be developed with minimal organisational infrastructure. However, Figure 1 only partly addresses the spatial differentiation of personnel, it recognises the outsourcers yet neglects to illustrate the majority of personnel who are volunteers.

As with 'normal organisations', the second dimension, formalisation is evident within pulsating major sport event organisations. However, formalisation is less important within 'normal organisations' due to the number and variety of personnel having time to learn from each other. For pulsating major sport event organisations, a high degree of formalisation is required due to the number and variety of personnel arriving and departing at different times for the event and requiring immediate information on various issues. Such formalisation requires the increased use of mechanisms such as rules, job descriptions, committees and detailed policies and procedures. For example, the Australian Tennis Open Championships has a yearly *Tournament Staff Handbook*, designed to answer such queries (Tennis Australia, 1999).

During the year, pulsating major sport event organisations are centralised in a similar manner to 'normal organisations' but to a lesser degree. When significant decisions need to be made, the process becomes centralised. During the peak stage of a major event, there tends to be an organisational transformation from centralisation to decentralisation in order to achieve objectives. This is due to the rapid change in conditions where personnel need to react quickly and not wait for management approval. Torkildsen (1992) found that with decentralisation, decisions are made quickly, lines of communication are reduced and so are problems associated with status. Needless to say, Torkildsen's decentralisation theory could be applied to a major sport event organisation, and therefore this dimension is referred to as decentralisation.

Mintzberg's (1979) research, which was later supported by Slack (1997), had acknowledged the importance of these three key dimensions within a major sport event organisational structure. Mintzberg found that these organisational struct-

ures need to be innovative, with personnel having appropriate power and the ability to have flexible work arrangements. Slack extended from Mintzberg's structural description emphasising the evidence of 'low levels of formalization, no structured hierarchy of authority, and high levels of horizontal differentiation, with specialists grouped into functional units for organizational purposes but often deployed to project teams to do their work' (Slack, 1997: 82). As a result, a high level of decentralisation would be evident, with the organisation being able to respond to change, and become dependant on external support personnel.

Therefore, when incorporating the three dimensions into a major sport event organisational structure, consideration of its special characteristics are required. These are additional to 'normal' organisational structures. In the lead up to an event, sudden changes evolve due to an expansion of seasonal, outsource and volunteer personnel arriving and departing at various stages. Many of these personnel spend long hours at the venue and due to the time pressures, usually require immediate answers to questions. All of this occurs within a limited period of time. Therefore, an organisational chart is required that incorporates the three key identified dimensions and has the simplicity and flexibility to cope with the varying personnel levels. It must enable personnel to recognise and quickly appreciate the importance of their positions within the organisational structure.

Pulsating major sport event organisational structures, can be described as:

- Flexible
- Flat, with a horizontal emphasis in terms of differentiation
- Highly formalised
- Decentralised, particularly during the peak stage of the event
- Having teams of people in functional units: managers, operators and external support personnel
- Innovative within a complex environment
- Regularly transforming the internal structure
- Needing to satisfy personnel.

### **CASE STUDIES: THE AUSTRALIAN OPEN TENNIS CHAMPIONSHIPS (AOTC) AND THE AUSTRALIAN FORMULA ONE GRAND PRIX (AFOGP)**

In order to identify how organisational structures are used to optimise personnel performance within pulsating major sport event organisations, two regular rhythm events were selected. The two events chosen and related organisations, were the Australian Open Tennis Championships (AOTC) and the Australian Formula One Grand Prix (AFOGP).

These two regular rhythm events were chosen because they are internationally recognised and because they have a number of contrasting characteristics, including:

- History of the event (AOTC began in 1968 whilst the AFOGP began in 1996)
- Duration of the event (AOTC for 2 weeks and the AFOGP for 4 days)
- Management (AOTC uses largely internal management sources whilst the AFOGP relies on largely out-sourced management sources).

### **METHODOLOGY**

This study, which is part of a larger research project, involved a series of 21 semi-structured interviews with managers from the AOTC and the AFOGP. These interviews were conducted in 1998 and 1999 respectively.

The purpose of these interviews was to obtain information from managers at these two major sporting event organisations about the way personnel were managed and the influence that organisational structure had on this process. The information obtained from the interviews was contrasted with the organisational structures that were adopted at the two organisations in order to make some assessment as to their effectiveness.

Semi-structured interviews were considered the most effective method due to the depth of information that could be gathered using this approach. According to Minichello et al. (1995), semi-structured interviews have no ordering or fixed wordings of questions but are instead focussed on the issues central to the research question. These issues act as a guide for questions during the interviews. The literature review identified important issues and these issues also acted as guides during the interview process. Each interview, which lasted about one and a half hours, was conducted in standard meeting rooms. To assist with data analysis, each interview was taped and subsequently transcribed.

Three levels of managers were identified within each organisational structure, namely, the CEO, key personnel, and service deliverers who were directly responsible to the key personnel. These service deliverers were either full-time, seasonal or outsource managers. Key personnel were selected using stratified random sampling (Minichello et al., 1995) and due to the large number of service deliverers, stratified systematic sampling occurred (Babbie, 1998).

Once interviews were performed and transcripts approved, the output was then entered into NUD\*IST qualitative data analysis software using standard data entry protocols. These were then coded and indexed for theme and content. To ensure the verification of coding reliability, a second researcher also coded the data using a

manual dual coding process. The approach proposed by Babbie (1998) was used wherein the lead researcher explained the code category meanings and then distributed the first transcript. Coding comparisons were then made with discrepancies being discussed and coding then being modified in light of the discussion. The check-coding procedure (Babbie, 1998) was performed four times, twice for each site, to ensure that coding schemes were similar. Even though manual coding was a tedious process, it was important to ensure that coding was reliable.

In order to further validate qualitative research, a triangulation process was incorporated whereby data of different types were systematically compared (Denzin and Lincoln, 1994). Policy documents and operation manuals used by the interviewees were also collected and examined in order to assess the subjective responses that evolved from the informants.

## RESULTS AND DISCUSSION

### Introduction

The organisational structures within both organisations appeared similar to 'normal organisations'. However, the AFOGP has designed two structures, one representing the internal organisational structure (Figure 2) and the other expanding to include external organisations associated with the AFOGP (Figure 3). It can be seen from these two structures that departments are team based and that the AFOGP relies heavily on external organisations to assist with the event.

Regarding the three key dimensions, Figure 2 illustrates a simple flat three-tiered structure that is centralised with no liaison amongst departments. However, this figure fails to acknowledge the horizontal inclusion of personnel within department teams and the spatial inclusion of seasonal and outsource personnel.

In the lead up to the event, the structure expands to a five tiered consultative structure, as shown in Figure 3. This figure becomes more detailed than Figure 2 and illustrates the spatial positioning of outsource and volunteer organisations. However, it still fails to acknowledge the positioning of seasonal personnel within department teams. Formalisation also becomes more structured with reporting and consulting lines of authority evident. Decentralisation occurs with department teams liaising with each other and the Engineering, Event Management and Event Planning departments forming a strong link.

In contrast, the AOTC's structure has only one organisational structure, as shown in Figure 4. It is difficult to determine whether the structure is a three tiered or a five tiered structure. This is due to the note at the bottom of the structure stating that boxes do not reflect seniority. Vertical and

horizontal degrees of differentiation are evident, however, similar to the AFOGP structures, spatial differentiation is absent due to no seasonal or outsource personnel being evident. Figure 4 is similar to the traditional organisational structures in Table 1, with clear lines of control and specific personnel appointed to positions.

The AFOGP and the AOTC's organisational structures are similar to 'normal organisations' that contain a flat structural design. However, two important issues arose regarding the impact pulsating personnel can have on organisational structures: the hierarchy of a structure and the pulsating stage of a major sport event. Within these issues themes arose, hierarchy – clarity of roles and career paths, pulsating stage – managing personnel.

### Hierarchy of a structure

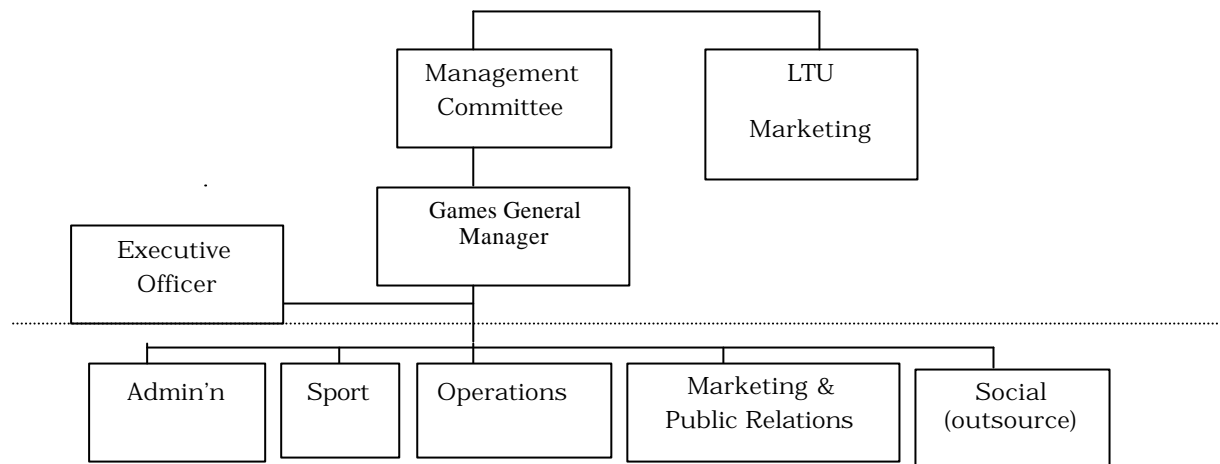
All respondents from both the AOTC and the AFOGP stated that their respective organisational structures were flat which they regarded as effective for major sport events. However, only full time managers could specifically describe their organisational chart. Fairly consistently, respondents described their respective structure as four tiered, referring each tier to a management title, for example, the CEO, the managers, the coordinators and then their assistants. An illustration of the full time respondents' description of their organisational structure is displayed in Figure 5.

The majority of interviewees within both organisations considered that there were additional tiers within their organisations above those shown on the respective organisational documents. Due to these additional tiers, a greater hierarchy existed compared to the organisational structure illustrated within documents. As a result, one manager stated that there were 'too many bosses'.

Interviewees also generally suggested that the organisational structure of their respective organisations remained much the same throughout the year. Seasonal and outsource managers were not aware of where they were positioned within their respective organisation's structure. However, when reading the AFOGP's annual report, the organisational chart displays outsourcers positioned alongside the department teams. As one full time manager commented, 'outsourcers are within 'the team' of the organisation'. Yet this team feeling had not been effectively inducted to seasonal and outsource managers due to their feeling of not being recognised within their respective organisation's structure.

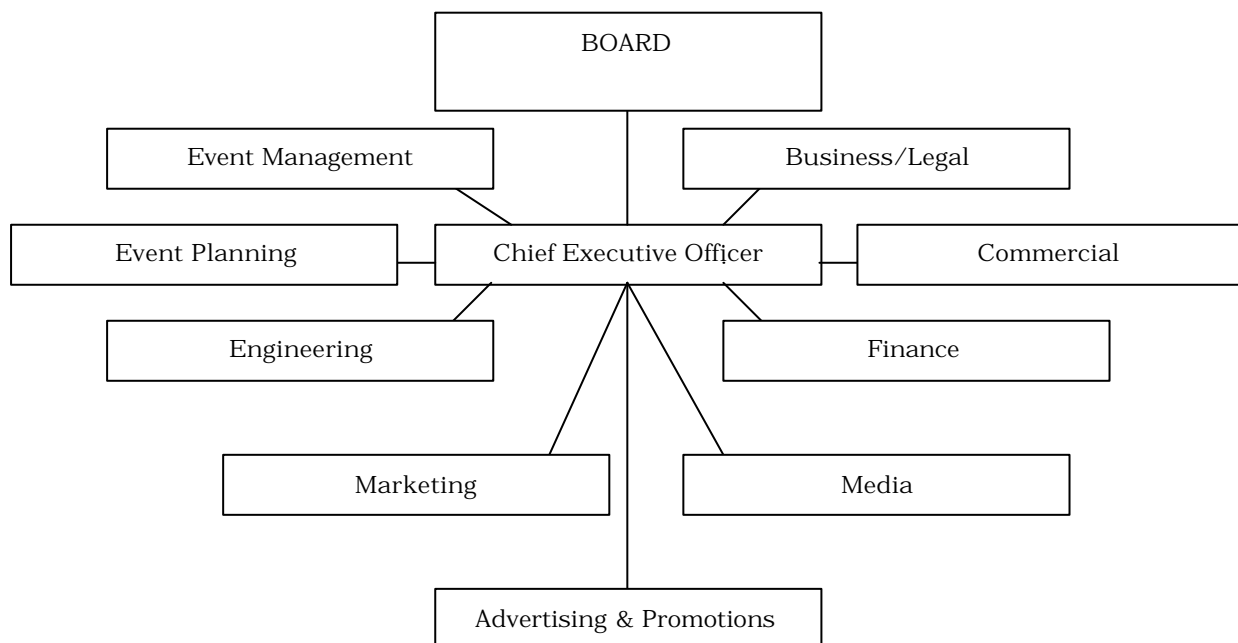
The outsourcers that were interviewed in the study seemed to have a strong relationship with the organisation but generally expressed a sense of disappointment that they did not know where they belonged within the structure itself. This provides

**Figure 1. 1997 Australian University Games structure**



Source: Australian University Games (1997).

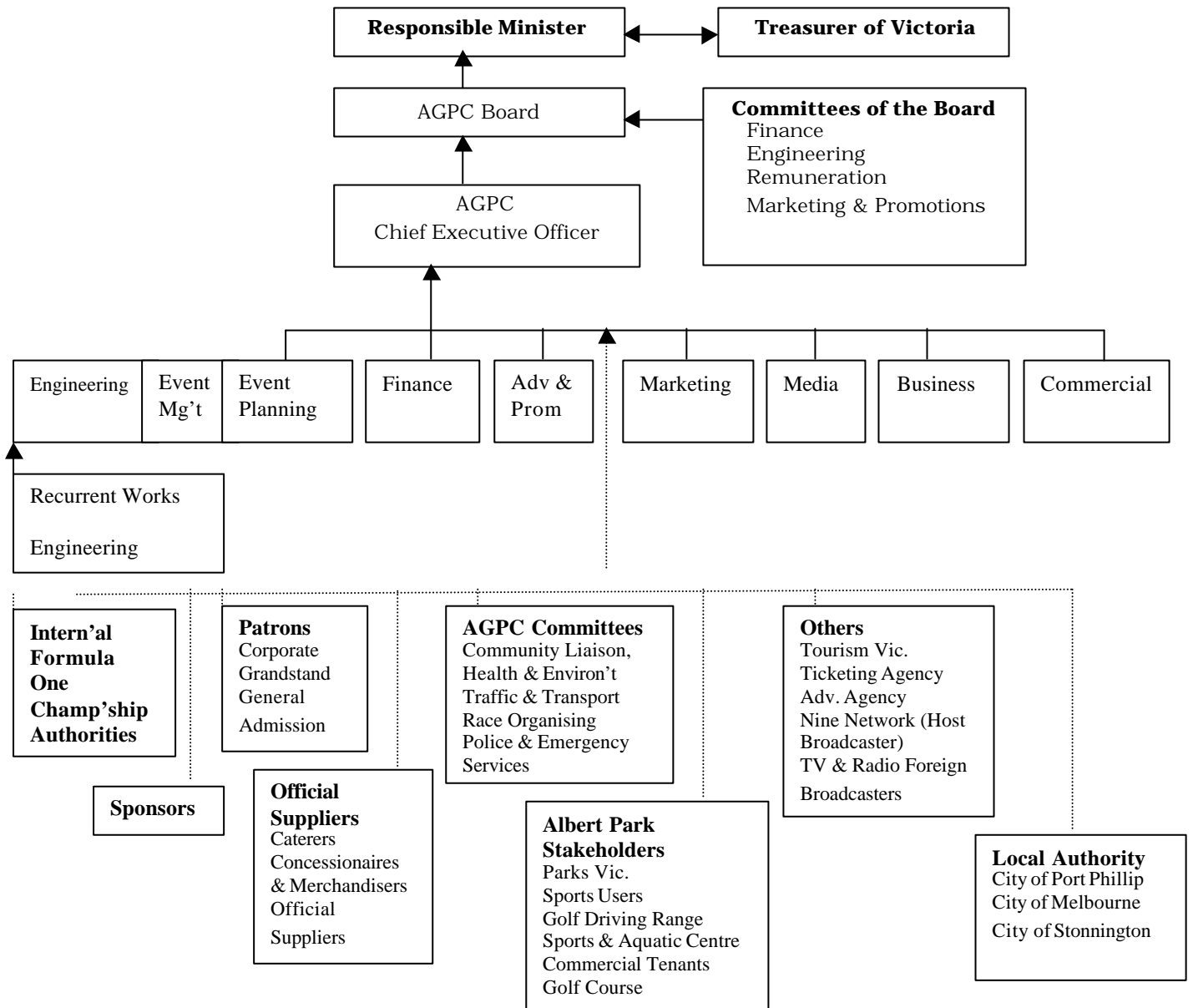
**Figure 2: Australian Grand Prix Corporation: Organisation Structure**



Source: Australian Grand Prix Corporation (1998:12).

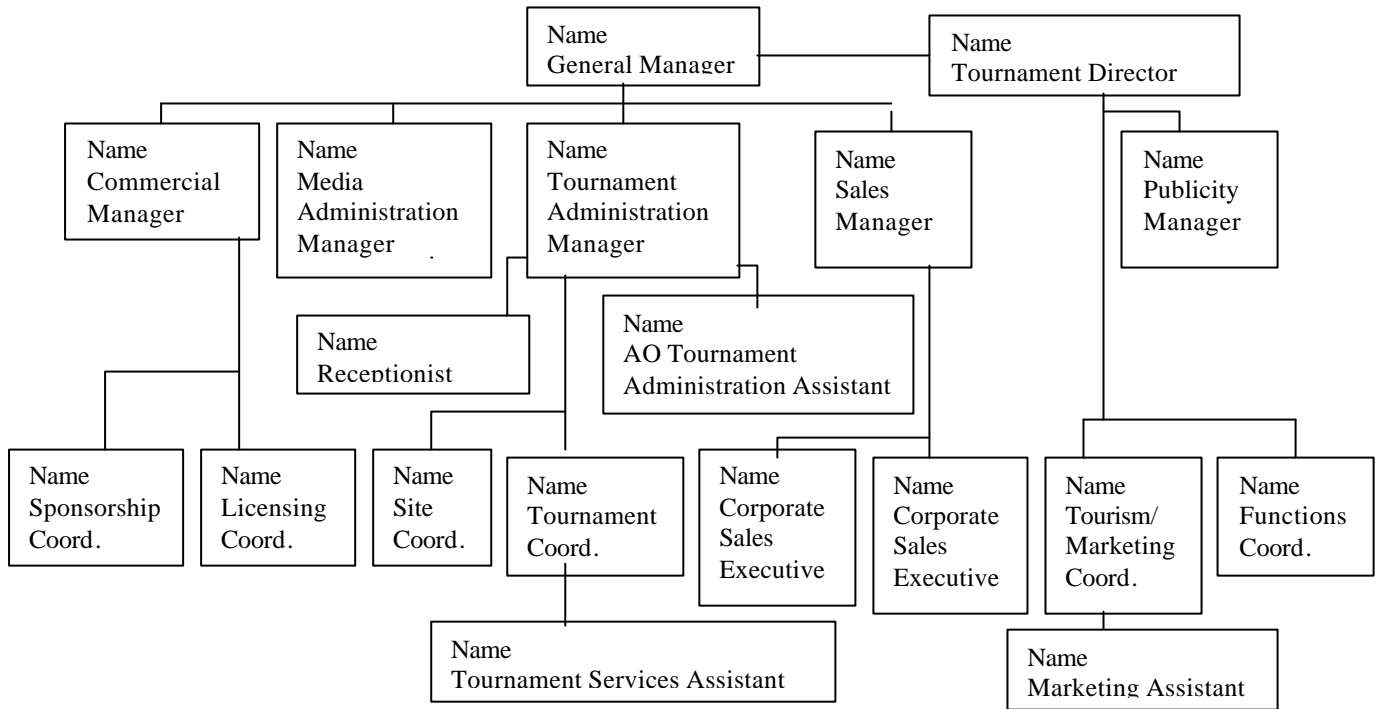


**Figure 3: Australian Formula One Grand Prix:  
Reporting and Consultative Structure**



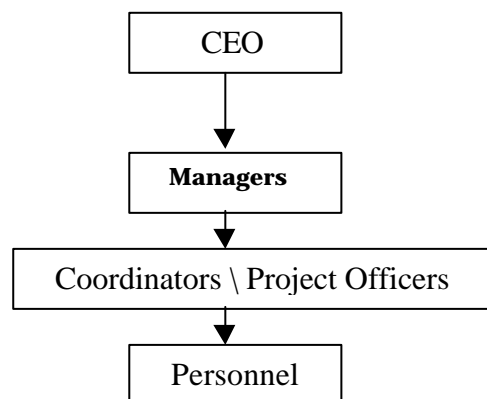
Source: Adapted from the Australian Grand Prix Corporation (1998: 7).

**Figure 4: Tennis Australia: Australian Open Organisational Structure**



\* Please note that the placement of boxes does not reflect seniority  
 Source: Tennis Australia (1997).

**Figure 5: A major sport event organisational structure**



some context for the view expressed by one outsourcee that two management structure charts are needed in planning for pulsating organisations. Of these, one needs to be a maintenance management chart that operates for most of the year and the other an operational management chart applying for the event itself and the periods immediately before and after. 'The last month being the most important, because usually people are so tired that they abandon their posts, and don't give wrap-up reports for the future event'. Within that structure, outsource and seasonal personnel are recognised as contributors towards the event.

A flat structure seems appropriate for these two organisations. Although not formally recognised in the documentation, it certainly appears that there are additional organisational tiers present in both organisations. Full time personnel seem to have a reasonable understanding of the organisational structures but no seasonal or outsource interviewees had an understanding of where they fitted into the structures. This issue, which is likely a result of poor management communication, could detract seriously from the operating performance of such structures.

### **Clarity of Roles**

Respondents to the study regarded clarity of roles as fundamentally important in evaluating organisational structure. Although there were distinct differences between the two organisations regarding the clarity of roles and responsibilities between each tier of the structure, respondents' views were similar within each organisation irrespective of whether they were full-time, seasonal or outsource personnel.

Within the AOTC, clear lines were drawn regarding responsibilities and there appeared to be little overlap occurring in each structural tier. Managers believed this was assisted through the clear understanding of what was expected and through regular meetings. At the AFOGP by contrast, there seems to be a grey line regarding the roles that people perform. Personnel need to be multi-skilled as their roles change over time due to an 'all hands required on deck' attitude as reflected by the comment of one manager that 'as people come and go they need to be prepared to chop and change a little bit which requires some proactive management and that's how you keep people interested'. Despite the evidence of a grey line, a number of respondents emphasised how roles have become more defined resulting in personnel becoming less stressed. One respondent stated:

'Over the four years, the Grand Prix Corporation seems to be less stressed as each year goes by. One of the reasons this is the case is because jobs on the day have been better defined. That is, separating routine activities and the reporting. Reporting systems have been refined every year so more of the appropriate people are

dealing with incidents rather than being channelled through one or two managers and then being overloaded to the extent they can't deal with anything. The allocation of the responsibilities and the acceptance of those responsibilities have improved.'

Therefore, it seems that clarity of roles is directly related to the length of time that an organisation has been in existence. In the case of the AOTC, which has been operating for over 22 years, roles are more clearly defined than in the AFOGP, which has been operating for less than 5 years. The lower clarity of roles in the AFOGP, however, does coincide with increased multi-skilling, which tends to promote personnel interest. The organisational structure within the AFOGP is more flexible and simplified in order to encourage this multi-skilling.

### **Career Paths**

The existence of career paths was seen as a major issue in both organisations, particularly with younger full time personnel. Not surprisingly, there was a common perception that flat organisational structures prevented clear career paths, which left personnel with the feeling that they had 'nowhere to go'. This was suggested by nearly half the respondents as being a reason for staff departure.

In an attempt to dissolve these hierarchal disadvantages, the CEO of the AFOGP went to great lengths to discuss career paths and role variance in order to stimulate interest, during annual appraisals. It was widely regarded that career paths were more evident for seasonal personnel who are involved with the event each year. The example in the AOTC context of ball persons moving to player services and then on to score board operators over a period of years supports this.

The flat structural disadvantages that were recognised by the respondents, supports researchers such as Ancona et al. (1996), Matheson (1996) and Slack (1997) who found that lack of hierarchal promotion and employee instability was related to structural design. In order to alleviate this issue, career planning and varying role responsibilities were evident within the AFOGP. Such recognition may explain why multi skilling and department groups are evident within its structure in recognition of the disadvantages associated with a flat structure.

Career paths were more obvious for seasonal personnel. As a result, this encouraged these personnel to return for the following event, thereby creating a stronger retention rate and reducing induction time.

### **Pulsating Stage**

Although respondents were unanimous in their view that organisational structures need to cope with the pulsation of personnel in a major sport

event, such pulsation was not recognised by these respondents in either organisation's structure. It was also widely recognised that there are different stages during the year when department 'peaks and troughs' (busy and quiet periods) are created. Respondents were not aware of when personnel in other departments had their peaks and troughs although most agreed that such knowledge would be useful.

This suggests that there is a need to identify the busy times of each department during the year and for other departments to be aware of these 'peak and trough' stages in order to further create an organisational awareness and appreciation of department pressures.

### **Managing Personnel**

There are distinct differences between the two organisations used in this study in relation to the number of personnel being managed. The AOTC manages its own personnel and has few outsourcers whereas the AFOGP relies heavily on outsourcers to manage its personnel required for the event.

The AOTC expands from approximately 20 to 4,000 personnel for the event itself. One full time key personnel commented on this growth in personnel numbers suggesting that 'you've lost control. It explodes. We do literally go from 20 to about 30 from October to December and then over a three or four day period it goes to at least 3000 staff on the site, and that's of course not including any of the players or the media. It really is an explosion. It's great. It's quite an awesome experience'.

In stark contrast, the AFOGP expands in relation to the number of outsourcers. After contracts are finalised using a tender process, responsibility is then placed on these outsourcers to employ the large number of staff required to service the event. Informants estimated that personnel increase from 40 during the year to approximately 15,000 credentialled employees, however, no exact figure was known. Respondents recognised that exact numbers were difficult to determine due to the unknown number of personnel employed by various outsourcers. Respondents noted that there was no spreadsheet to illustrate organisation and department numbers. However, full time department managers were able to indicate their employee numbers leading up to, during and after the event.

All respondents emphasised that when managing personnel, communication was vital. One full time key personnel summarised it as 'the speed at which things flow is more important with events. That's what makes them different to a business. And that's why we've gone for a flat structure'.

Therefore, with the AOTC managing personnel themselves, expansion begins early as a result of

the time required for personnel appointment and induction. However, the AFOGP's expansion period with regards to personnel is not as great due to the fact that outsourcers are appointed who then appoint the required personnel.

With the AOTC managing the majority of personnel themselves (apart from the couple of outsourcers who manage their own personnel), full time respondents knew the approximate number of personnel employed by the organisation for the event. In contrast, the AFOGP respondents knew how many employees were present within their department but not within the organisation. Neither organisation had a document that illustrated the numbers of personnel within each department, let alone the organisation for the lead up, during and after the event.

Communication is vital to ensure the effectiveness of a structure and the success of an event. In particular, a structure that facilitates quick lines of communication is highly desirable. In both organisations examined here there has been a lack of formalised communication regarding: the positioning of personnel within a structure during the peak stage of an event; department 'peaks and troughs'; and documentation of personnel numbers.

### **RECOMMENDATIONS**

Based on the results and discussion, it seems clear that an organisational structure for pulsating major sport events needs to be designed to cope with the changes that a major sport event organisation must face. The proposed structure is similar to 'normal organisation' structures in that it caters for the degree of differentiation, formalisation, decentralisation, flexibility, and simplicity. However, flexibility and simplicity are required to a greater extent due to the pulsating nature of personnel during an event and the variety of personnel embraced by the structure. The organisational structure, Figure 6, is designed to cope with the pulsating nature of personnel within a major sport event organisation.

Figure 6 illustrates a flat simple structure, formulated to identify department team roles that are multi skilled to cater for role variance, career direction and possible staff departure. Respondents frequently referred to a team environment, therefore, team roles are suggested for each department. With each team having a two tiered structure, namely, the manager and project officers who have various roles and responsibilities.

Centralisation is evident due to the Management committee and CEO influence, which is particularly evident during the quieter time of the year. However, with department teams strongly linked together to facilitate strong and rapid communication channels, formalisation and decentralisation occurs. This is particularly evident

during the peak stage of the event where these teams have a greater number of personnel and increased responsibility. Department teams liaise with each other either formally through meetings or informally for example through emails or informal meetings.

As seen in Figure 6, the influx of personnel arriving and departing from department teams during the peak stage are referred to as 'interactors'. These 'interactors' are vital contributors towards the pulsating nature of a major sport event organisation. Identifying 'interactors' in the organisational chart provides the hooks that will enable the organisation to grow during the pulsating stage but also indicate clearly, where such additional staff are located within the organisation. This overcomes some of the problems that were identified in the two case studies underpinning this research.

The key elements of this proposed pulsating organisational structure compared to 'normal organisations', involve:

- inclusion of seasonal, outsource and volunteer personnel within the structure during the peak stage of the event
- a spatial decentralised process with department teams expanding and having an increased responsibility with various personnel constantly arriving and departing
- a highly formalised process within departments in order to cater for quick and accurate responses
- strong communication between departments and the organisation as a whole.

Developing a pulsating organisational structure, should not only assist with optimising performance within an organisation, but would also increase personnel satisfaction knowing where they 'fit' within the organisation. However, this structure needs to be available to all personnel, whether it be through a personnel handbook or in electronic format. This is to avoid what is currently occurring within the AFOGP, where a structure is formulated yet external personnel are unaware of its existence and where they are positioned within the structure.

## CONCLUSION

Currently, major sport event organisations design their organisational structures along similar lines to 'normal organisations'. This is despite the differences within a major sport event organisation when pulsation of personnel occurs. It seems that personnel, such as those interviewed for this study, realise the uniqueness of a major sport event organisations' structure due to the pulsation of personnel, but do not amend the structure to cater for their purposes.

Therefore, this study has suggested the need for documenting an organisational structure to cater for a pulsating major sport event organisation. In light of the literature reviewed and after analysing the two case studies, the characteristics of pulsating organisations have become more specific. Such expansion has been attributed to the two issues evolving from the results, namely, hierarchy of a structure and the pulsating stage of an event. Within these issues key points emerged, namely, clarity of roles and career paths, and managing personnel. Each of these areas had an emphasis of rapid change, organisational growth, increased diversity, and an influx of personnel arriving and departing at various stages of the event. These characteristics need to be considered when designing an organisational structure for a major sport event organisation.

Characteristics of a pulsating major sport event organisational structure can be described as:

- flexible
- flat, with horizontal and spatial degrees of differentiation
- highly formalised with clear reporting systems
- decentralised, particularly during the three month pulsation structure
- teams of multi – skilled people in functional units
- satisfying full time, seasonal, outsource and volunteer personnel
- innovative within a complex environment
- regularly transforming the internal structure – from the contraction to expansion of personnel
- simple
- quick decision making procedures.

Results from this study indicate that major sport event organisations such as the AOTC and the AFOGP, have based their organisational structures on those of 'normal organisations', despite the special characteristics that exist within major sport event organisations. However, research has not previously identified such characteristics and, therefore, major sport event organisations may not have been aware of the necessity of incorporating these characteristics into their organisational structure. This study has identified the key elements required for designing an organisational structure for a major sport event organisation. By incorporating these characteristics into a structure, a major sport event organisational structure has been designed to cope with the pulsating nature of personnel.

It is hoped that this study becomes a guide for major sport event organisations when reviewing or designing organisational structures, to ensure major sport event key characteristics are considered and to ensure satisfaction for all personnel involved.

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## EVENT MANAGEMENT: MINIMISING LIABILITY THROUGH EFFECTIVE CROWD MANAGEMENT TECHNIQUES

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### ABSTRACT

Event management is a booming industry segment that continues to grow both in the United States and abroad. Not only is the number of events increasing, but the overall size of many events is increasing as well. As a result, crowd management and crowd control are now important issues in this industry.

Crowd management and crowd control are two distinct but interrelated concepts. The former includes the facilitation, employment, and movement of crowds, while the latter relates to the steps taken once a crowd has lost control. Crowd management procedures involve planning an event, training employees, forming scenarios and collecting data. Crowd control techniques include the anticipation of crowd-related problems, the development of policies and procedures that can be implemented to address such problems should they arise. As many events including the Olympics, marathons and other sporting events continue to attract larger and larger crowds, event managers must develop procedures for the efficient and effective management and control of these crowds.

This study explores the significance of crowd management and crowd control, and the need to develop proper operating procedures for both. In addition, the impact of inadequate crowd management and control are examined through the analysis of legal cases. Through such analysis, event managers will be able to obtain a valuable understanding of the necessity of crowd control and the preventive measures they can employ in preparing for an event. Specifically, this study looks at cases that have addressed the legal ramifications of ineffective or inadequate crowd management and control to gain an understanding of:

- the types of liability to which an event manager may be subjected to under such circumstances
- the reasons that various crowd management and crowd control techniques have found to be legally inadequate under various circumstances

- the legal standards that event managers must meet
- the steps that event managers can take to minimize their exposure to liability when they are planning for, and implementing a large event.

### INTRODUCTION

Event management is a booming industry that continues to grow both domestically and internationally. As events grow in popularity, attendance also increases. Due to this rapid increase, crowd management and crowd control are now important issues in this industry.

Crowd management and crowd control are two distinct but interrelated concepts. The former includes the facilitation, employment, and movement of crowds, while the latter comprises the steps taken once a crowd has lost control. Crowd management procedures involve planning an event, training employees, forming scenarios, and collecting data. Crowd control techniques include creating situation models and decision-making processes needed for the successful direction of equipment and manpower under a unified command (Alghamdi, 1993). With the growing significance of crowd management within the realm of tourism, and more specifically sporting events, event managers must develop procedures for efficient and effective crowd management and control.

This study will explore the significance of crowd management and the need for proper operating procedures. In addition, the impact of inadequate crowd management and control will be examined through both domestic (United States) and international legal case analysis. Through these legal case analyses, event managers will be able to obtain a valuable understanding of the necessity of crowd control and the preventive measures which they can utilise in preparing for an event. Specifically the objectives of this study are:

- to examine the impact of inadequate crowd management and control
- to review and analyse legal case studies to determine positive and negative event management procedures
- through legal case analysis, determine possible losses of property and income through legal liability an event manager encounters when appropriate measures are neglected
- to offer recommendations on how to minimise liability

## JUSTIFICATION

This study will explore crowd management and control for sporting event managers. This research is beneficial to event managers producing sports events. The need for this study may be attributed to the ease of possible disaster, the potential for great economic loss, and the increasing popularity of sporting special events. The results of this study may be used as a benchmark to mitigate devastating financial losses and to protect special event managers from liability. In addition to minimising liability, the results of this study will help prevent event managers from incurring internal intangible losses such as goodwill.

The potential for growth and revenue generation within the arena and event management industry may distract event managers from focusing on two significant components of event management, namely crowd management and crowd control. By focusing on financial rewards and by trying to keep expenses down, event managers often ignore the dangers and underestimate the challenges that should be foreseen and addressed. Failure to focus on crowd management and crowd control may precipitate financial losses through bad publicity, event cancellations, and overall legal liability. For these reasons, every event manager should undertake appropriate measures to create a detailed plan so as to organise a successful event.

## CROWD MANAGEMENT

Crowd management allows one to effectively organise the movement of crowds. It is important to note that crowd behaviour is different from behaviour exhibited by individuals in the same or similar circumstances. A crowd is defined as a large number of persons collected into somewhat compact body without order (*Merriam-Webster's Collegiate Dictionary*, 1993). More specifically, crowds contain a large number of faceless individuals that follow a certain lead without really contemplating the reasons why. Crowds can be furious and perform acts leading to possible destruction, hooliganism, and murder. However, the individual members of the crowd generally would not perform any of these acts without the anonymity that the crowd provides. Understanding basic crowd behaviour assists event managers in formulating effective plans. Yet it is important to understand that no two crowds are the same; thus

crowd management plans should be adjusted to meet the needs of the event and the potential crowd.

After reviewing the potential crowd's sociological behaviour, an event manager can move to other practical measures for efficient crowd management. Crowd movement and seating arrangements are essential. In addition, the event manager needs to consider transportation, time, parking, weather conditions, demographics, number of attendees, box office, and concession stands (Berlonghi, 1994). Furthermore, one must consider seating capacity, assembly of seating, and location of seating. A manager may arrange for a specific number of exits, booths, restrooms, and aisles so as to prevent unexpected situations (Miller, 1997). Unassigned seating should be avoided as people can be trampled trying to get a good seat. With respect to assigned seating, an event manager may want to insure that rival teams' fans are not seated together.

The case of *Gallagher v. Cleveland Brown Football Company*, 74 Ohio St. 3d 427, 659 N.E. 2d 1232 (1996) serves to illustrate the legal implications surrounding improper seating arrangements. This case involves an action brought by a television sportscaster against a professional football team, corporation, and stadium for injuries received in a collision with the football players. The plaintiff alleged that the defendants were negligent in failing to provide him with a safe place from which to videotape the game. In effect, he was required to kneel in an unprotected area of the field, which made him prone to collisions with oncoming players. While the ruling of this case ultimately turns on a technical matter, namely not raising the assumption of the risk defense in a timely manner, this case effectively illustrates the issues concerning assumption of the risk and depicts the elements of the law associated with this defense. The Supreme Court of Ohio held that 'only those risks directly associated with the activity in question are within the scope of the assumption of the risk defense, so that no jury question arises when the injury resulting from such a direct risk is at issue.' *Id.* at 432. Thus it appears that no duty is owed by a defendant to protect a plaintiff from such a risk. Additionally, primary assumption of the risk 'prevents a plaintiff from establishing the duty element of a negligence case and so entitles a defendant to judgment as a matter of law.' *Id.* at 433. In the instant case, the defendants waived the privilege of asserting an assumption of the risk defense and advanced their licensee argument, thereby conceding that a duty was owed to the plaintiff to warn of hidden dangers of which the defendant had actual knowledge. The defendants were ultimately held responsible for improper standards of crowd management.

The assumption of the risk defense is usually successful in cases where spectators sue for being hit by foul balls at sporting events, such as baseball, football, and hockey games. In effect, this



defense overrides the problem of instituting improper seating arrangements. In two other examples, *Guenther v. Charlotte Baseball*, 854 F. Supp. 424 (South Carolina, 1994) and *Lawson v. Salt Lake Trappers, Inc.* 901 P. 2d 1013 (Utah, 1995), the court held that spectators could not recover damages from management because the plaintiff's assumption of the risk precluded any liability on the part of management. In effect, the plaintiff's assume the natural risk of being struck by the foul ball by merely attending the game. Furthermore, the court held in *Lawson* that the stadium owners did not breach a duty to provide screen seats to as many spectators as might have reasonably been expected to request them. *Id.* at 1014. The court stated that 'while the majority rule insures that those spectators desiring protection from foul balls will be accommodated and that seats in the most dangerous areas of the stadium will be safe; this rule also recognises baseball stadiums and customer preference by not requiring management to screen the entire stadium.' *Id.* at 1015. The plaintiff Ben Lawson did not offer any evidence of inadequate protection or lack of screening at the stadium. On the other hand, the assumption of the risk doctrine will not always preclude the defendant from liability. For example, in *Lowe v. California League of Professional Baseball*, 56 Cal. App. 4th 112, 65 Cal. Rptr. 2d 105 (1997), a spectator at a baseball game sued for injuries he sustained when he was struck by a foul ball while attending the game. The court held that generally baseball team owners owed no duty to the plaintiff to protect him from foul balls under the doctrine of assumption risk, however, 'the defendant did owe a duty not to increase the inherent risk to which the spectator at the game was regularly exposed and which a spectator would assume.' *Id.* at 113. In effect, the team's mascot temporarily distracted the plaintiff who as a result could not react to the incoming foul ball. According to the court, 'antics of the mascot were not an essential or intricate part of playing the game, and issues of fact existed on whether those antics increased the inherent risk to the spectator or whether the spectator assumed the risk of being struck by the foul ball after he was distracted by the mascot.' *Id.* at 122.

### **Crowd Management and Communication**

Another element of an effective crowd management plan entails adequate communication among employees, guests, and between management and guests. Effective communication may lead to successful coordination between the parties. According to Watt (1998), effective communication has several objectives:

- to send a message
- to have a message received
- to insure understanding
- to achieve corrective action
- to exchange information.

Watt also explores five methods of communication that must be used effectively. Verbal communication is one of the primary methods used in event coordination. This is not the most effective communication as it cannot be witnessed or returned by the receiver. Nonverbal communication consists of body language, facial expressions, or gestures and may be used only if individuals readily understand each other. Written communication is quite common but often misused. In effect, written messages should be kept specific, short, and to the point, as people might disregard longer messages. Visual communication is mostly utilised to train employees and to promote products. This type of communication is considered the best in creating and retaining interest among your staff. Finally, electronic communication is considered the most effective in recent times. The use of two-way radios, fax, computers, the Internet, etc., bring enormous benefits to event managers as most of the events occur in large areas. Electronic communication efficiently integrates technology for events that entail extensive planning and many personnel. More importantly, the communication process must be flexible in case the environment of the event changes, and the information transferred must be 'clear, concise, courteous, correct, complete, and correctly directed' (Watt, 1998, p. 41).

*Gil De Rebollo v. Miami Heat Associates, Inc.*, 137 F. 3d 56 (1st Cir. 1998) effectively illustrates the implications of having improper standards of communication between management and guests. In *Gil De Rebollo*, a spectator sued the basketball team's mascot and his employer for the injuries sustained when the mascot pulled her from her seat and took her to the centre of the court even though she repeatedly resisted. When he pulled her by force, she fell to the floor and suffered both physical injury and psychological damage. The U.S. Court of Appeals affirmed judgement for the plaintiff, holding the defendants liable for the plaintiff's injuries in the amount of \$50,000. The court further held in the case that the plaintiff could not have foreseen the mascot's aggression in attempting to draw her into the festivities. Therefore, she could not possibly assume the risk of such aggression by simply attending the game.

### **Signage**

Adequate signage is another form of communication that can be used to warn, instruct, inform, and direct a crowd. Signage can also insure the safety or security of the public by preventing accidents or injuries, thereby limiting the liability of event organisers. Public announcements in the form of flyers may also facilitate the movement of crowds. According to Bye (1999), in order to achieve protection from liability, tournament organisers must advise spectators of potential dangers and risk. Signage should be clear, concise, unambiguous, well written, and must be readily recognisable for

maximum effect. According to Berlonghi (1994), clarity may be achieved through the following elements:

- type of sign information, security, medical, lost and found, promotions
- size and dimension, shape, height, width, depth
- material, cloth, plastic, flag panels, billboards, streamers, colors
- wording and language specifications
- mounting materials, pots, wires, streamers, cables, ropes
- amounts
- locations
- purchase, rental, or custom made. (page 186)

Clarity may also be achieved by increasing visibility and strategically positioning the signs. One must also consider the safety and security of the signs as they pertain to posting and mounting. Examples of signs may include 'no smoking,' 'slippery,' 'don't drink and drive,' 'no trespassing.'

In *Van Dyke v. S.K.I. Ltd.*, 67 Cal. App. 4<sup>th</sup> 1310, Cal. Rptr. 2d 775 (1999), the court addressed the signage issue as it pertains to traffic flow. In this case, a ski resort increased the risk of harm to a skier by posting a sign post in the midst of a ski run. According to the court, 'although defendants generally have no duty to eliminate risk inherent in the sport itself, the defendants have a duty to use due care not to increase the risk to a participant over and above those inherent in the sport.' *Id.* at 1315. The sign was barely visible to a patron, and therefore unavoidable or unforeseen as he made his way downhill.

### **Crowd Management, Ushering, and Security**

An appropriate plan for crowd management also entails ushering and security personnel. Personnel should not be hired for security tasks when they are not trained or licensed as security Berlonghi, 1994). Ushers can be used to communicate information from the stands to the main office and to assist guests to their seats. They may reduce disputes among spectators by monitoring the guests' behaviour, reporting any accidents and safety hazards, alerting security of any potential problems, and checking whether people may need medical attention. Their duties represent a marriage of hands-on assistance and behind-the-scenes observation. Therefore, their importance cannot be underestimated.

Security is also a significant feature of a crowd management plan. Security personnel should be experienced in handling disputes, protecting from theft, implementing emergency services, and providing an overall safe and secure environment for the guests. Berlonghi stressed the importance of a written security plan that may also be used to limit organisers' liability for negligence. In addition, the plan should be tailored to a particular event and should avoid adopting any redundant boiler

plate language. It should also provide for the required number of guards and propose a budget for the security plan. Berlonghi also reveals the key elements of an effective plan: (1) thorough risk analysis, (2) assessment of security needs, (3) clockwork scheduling, (4) adequate training, (5) job descriptions, and (6) careful selection of personnel. Effective positioning of the officers is an additional factor in identifying, thwarting, or dissipating a dispute, as time is of the essence (Miller, 1997). While security may represent an aspect of crowd control, especially as it pertains to emergency procedures, it may be effectively utilised as a part of a crowd management plan.

*Roth v. Costa*, 272 Ill. App. 3d 594, 650 N.E. 2d 545 (1995) reveals crowd management problems as they pertain to the issues surrounding the absence of adequate security. In addition, this case links crowd management to the legal issues of criminal negligence. In this case, the plaintiff, a concert attendee, sued the owner of a concert hall for negligence for failing to protect her from criminal attack. The plaintiff alleged that the defendant was negligent by not hiring and training an adequate number of security guards to patrol the parking lot. The court held that the concert attendee was a business invitee for purposes of determining the appropriate duty of care. *Id.* at 595. Therefore, the owner owed the plaintiff a duty to exercise reasonable care to protect her from foreseeable injury—in this particular case, a criminal attack. *Id.* at 596.

### **Crowd Management and Event Conditions**

Because fans act differently depending on the event, event managers must consider the conditions of the event being hosted so as to predict fan behaviour and implement the appropriate security measures. For example, football games might necessitate more rigorous security and detailed crowd management than tennis matches. Another consideration for sports managers is the surrounding facility or environment. For instance, sports events taking place in high crime areas may create the possibility of third party attacks. Therefore, according to Miller (1997), managers must thoroughly investigate the areas hosting the event and take appropriate protective measures. In addition, considering known or past rivalries may also neutralise future confrontations. According to Berlonghi (1994), crowd conditions such as moods or emotions must be assessed. Spectators may be angry or excited due to tardiness, overnight waiting, or intense rowdiness. Furthermore, managers must consider event circumstances, including cancellation, no shows, crowd congestion, lack of parking, the use of special effects, and the presence of obscene/violent performing acts. Social factors must also be assessed, as rival tensions or rival gangs may precipitate violent situations. Rivalry and controversy may spell disaster for an event. For example, an event may be depicting controversial themes or issues related to abortion,

AIDS, racism, or religious tension. For instance, one should determine whether opposing groups will be attending the event as a recognised group (Berlonghi, 1994). Finally, external stimuli and environmental factors must be assessed. For instance, the noise level of the event itself may become a problem if it lasts a long time at an intense level. If this happens, the spectator's health, safety, welfare, and enjoyment may be jeopardised since effective communication is hindered. More importantly, surrounding areas of the community may be negatively affected, thereby increasing the chances for lawsuits and the revoking of permits. Other controllable environmental factors involve providing ventilation/air-condition and minimising cigarette smoke. However, some situations cannot be prevented as they come unexpectedly. They include climatic elements, such as rain and heat. Managers must be aware of this unpredictability and must plan accordingly to diminish the possibility for control problems. For example, a thunderstorm may lead to a crowd's scrambling for shelter, thereby undermining security and increasing the chance for injury.

The following case serves to illustrate the problems of not considering event conditions. *Deerhake v. DuQuoin State Fair Association, Inc.*, Ill. App. 3d 374, 541 N.E. 2d 719 (1989) exemplifies the interaction between improper sports event management and premises liability. An injured spectator and the widow of a man killed in an unauthorised drag race at the defendant's racetrack sued the owner. The court held that the owner owed a duty to protect the plaintiffs from the hazards of unauthorised motorcycle drag racing and that the \$750,000 award was not excessive. *Id.* at 374. In effect, the plaintiffs were injured by the negligence of a third party on the defendant's property. The defendant not only knew of the criminal activity but also used them to its advantage by charging parking, camping, and admissions fees. He did nothing to prevent the illegal activity. The court stated, 'a possessor of land who holds it open for the public for entry for his business is subject to liability to members of the public while they are upon the land for such a purpose; for physical harm done caused by the accidental, negligent, or intentionally harmful act of third person; and by the failure of the possessor to exercise reasonable care.' *Id.* at 382. In effect, a duty was imposed on the defendant to have considered the dangers - or even criminal nature - of his activity, a duty that he ignored and for which he was held liable.

### **Crowd Management and Alcohol Issues**

Having assessed various event conditions, a manager must then consider issues related to alcohol distribution. Alcohol sales and consumption may lead to excessive drinking and result in personal injury and property damage. According to Miller (1997), while alcohol sales generate financial gains, State Dram Shop Acts and

common law negligence 'place [the] sport manager in a perilous position' (p. 279). Miller also highlights various suggestions offered by the Miller Brewing Company regarding alcohol distribution. For instance, personnel must follow proper policies associated with their own alcohol consumption. They should not drink on the job and must be trained to deal with intoxicated people. In addition, participants are not allowed to drink during their performance, and highly intoxicated individuals will not be allowed to enter the venue. Policies concerning alcohol consumption must be created prior to the sale of alcohol. For instance, alcohol should not be sold where crowd problems are foreseeable. Age requirements must be strictly followed and enforced by regularly checking identification. Security should also be positioned where alcohol is sold. Intoxicated individuals must not be served, and a purchase limit should always be established. More importantly, alcohol should never be the event's primary source of income.

In addition to alcohol, the security personnel must consider illegal drugs so that they reduce the risk of injury and other crowd problems. Security personnel should be trained to recognise various types of drugs and the symptoms they create. They should be positioned strategically in suspicious areas like dark corners, parking lots, etc. Moreover, the use of TV monitors at the concession stands or at the spectators seating area may be useful to spot trouble so as to allow for immediate intervention (Waddell, 1997).

A case relating to liability for alcohol and related violence is *Bishop v. Fair Lanes Georgia Bowling*, 803 F. 2d 1548 (11<sup>th</sup> Cir. 1986). In *Bishop*, two groups were situated on adjacent bowling lanes. One group complained to the bowling alley's management of harassing behaviour by the other group. The management took no action and, moreover, continued to serve the harassing group alcohol despite their obvious intoxication. At 2:30 a.m., members of the two groups were the last individuals to leave the facility. The intoxicated group, which had been the aggressor all evening, attacked the other group in the alley's parking lot. The court concluded that a jury could reasonably find that the management knew or should have known of the potentially dangerous situation between patrons before the altercation occurred, and would, therefore, be negligent for taking no action and failing to make its premises safe for invitees.

### **On-Site Legal Counseling**

Finally, an effective crowd management plan should involve hiring or training specialized management professionals in case the event manager is not familiar with the intricate aspects of event management or in case he/she is lacking adequate resources, such as time or personnel. According to Jasso (1996), these professionals are employed to give valuable advice to the event manager. One particular type of professional who should be hired

is an On-Site Legal Counsel (OLC). This is an important measure to ensure safety from the beginning to the end of an event. The OLC is typically an attorney who participates in the organisation of the event. He or she bears the responsibility for the day-to-day legal decisions and for offering valuable legal advice during the event. His/her presence ultimately may enhance the public's trust, as his/her decisions provide security and safety. According to Costello and Delphy (1995), hiring individual attorneys as on-site legal counsels will allow an event manager or organiser the benefit of legal advice regarding certain decisions and the implication of these decisions. More importantly, on-site legal counseling is an extra step that will save financial resources and mitigate economic losses. The OLC should be part of the management team and, more specifically, a member of the overall communication centre. He/she should be aware of impending crowd control problems and be able to assess information given to him/her by police or security. When hiring an OLC, event managers must consider the counsel's expertise. In addition, the OLC should be familiar with the local modifications of the law and the local authorities, such as the police chief, local judge, or other high ranking officials (Costello and Delphy, 1995). Being attentive to these factors may enhance the effectiveness of the overall crowd management plan and allow for the success of the event.

## **CROWD CONTROL**

Having explored the practical measures surrounding an effective crowd management plan, one may now assess the factors that comprise a successful crowd control plan. As previously stated, crowd control represents the steps and procedures that should be taken once a crowd has lost control. These techniques include creating situations, models, and decision making processes needed for the successful direction of equipment under a unified command (Alghamdi, 1993).

A successful crowd control plan involves measures that should be implemented at certain stages of the event. This part of the discussion will trace these measures from the beginning to the end of the event. To begin, the manager must consider preventive or pre-event procedures that may reduce the need for emergency tactics at the event. According to Janowski (1996), a successful crowd control plan first includes a statement of purpose that focuses the plan and provides for crowd control goals. He states that a goal may be 'to provide all visitors, participants, and support personnel with a safe and secure environment to enjoy the activity' (p. 46). At this first stage, one might attempt to understand the dangers of overcrowding, such as panic, violence, injury, and ultimately liability. In addition, an event planner must know what triggers violence. According to Berlonghi (1994), a crowd may become violent if it perceives security to be using excessive force, if it

responds to a member of a hate class, to those who are hurting other people or property, or if it responds to violent outbursts. In effect, crowd control problems may first be precipitated through a domino effect of action/reactions.

## **Pre-Crisis Stage**

At this pre-event or pre-crisis stage, a manager must also consider certain preventive tactics to avoid crowd control problems. Event planning may involve appropriate staffing and training, facility management, and setting up a control centre. Personnel for crowd control may include security, emergency medical services, risk management, and support personnel (Janowski, 1996). The number of security personnel will vary according to the type of event. They should be trained to readily respond to any crisis or emergency. Security should also be in uniform so they are clearly visible. Effective strategic positioning of the officers is also an important factor in identifying, thwarting, or dissipating a dispute, as time is of the essence. Security personnel should move with the crowd. Their placement in special areas will help manage the crowd's behaviour (Miller, 1997). They should also be equipped with other tools such as binoculars, to enhance their supervisory efforts. In addition to security, plainclothes investigators may supervise to ensure personnel are following proper procedures. They can assist in detecting any crowd problems. Emergency medical services should also be implemented, and 'first response personnel should be strategically located throughout the facility' (Janowski, 1996, p. 46). Establishing a centralised first-aid station is also highly recommended. According to Bye (1999), first aid should be readily available and accessible. Risk management professionals should insure that the event runs smoothly. For instance, they must monitor situations that could cause liability. Support personnel are likely to be contract or part-time, so they may require extra training. According to Janowski, (1996) these groups should attend a pre-event meeting, along with vendors, promoters, and facility managers, to review goals and requirements for the event. In addition, they should be trained according to their specialised positions, but they should also be able to communicate effectively. For instance, hand signals or non-verbal means of communication may assist ushers in requesting help from security (Berlonghi, 1994). Janowski (1996) stresses that personnel should also be trained to communicate with the crowd through effective verbal and hands-on techniques. This approach may assist personnel in directing huge crowds to a desired area.

Many cases serve to illustrate the importance of proper staffing and personnel management, especially within the area of security. In *Greenville Memorial Auditorium v. Martin*, 301 S.C. 242, 391 S.E. 2d 546 (1990), a patron in a rock concert was struck by a glass bottle thrown from the balcony of an auditorium owned by the city. He sued the city

and presented evidence that only 14 security guards were provided to control a crowd of 6,000, that no reserve seating existed on the main floor, and that no apparent effort was made by the security personnel to control the drinking, smoking, or pushing. *Id.* at 245. The court ruled that the defendant was liable and the patron's injuries were foreseeable: 'in order to establish liability for personal injury as the result of negligence, it is efficient that he should have foreseen his negligence would probably cause injury to someone.' *Id.* at 247. In effect, a tortfeasor need not have contemplated the particular event that occurred, as he may be held liable for anything that could be a natural and probable consequence of his actions. Here, the defendants were negligent in not adequately securing and maintaining the premises during the concert, and these oversights created a reasonably foreseeable risk of the third party's criminal act of throwing the glass bottle.

In addition to staffing, an event manager must consider appropriate measures for facility management at this initial level of crowd control planning. Proper facility layout and design is crucial to effective management. The area must be inspected before the crowd gathers to insure that 'no explosives, fire hazards, or other panic-producing conditions are present' (Berlonghi, 1994, p. 224). Attendance must be checked daily to be sure maximum capacity is not exceeded. Aisles or barricades may also prevent the accumulation of excessive crowds. In addition, proper entrance and exit procedures should be implemented. Gate supervisors should communicate regularly with the control centre to impart the status of the traffic flow. At times, gates may need to be opened earlier or closed later than originally planned to reduce the possibility of overcrowding. Additional entrances may need to be created if overcrowding is an issue. According to Janowski (1996), 'a method for guests to exit the facility must be available throughout the event' (p. 49). Egress personnel should be positioned where the patrons are leaving. All entrance/exit doors should open one-way as revolving or two-way doors breed overcrowding and congestion. Adequate signage to provide assistance and an effective public address system might also prevent crowd control problems. Furthermore, providing an adequate number of restrooms and concession stands may alleviate long lines. Provisions for parking should also be established.

Several cases serve to illustrate the problems associated with having improper standards of facility management as it pertains to crowd control. In *William v. Walnut Creek Amphitheatre Partnership*, 121 N.C. App. 649, 468 S.E. 2d 501 (1996), the plaintiff attended a concert at an amphitheatre operated by the defendant. After the concert, the plaintiff was attempting to leave the concert without waiting for the crowd to dissipate. In her attempt, she was pushed by the crowd and fell down a hill that boarded the amphitheatre. She asserted that there was 'no lighting, no barriers between the hill and the theatre, and no attendants

to assist the crowd.' *Id.* at 350. According to the court, a material fact issue existed as to whether the owner created an unsafe condition in constructing this amphitheatre and by admitting too many patrons knowing that pushing and shoving would occur after the concerts. *Id.* at 651. In effect, the court considered the elements of negligence in that 'a possessor of land is liable for any injuries caused to his invitee when the possessor negligently creates a condition causing injury or negligently fails to correct this condition after notice of its existence.' *Id.* at 650. Moreover, even if a steep hill could be considered an obvious danger, this fact would not relieve the owner of liability if he should happen to have anticipated that the patrons could be injured on the hill. *Id.* at 651.

In *Queen v. City of Douglasville*, 232 6a. App. 68, 500 S.E. 2d 918 (1998), a young girl's injury and her sister's death were caused by an oncoming train at a parade held by the city. The city was sued for negligence, nuisance, premise liability, and mantrap claims. According to the court, genuine issues of fact precluded summary judgment for the city. In effect, the negligent conduct of the city 'went beyond issues of police protection to choices made by the city in planning the parade.' *Id.* at 68. Evidence was presented that the city was aware of the congestion and the pedestrian traffic around the railroad as it had occurred in connection with the parade in prior years. *Id.* at 68. The city should have foreseen the possibility of such injury when it planned the parade and should have taken proper measures to control the crowd after notice of potential danger. A jury would have to resolve the question of whether the defendant failed to exercise ordinary care to anticipate and guard against such injury, whose proximate cause was within its control.

*Toothe v. City of Wilmington*, 8 N.C. App. 171, 174 S.E. 2d 286 (1970) is a distinguishing case that reveals similar issues of negligence and premises liability as they pertain to concerts and exhibitions. The plaintiff in the instant case fell into the orchestra pit of a theatre under lease to the defendant while assisting church choir members with various tasks. She asserted that the walkway did not have adequate lighting and that she was not forewarned by the defendant as to the conditions of the premises. However, in this case, the plaintiff did not establish duty on the part of the defendant, since 'an individual who invites others to come onto his premises to view an event is not an insurer of their safety and is liable only for injuries proximately caused by his failure to use reasonable care to protect against dangerous occurrences on the premises.' *Id.* at 175. In effect, an owner's duty will vary with the nature of the exhibition, the portion of the building involved, and the degree of injury reasonably foreseeable. *Id.* at 174. Furthermore, the owner was not required to take safety measures that would unreasonably impair the establishment's attractiveness. The plaintiff should have anticipated these

surroundings, as they were not out of the ordinary. The defendant was not liable.

*McLellan v. City of Chicago Heights*, 61 F. 3d 577 (7<sup>th</sup> Cir. 1995) also serves as a distinguishing case within the contexts of city planning and special event management. In this case, spectators were injured at a fireworks display and brought a negligence action against the city. They claimed that the city allowed them to sit too close to the launching site. The court held, however, that the city was immune from liability due to the provisions of the Tort Immunity Act. *Id.* at 578. In effect, crowd control and traffic management at this celebration constituted police functions that barred the plaintiffs' claims—'Neither a local public entity nor a public employee is liable for failure to provide adequate police protection . . . or for failure to detect or solve crimes.' *Id.* at 578. However, simply because the city was immune from liability does not mean that it was not negligent. A private promoter would not have been granted the same immunity. In her article entitled 'Unmasking the Secrets of Mardi Gras Security,' Anderson (1995) explores numerous crowd control issues, namely facility management, as they pertain to Mardi Gras parades in New Orleans. For instance, reducing the amount of space between the bottom of the floats and the ground may prevent injuries to children. Glass or metal cans must not be allowed along the parade route, and a designated area should be indicated for lost children.

Many cases depict Mardi Gras crowd control fiascoes. *Duryea v. Handy*, 700 So. 2d 1123 (4<sup>th</sup> Cir. 1997) entails a Mardi Gras parade where a sheriff's deputy, who had been hired by the club sponsoring the event, struck an off-duty officer in the face with his arm as he threw a bag of beads in the crowd. The officer sued the deputy, the sheriff's department, and the club. According to the court's ruling the deputy was liable, as an employee of the club, and the fault would be apportioned at 65% to the deputy and the club. *Id.* at 1123. In effect, the deputy was negligent in throwing the beads without looking for innocent bystanders. The court employed the following analysis in determining negligence—'whether the conduct in question was a substantial factor in bringing about the harm to the plaintiff, the defendant owed a duty to the plaintiff, the duty was breached, and the risk/harm were within the scope of the protection of the duty breached.' *Id.* at 1125. In addition, the court determined the deputy's scope of employment in light of these four factors: 'the act was primarily employment rooted, the act was reasonably incidental to the performance of the employee's duties, the act occurred during normal work hours, and the act occurred on the employer's premises.' Therefore, the court determined that his duties were closely linked to the club.

*Krewe of Argus, Inc. v. Giarranto*, 449 So. 2d 530 (5<sup>th</sup> Cir. 1984) also involves injuries sustained by a spectator during a Mardi Gras parade. According to the facts, the plaintiff was struck in the eye by a

favour that was thrown from a float. One issue encountered in this case was whether the plaintiff assumed the risk by positioning himself close to the floats. The court assessed the plaintiff's actual knowledge of the dangerous condition, appreciation of such conditions, and voluntary assumption of the dangers. *Id.* at 532. The plaintiff claimed that he had never seen this particular favour that injured him and that unusual favours were typically handed down in plastic bags. The court concluded that the plaintiff did not assume the risk because he was unable to appreciate the danger of the unusual favour. Another issue evidenced in this case was whether the defendant was negligent in failing to set out basic safety guidelines for its members to follow, in failing to educate its members as to the potential types of injuries that might occur, and in failing to supervise the types of favours thrown by the individual members. *Id.* at 533. In effect, the court concluded that the defendant was liable for negligence by failing to act reasonably or by omission in failing to properly train the members of the Krewe.

The following two cases depict the problems that may result from a lack of adequate personnel and the absence of proper facility standards. *Woolworth v. Kirby*, 293 Ala. 248, 302 So. 2d 67 (1974) entails a Ping-Pong ball drop event where the plaintiff was knocked down by a crowd which had gathered in response to the defendant's promotional advertisement. The court ruled that 'when a proprietor causes a crowd to assemble pursuant to a promotional activity, he owes a duty of reasonable care to protect those assembled from injuries resulting from pressure, pushing, shoving, or other crowd activities.' *Id.* at 252. The main issue determined by the court was whether the defendant should have foreseen the risks or dangers involved with the activity of dropping Ping-Pong balls containing prize-winning numbers from airplanes. The court stated:

'In accord with the concepts of foreseeability, a duty to prevent the crowding of a business establishment may arise in those situations where a proprietor can foresee that a customer may suffer injuries due to the pressure of the crowd.' *Id.* at 501.

In the instant case, the defendant did not give warning of the danger involved, he did not take steps to control or police the crowd with supervisory personnel, and he did not use loud speakers to warn the crowd of any potential dangers. *Id.* at 252. Furthermore, the question of general crowd behaviour was relevant to the plaintiff's allegation that the store failed to adequately police the crowd.

In *Boll v. Chicago Park District*, 249 Ill. App. 3d 952, 620 N.E. 2d 1082 (1992), a football stadium invitee fell from the concourse as he was attempting to exit the arena. He sued the stadium owner for negligence as no proper management existed to direct the extremely crowded conditions. Witnesses described the crowd as 'fighting the mass going east

or west.' *Id.* at 953. The jury concluded that the pushing of the crowd caused the plaintiff to go over the railing and that the fall was not a result of his own negligence. According to the court, the plaintiff's reasonable foreseeability of injury was an important, but not exclusive concern, as the defendant was aware of the fans climbing over railings in trying to escape the crowds. *Id.* at 958. The defendant did nothing to ameliorate the flow of traffic neither via stadium design nor through proper management. The court referring to Restatement (Second) of Tort, section 343 stated:

'A possessor of a land is not liable to his invitees for physical harm caused to them by any activity or condition on the land whose danger is known or obvious to them, unless the possessor should anticipate the harm despite such knowledge.' *Id.* at 960.

In effect, the defendant had reason to anticipate such chaotic conditions, but choose to ignore them. Ultimately the defendant was held liable for failure to take appropriate measures to protect the plaintiff. This case may be readily distinguished from *Hartzell v. U.S.*, 539 F. 2d 65 (10th Cir. 1976), where a spectator at a football game at a stadium owned by the government sued to recover for injuries sustained in a fall on the stadium stairway. The court held that the government's efforts to remove the ice and snow prior to the game were reasonable and the government's failure to warn the spectators of the obvious condition was not unreasonable. *Id.* at 539. The evidence showed that the plaintiff knew of the adverse weather conditions. Furthermore, he assumed the risk by braving such conditions to get to the stadium. For the above reasons the defendant was not held liable.

The last component of crowd control may be referred to as the control/command centre that allows event managers to maintain control and coordination throughout the event. This area should be centrally located and should be comprised of representatives from all personnel departments (Janowski, 1996). Representatives should communicate regularly with other personnel and vice versa. This centre should also make the major safety and security decisions during emergencies caused by malfunctions in communications (Berlonghi, 1994). Furthermore, it should be secure from fires, disorderly crowds, etc., and only certain individuals should have access to the post. Media should not be allowed in the command centre. Finally, a chain of command should be established to facilitate the orderly operation of the event.

### **Crisis Stage**

Having discussed the above-mentioned preventive measures, one may now focus on the second stage of a crowd control situation, namely the actual event or crisis stage that happens when the precautions of the first stage fail. According to Berlonghi (1994), not all emergencies should be

handled in the same manner. Certain emergencies may require evacuation procedures, while others entail crisis management. One must first assess the possible emergency situations that exist within the area of crowd control. They include natural disasters, poor weather conditions, fires, terrorism, bomb threats, riots, accidents, mass casualties, and last minute event cancellations. Each of these scenarios can breed fan violence, overcrowding, injury, and even death if not handled effectively.

Practical crowd control measures will eliminate certain problems if the crowds have lost control and must be restrained from unlawful or unsafe behaviour. First, if an event is upstaged by an emergency, procedures for rapid but orderly evacuations may be necessary. Evacuation procedures should be made by an experienced announcer whose voice or demeanor does not evoke further crowd panic. He/she should read a pre-written script that conforms to the situation at hand. Personnel should remain calm throughout the crisis and the event should not resume once it has been cancelled as reverse traffic flow could cause further problems. Security, barricades, and access control could prevent people from re-entering the venue. Furthermore, parking attendants should be positioned in the parking lots to prevent people from driving in a panic-ridden state. Safe rides home could help alleviate problems associated with sudden evacuations. The evacuation plan must be orderly and practiced routinely (Miller, 1997) before a crisis occurs. In addition, event planners should gather necessary information and be ready to speak with the media and the authorities.

While evacuation plans may be reserved for the most serious control problems, other procedures must be followed in cases of fan violence or fighting. For instance, security should not participate in arguments among patrons. Assistance should be requested from police or management in these situations. Having such a procedure might deter disorderly fans from claiming they were provoked by security. Those involved in heated arguments might simply be removed from the crowd. However, before ejecting someone, he/she should be given a chance to stop any offensive behaviour or activity. Highly belligerent or violent individuals should be ejected swiftly and quietly. Again, security must not handle ejection alone but should be assisted by police officers.

Finally, simple problems of overcrowding may be dealt with before they escalate into crisis situations. In effect, maximum capacity delineation should be respected, and managers must not hesitate to turn away individuals if full capacity has been reached. Not doing so could create fire hazards and other threatening situations. Dealing with overcrowding should be attempted when large masses have dissipated to a narrow point (Berlonghi, 1994) so as to facilitate crowd manoeuvring.

*Palmieri v. Ringling and Barnum*, 237 A.D. 589, 655 N.Y.S. 2d 646 (1997) depicts the dangers of overcrowding, as they pertain to safety concerns. In this case, a circus patron was injured when the crowd pushed her down a stairway. She claimed that the circus operators were negligent in failing to provide adequate crowd control measures. *Id.* at 590. Luckily for management, the plaintiff did not establish that she could not find a place of safety or that her free movement was hindered due to overcrowding conditions. Therefore, the defendant was not held liable for negligence in this case. *Id.* at 590.

Crowd control at this stage should also entail crisis management. According to Watt (1998), the key to successful crisis management is not to panic: 'a good manager faces crises and handles them calmly and effectively' (p. 30). Crisis management also requires a team approach or effort. People can solve any problem if they comprise a group who share a common goal or purpose to resolve or handle crisis. According to Watt (1998), the following are basic steps to resolving a crisis situation once it occurs:

- Coolly analyse the situation
- Re-examine the objectives
- Examine the possibilities
- Consider the consequences of various solutions
- Select the least damaging option
- Implement the approach action
- Consider monitoring to avoid repetition (p. 30).

In effect, personnel must be prepared for crisis through appropriate training, planning, and practice that are mainly preventive, pre-crisis activities.

At this stage, one should properly document every incident, as it may become evidence. According to Miller (1997), 'facility maintenance, injury reports, ejection of patrons, and evaluation measures serve as important defense tools should subsequent litigation ensue' (p.84). Evidence may be efficiently documented using closed-circuit television systems and other electronic tools. Police and management reports may also aid in this process. Incidents should be reported according to fact and not opinion, so as to memorialize the occurrence. Crimes, arrests, injuries, pedestrian/traffic accidents, property damage, and crowd disturbances should be properly documented. Accuracy and detail are both hallmarks of accomplishing an incident report that specifies dates, times, locations, witnesses, victims, and suspects, incidents and all actions taken. Furthermore, documentation must be properly labelled, organised, and stored in a safe place.

### **Post-Crisis Stage**

Having discussed the first two stages of crowd control, one may now address the procedures

involved in the third or final stage. They include procedures for post-event security and a mechanism for review and evaluation after the event (Janowski, 1996). A planning committee may conduct a review of the event to determine whether security responded effectively and efficiently. In addition, all personnel should meet after the event to assess their performance so as to ameliorate any aspects of the crowd control plan. Furthermore, the plan 'must be flexible enough to allow for periodic review and modification yet be rigid enough to be effective' under a variety of circumstances (Janowski, 1996, p. 50). Although this stage of the plan appears to lack detail and seems to be rather simple, its importance should not be underestimated or ignored for it is crucial to the overall success of a crowd control plan.

### **AN INTEGRATED PLAN**

As crowd management and crowd control are interrelated, a well-conceived crowd management plan may eliminate the need for extensive crowd control. Waddell (1997), referring to Bob Quintella, a staunch supporter of the integrated plan view, states, 'to keep management from crossing over into crowd control, one of the most important things to do is correctly assess the mood of the crowd' (p.1). Waddell continues with Quintella's assertion that rock show crowds are the most difficult crowds to manage. To prevent a negative reaction, uniformed security guards should not be positioned in full view of the crowd. Similarly, police should not be placed in front of the stage. In effect, as police officers are trained to arrest anyone who breaks the law, an arrest could quickly precipitate an occurrence of a violent riot. Another means to control a rock concert crowd is through education. Use of radio or flyers allow the spectator to know what to expect. Within the arena of sports, especially football events, one needs close supervision of professional security. Furthermore, alcohol consumption is a major problem in these situations. Vendors must be able to readily identify the fans that are even slightly intoxicated and take proper measures, such as stopping alcohol sales, etc. In addition, the use of TV monitors at the concession stands or at the spectators seating area may be useful to spot trouble, allowing for immediate intervention. Finally, one must consider building design. Adequate restroom facilities, wide corridors, and properly positioned concession stands are a plus. Moreover, one should not place the box offices near the entrances. Physical hardware including bike racks, cones, barricades, and fencing should also be positioned to facilitate the direction of the crowd. Following these basic measures might eradicate the need for crowd control (Waddell, 1997).

### **MINIMIZING EXPOSURE TO LIABILITY**

In order for event managers to limit their liability, to preserve their financial stability, and to secure the success of the event, they should focus on



crowd management and crowd control. Developing crowd management and crowd control plans in conjunction with checklists such as Figure 1 and Figure 2 in the Appendix will help protect managers and employees as well as the public. By creating plans with an eye toward the legal issues, event managers may have a better understanding of the legal liability implications. Through effective planning and organisation, they may achieve financial success as well as a safe event.

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## APPENDIX

Figure 1. Crowd Management Checklist

## I. Assessing Crowd Behaviour

## A. Crowd characteristics:

- |                              |     |         |         |         |         |         |     |
|------------------------------|-----|---------|---------|---------|---------|---------|-----|
| 1. Organisation:             | min | ___1___ | ___2___ | ___3___ | ___4___ | ___5___ | max |
| 2. Leadership:               | min | ___1___ | ___2___ | ___3___ | ___4___ | ___5___ | max |
| 3. Cohesiveness:             | min | ___1___ | ___2___ | ___3___ | ___4___ | ___5___ | max |
| 4. Psychological unity:      | min | ___1___ | ___2___ | ___3___ | ___4___ | ___5___ | max |
| 5. Unity of purpose:         | min | ___1___ | ___2___ | ___3___ | ___4___ | ___5___ | max |
| 6. Unpredictability:         | min | ___1___ | ___2___ | ___3___ | ___4___ | ___5___ | max |
| 7. Level of property damage: | min | ___1___ | ___2___ | ___3___ | ___4___ | ___5___ | max |
| 8. Level of violence:        | min | ___1___ | ___2___ | ___3___ | ___4___ | ___5___ | max |

## B. Types of crowds: check all that apply

- Expressive crowds
- Demonstrations
- Mobs
- Spectators
- Normal

## II. Crowd Movement

1. Transportation considerations: \_\_\_\_\_
2. Time considerations: \_\_\_\_\_
3. Weather conditions: \_\_\_\_\_
4. Number of parking spaces: \_\_\_\_\_
5. Number of attendance: \_\_\_\_\_
6. Number of box offices: \_\_\_\_\_
7. Number of concession stands: \_\_\_\_\_
8. Number of exits: \_\_\_\_\_
9. Number of booths: \_\_\_\_\_
10. Number of restrooms: \_\_\_\_\_
11. Number of aisles: \_\_\_\_\_

## III. Seating Arrangements:

1. Number of seats: \_\_\_\_\_
2. Number of sections: \_\_\_\_\_

**Figure 1. Crowd Management Checklist - continued****IV. During the Event**

- Make sure your guests are protected and enjoying the event
- Use your security and ushers to assist and protect the guests
- Use wall or fences to keep people out of unsafe areas
- Direct the crowd with signs and monitors
- Provide an event program for the guests
- Inform the guests of what is illegal
- Keep noise level at the minimum
- Isolate drunk or troubled guests until the end of the event
- Use TV monitors to inspect the guests
- Record any disputes and keep them for evidence
- Have ready emergency service for medical attention
- Provide a designated area for lost and found items and for children
- Assist guests safely to the exits until they leave your premises

**V. Ushering and Security:**

## A. Explain duties to ushers:

- To communicate information
- To assist guests
- To monitor the guests
- Report information to security
- Are not hired for security tasks

## B. Explain duties to security:

- To handle disputes
- Protect from theft
- Implement emergency services
- Provide a safe and secure environment
- Assist in case of emergency

**VI. Effective Security Plan:**

- Position the officers in strategic locations
- Provide access of information at all times to all officers
- Assess the emergency situation and how to approach it
- Inform the officers of the type of crowd
- Keep the officers always on the look for potential problems
- Keep security and ushers on the look for intoxicated guests
- Stop alcohol sales half an hour before the end of the game

**Figure 1. Crowd Management Checklist - continued**

**VII. Communication Concerns:**

⌘ As an important reminder, communication must be clear, concise, courteous, correct, complete, and correctly directed.

A Types of communication: check all that apply and specify the types of communication.

Verbal: \_\_\_\_\_

Non-verbal: \_\_\_\_\_

Written: \_\_\_\_\_

Visual: \_\_\_\_\_

Electronic: \_\_\_\_\_

**VIII. On-site Legal Counseling (OLC):** if OLC is used, please make sure that the following are present.

OLC is familiar with the area where the event takes place

OLC helps set-up, run, and finish the event

OLC is well informed on crowd management and control

## Figure 2. Crowd Control Checklist

### I. Preventive or Pre-event Procedures:

⌘ As an important reminder, the dangers of overcrowding include panic, violence, injury, and liability.

#### A. Appropriate staffing and training

##### 1. Personnel for crowd control:

- Security
- Emergency medical services
- Risk management
- Support personnel

##### 2. Facility management

- Proper facility design
- Safety inspection
- Setting appropriate maximum capacity standards
- Proper exits/entrance procedures
- Adequate signage
- Adequate number of restrooms/concession stands
- Provisions for parking
- Setting a control centre
- Central location
- Representatives from all departments
- Keeping lines of communication open
- Needs to be a secure area

### II. Actual Event of Crisis Stage:

#### A. Proper evacuation procedures

- Experienced announcer
- Pre-written script
- Personnel should calmly assist the guests
- No re-entry after event cancellation
- Offering safe rides home

#### B. Measures to alleviate fan violence

- Request assistance from police
- Eject highly belligerent individuals
- Respect maximum capacity attendance

#### C. Incident documentation

- Fill out a police report accurately and specifically
- Label and organize evidence properly
- Store evidence in a safe place

### III. Post Event Procedures

- Effective response of post event security
- Periodic review and evaluation

## CAN FESTIVALS BRAND COMMUNITY CULTURAL DEVELOPMENT AND CULTURAL TOURISM SIMULTANEOUSLY?

Ros Derrett

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### ABSTRACT

The culture of the region is not the exclusive domain of the residents anymore. It is now shared in the touristic mode with visitors. This does, however, raise the risk of confusing what belongs to 'culture' and what belongs to 'tourism'. Traditionally, anthropological elements are expressed through the identity markers for the 'brand' in the market place. The northern rivers landscape and lifestyle choices are being defended by hosts and guests as they are promoted for what they contribute the region's distinctive features and its 'identity'.

Fundamental changes are occurring in the tourism market with the development of new patterns of tourism consumption). Festivals are identified as a one of the fastest growing forms of leisure and tourism related phenomenon.' Event tourism is concerned with the roles that festivals and special events can play in destination development and the maximisation of an event's attractiveness to tourists'. Their appeal comes from an innate uniqueness of each event which distinguishes them from fixed attractions and their celebratory and festive ambience elevates them above ordinary life. While economic benefits may be gained as a result of staging special events, increased work needs to be done to establish whether festivals contribute to regional community cultural tourism and community cultural development as well.

Festivals provide a substantial vehicle to share what is distinctive about communities with visitors. It is where community and tourism interact that cultural tourism emerges as a dynamic worthy of academic exploration. With the urge for visitors to 'do as the locals do' the festival provides an opportunity to explore what the value, interests and aspirations of residents are. Festivals are where community and its outward manifestations of image and identity collide and where community cultural development, commonly regarded as 'sense' of community or 'sense of place' can become a commodity. The market place receives the

destination marketing message when tourism appropriates the same image and identity which underpins the behaviours of locals. Thus a brand representing core values becomes a brand which can be used by both the community and tourism sectors.

The study on which this paper is based is concerned with the overlapping elements of this model. It is interested in investigating the significant role festivals fulfil in cultural tourism, community cultural development and destination marketing. A number of case study communities on the northern rivers of NSW have been identified and there is an expectation that models will emerge which will better inform policy makers, planners and regional managers.

### INTRODUCTION

The discussion presented in this paper arises from a study evaluating the contribution of festivals to regional community cultural development and cultural tourism. It is concerned with the overlapping elements of the model developed below (Figs 1, 2, 3). What is under investigation is how significant the contribution of festivals is in supporting the principles of cultural tourism, community cultural development and destination marketing. A number of case study communities on the northern rivers of NSW have been identified.

Central to the discussion is that 'Community, the custodians of the content of Australian tourism, must be enabled to participate in tourism by forming its content. Only if Australians are involved in tourism will it survive' (Wood, 1993). Wood suggests that tourism influences identity by generating images such as that of the quintessential Australian. This anthropological aspect of cultural tourism is highlighted by Lips (cited in Wood, 1992:4) so that 'cultural tourism is the art of participating in another culture, of relating to people and places that have a strong sense of their own identity. It is an approach to tourism that gives tourists credit for intelligence, and promises them some depth of experience and

real-life layering that can be explored on many levels’.

Community based festivals and events provide occasions to engage residents and visitors for a limited duration in themed celebrations of a community’s identity. There are many intangible reasons why a community chooses to host a festival (Backman et al, 1995) such as socio-cultural, economic, political and environmental – and each reason is not mutually exclusive. Essentially festivals form the content identified by Wood.

This paper identifies that within the Northern Rivers region, branded by tourism agencies as ‘*northern rivers tropicalnsw*’, community based festivals are a major contributor to the attractions sector and play a significant role in reflecting lifestyle choices made by residents. Festivals appear to fulfil a pivotal role at the interface between the host community and potential guests delivered through tourism. It appears that both the host community in representing itself in terms of a ‘sense of place’, and tourism marketers use the same images and identity generated by festivals as substantial markers. In fact, it is observed that residents and guests identify key festivals as being truly representative of how the destinations are viewed in the marketplace.

While each of the four communities has distinctive festivals to contribute to the regional calendar, what they have in common is an identity in visitor’s perception substantially influenced by them hosting a community based festival. They can satisfy any combination of visitor and resident desire for recreation or socialisation, culture and education, fundraising to support an internal

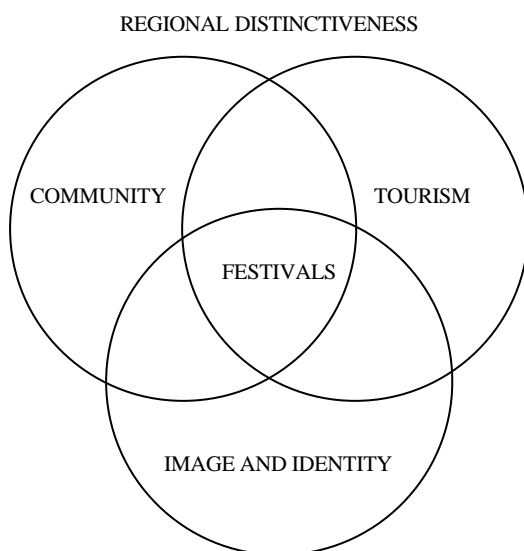
cause, agriculture, external revenue generation through tourism business and community spirit and pride through the offering of ritual and tradition (Mayfield and Crompton, 1995).

Figure 1 places festivals at the interface of three dynamic features of regional communities: the ‘community’ representing the ‘sense of place’ of residents, overlapping with the economic exchange sector of ‘tourism’ representing the visitors and thirdly, the elements of image and identity which reflect the message received in the marketplace.

What comes under more discrete scrutiny where the circles interact in Figure 2, is the level, scale, scope and intensity of the impact festivals have on what is known in the literature as cultural tourism. Here the human environment is explored to determine what formal and informal experiences of a cultural nature are shared by hosts with guests. Community cultural development is represented by growing literature focusing on elements of a sense of community and place. How these may become commodified through the exchange with visitors, as they seek to do as the locals do, is set against how destination marketing is represented in the media and through existing collateral for *northern rivers tropicalnsw* and how it may be utilised in future collaborative marketing programs.

This paper is directly concerned with these areas of interaction in Figure 2. Interim observations have recognised how highly regarded festivals are by key stakeholders, i.e. consumers, be they residents or visitors; tourism service providers; regional event organisers; and government agencies at all levels. Festivals have a significant impact on the image generated of a destination.

**Figure 1:**



**Figure 2:**



## FESTIVALS

Festivals are identified as one of the fastest growing forms of leisure and tourism related phenomenon (Gunn, 1994). 'Event tourism is concerned with the roles that festivals and special events can play in destination development and the maximisation of an event's attractiveness to tourists' (Getz, 1991). Their appeal comes from an innate uniqueness of events which distinguishes them from fixed attractions and their celebratory and festive ambience elevates them above ordinary life. While economic benefits may be gained as a result of staging special events, increased work needs to be done to establish whether festivals contribute to regional community cultural tourism and community cultural development as well.

Festivals provide a substantial vehicle to share what is distinctive about communities with visitors. With the urge for visitors to '*do as the locals do*' the festival provides an opportunity to explore what the values, interests and aspirations of residents are. Festivals are where community and its outward manifestations of image and identity collide and where community cultural development, commonly regarded as 'sense of community' or 'sense of place' can become a commodity. The market place receives the destination marketing message when tourism appropriates the same image and identity which underpins the behaviours of locals.

Getz and Frisby (1987) and Hall (1989) suggest that events may not only serve to attract tourists, but also assist in the development or maintenance of community or regional identity. Long and Perdue (cited in Hall, 1992) offer a number of reasons why communities organise events, 'including enhancing or preserving local culture and history and providing local recreation and leisure opportunities'.

Festivals play a number of significant roles in a town or region. Getz (1991) identifies these as 'attractions, image makers, animators of static attractions and catalysts for further development. They can be seen to minimise negative impacts of mass visitation and foster better host-guest relations. Festivals can lengthen tourist seasons, extend peak season or introduce a 'new season' into the life of a community'. The community development perspective on event tourism (Getz in Medlick, 1991) acknowledges the elements of community spirit and pride, co-operation, leadership, enhancement of cultural traditions, capacity to control development, improvements to social and health amenities and environmental quality. These aspects of event tourism are demonstrated in the four case study destinations.

The publicity festivals and events can generate for a community can not only have a cumulative impact on the destination but also feed into the image and identity of the community, and assist with creating an appealing authenticity. It is about people having

a good time and rarely requires massive infrastructure as it is generally organised around existing resources. Festivals offer the potential, too, to foster local organisational development, leadership and networking, all of which are critical underpinnings of community based tourism development. It is suggested (Getz, 1991) that the consequence of this process would be tourism development more in keeping with community wishes, more authentic, thus more satisfying to residents and visitors and more sustainable over the long term.

## NORTHERN RIVERS *tropicalnsw* REGIONAL CASE STUDIES

The NSW *Far North Coast's Nature-based and Ecotourism Plan* NRRDB (1995) identified a vision to 'nurture a place that welcomes visitors by celebrating and respecting the environment and its influence on lifestyle'. Landscape and lifestyle were seen to be integral to the development of effective tourism products for the region. The lifestyle choices made by residents and visitors in response to the landscape were seen to act as significant, distinctive and diverse attractors in the tourism mix offered by the region. The Cultural Tourism Plan subsequently developed (Derrett, Wynn-Moylan & Ballantyne, 1995) a vision to promote 'the diverse and unique culture of the region capable of setting a national example for artistic excellence and cultural authenticity while recognising the opportunities for economic growth and development'. Nettleship's (1994) work in the region suggests that 'cultural tourism is the practice of travelling to experience the culture of a destination and the business of presenting a destination's cultural assets and attributes to travellers'.

Robust links between arts, heritage, community and tourism enterprises in the region known as *northern rivers tropicalnsw*, became the focus of the establishment of the NR Regional Cultural Tourism Organisation, (1996) which aimed to 'integrate and co-ordinate cultural tourism activity so as to promote the growth and quality of the vital culture in the region and to develop an organisational structure that will encourage co-operative marketing of cultural activities and provide the support facilities for viable cultural tourism industry development'. Its brand became 'Australia's creative edge!' It conducts numerous forums for event organisers to streamline product development, marketing expertise and establish effective strategic alliances.

In the Nimbin, Casino, Grafton and Byron Bay communities there is ongoing debate about visitor management, promotion of culturally sensitive tourism like festivals, and sustainable activity which maintains compatibility with the residents' values, interests and aspirations. The dilemma facing exponents of this dynamic and complex approach to community based tourism activity is



whether each is moulding culture for tourism and tourists and/or moulding tourism and tourists for culture (Craik, 1997:122).

Visitors are able to distinguish elements of what constitutes the values, interests and aspirations of the host community from what they experience during their contact with that community. In fact, the experience in Bali (Picard, 1996: 182) indicates that, despite repeated declarations that cultural values would in no case be sacrificed to the interests of the tourism industry, authorities recognised that tourist capital is dependent on the cultural value of the cultural heritage.

Trotter (1999:40) indicates that fostering a sense of place is a common aim of cultural tourism and community cultural development and sets them apart from mass consumerism. This appears to be an attractive model to communities on the northern rivers of NSW. Communities adopt cultural tourism practices as they appear to satisfy visitors' objectives including a concern for a unique individual experience; opportunities to explore and seek out information and establishing their own interpretation from the data and experience available; chances to engage with place and explore a multiplicity of perspectives; to have independence and autonomy; and a capacity to participate in local activities and engage with local residents.

Trotter picks up on Murphy's community approach to tourism where residents participate in generating the 'short term objectives of the business sector and possibly encourage greater variation and local flavour in projects' (Murphy 1985, cited in Trotter, 1999:41). Each of the case study communities has demonstrated a capacity to develop discrete responses in time and space to managing the apparent changes in best practices in agriculture, housing, technology, employment options and community consultation, so tourism activity is readily approached.

How the values, interests and aspirations of a community forge its 'culture' and become the 'content' of the tourism experience for visitors can be explored through the following four significant attributes. These are what have influenced each community's sense of self and therefore its approach to managing a festival and the attendant host/guest relationship. Each community has distinctive responses to a sense of community and place; has experienced waves of migration; has distinctive strategies to politicise the community; and each conducts a major community event.

These significant shared attributes include communities transformed from 'fate' to 'choice' by changed economic dependence from agriculture to tourism, historic markers like waves of migration, residents' evolving sense of place especially through the notion of heritage, the value of partnerships for increased social capital including community health issues like drugs and the staging of special

festivals and events, and relationships with government agencies and the media.

Individuals participating as organisers, spectators or consumers of events generally wish to satisfy their curiosity, learn more, appreciate beauty, collect things, improve themselves, express their personalities and receive approval from others. The benefits sought by attendees include gainfully filling their increased leisure time, receiving value for money expended, gaining new experiences, a high level of service, social/cultural advancement, security and recognition. On the northern rivers there is a demonstrable understanding of such demand and while the self is central to the satisfaction in the event experience, the sense of community finds expression through the conduct of festivals.

In this region events provide an extension for local leisure needs. They lessen the host-guest gulf by introducing local natural and built amenities and emphasise strong international quality artform practice. Events can address community concerns for tourism impacts by providing transitory physical development to satisfy the tens of thousands of people who are attracted to the destination. As a discrete snapshot in time and space of the local scene, events play a significant role in sending a message about the host community around the globe. International media coverage is substantial. The commercial elements of the undertaking clearly demonstrate the potential economic benefits for the town and region by successfully attracting visitors, targeting specific markets, increasing expenditure in the area with people who stay longer and providing employment opportunities for locals.

Byron Bay is well known for its iconic coastal landscape and its attractiveness to international and interstate visitation, especially in summer. The popularity of the town's New Year's Eve celebrations have, since 1993, been *cause celebre* in regional and national papers and local people have worked hard to develop a local solution. Nimbin has hosted a political rally based on the ending of prohibition of marijuana with festive elements for over 10 years. The village hosted the Aquarius Festival (1973) and now accommodates a diverse and tolerant community dedicated to exploring alternative approaches to numerous socio-cultural tensions. The event annually attracts 10,000 people over 3 days in May. The Jacaranda City (Grafton) hosts the annual Jacaranda Festival and has done so since the 1930s and Casino, the Beef Capital of NSW conducts a vital series of community festivities under the title Beef Week.

Interestingly, three of the events are locked into specific times. The Nimbin Mardi Grass Festival celebrates the harvest of the marijuana plants (as well as the political agenda of ending marijuana prohibition, hence HEMP) in early May, and Byron Bay's *LastNight, FirstLight* festival has arisen from the New Year's Eve celebrations which 'went wrong'

in 1993 - 4. The Nimbin event coincides with a long weekend in Queensland and excites a great deal of interest from interstate visitors; and the Byron event is in the middle of an already substantial holiday season. Grafton's Jacaranda Festival is staged at the time of the flowering of the lilac flowers in later October and November. There is an understanding that any new events need to address the issues of seasonality; so the annual *Writers Festival* (in Byron Bay), the (food festival) *Taste of Byron*, and *Visions of Nimbin* have appropriated times when there is a lull in the tourist regular visitation to enhance the commercial prospects for the town.

The roles of festivals in each of the communities differ. Much is shared in terms of management choices. Each has had to deal with issues associated with harmonisation, security, drugs, negotiating tensions within the community and between the community and external agencies. The tension between chaos and order has been quite palpable in two case study events and managers have been alert to creating alternative approaches to dealing with authority and power, drug and health issues, jurisdiction over traffic and carrying capacity and responsibility for promoting the event. Event management teams in Nimbin and Byron Bay actively resist the use of mainstream media to 'promote' their event. They are obliged to message major tourism marketing initiatives taken by leading government and private sector organisations.

In Casino and Grafton substantial efforts are made to engage with mainstream promotional channels. The management of the Grafton and Casino festivals is much more ordered which can be attributed to features of the demographic of residents and the nature of the events' origins. Local government was instrumental in fostering the economic benefits accruing from a festival based on Casino's substantial local industry, while the socio-cultural origins of Grafton's floral tribute followed conventions of its time and little has been modified over the years.

The value of festivals has been demonstrated for political and socio-cultural celebrations. The community values of festivals have been celebrated in Nimbin. Dunstan (1994) suggests festivals can be used to build communities. Festivals are unordinary times in the life of a community. Making celebration requires that people reach out from their usual routines and interest, go beyond themselves for the community good. The preparation for, and production of, a festival causes people to cross social boundaries and interact in different ways.

Organising a major festival takes a lot of individual and collective effort. To get the job done the organisers have to be able to give a lot of time personally and be able to call in a lot of favours and/or inspire volunteerism. Celebration is a glue which can bind a community and it can also be the

elixir which keeps community a fresh and constantly renewing experience, an elixir which keeps community relevant and responsive to the needs of the times. Annual festivals create a community of witness which marks the passage of time, notes the changing of the guard as new power relations arise and old ones change.

Celebration is the way humans integrate change (Dunstan, 1994). Celebrations can integrate change pro-actively as well. Festivals make a tangible statement about the prevailing 'state of the art' in the community and festivals stimulate and inspire evolutions. The more festivals, the more creativity and cultural change will be fostered. The more tolerant and embracing the festival the more tolerant and embracing the community.

Festivals also create temporary community where new values and art can be explored as joyful community practice. When it comes to acting locally on local issues, a common discovery of social activists is how unskilled most people are in the processes of collective action. The skills needed for a successful social action - meeting skills, goal setting, motivation and management of volunteers, conflict resolution, identification of resources, publicity and promotion, media management, strategy and tactics for achieving the goal - are the same skills as are needed to organise a successful festival.

## METHODOLOGY

Little research exists to support the widespread belief that a special event can create a permanent social or cultural legacy in the host community. An evaluation of the dynamics between community development and cultural tourism, the case of festivals in Northern Rivers NSW is an exploratory study. Are festivals appropriated by both the host community and the tourism sector as identity markers? Under what conditions are a sense of community and place, image and identity developed by festivals?

The case study design is both descriptive and exploratory in nature. In practice these research methods often blur. The study is exploratory in terms of there being little documented in this field and it is anticipated that in the future a more systematic approach may be taken to the issues raised in this research. Evidence is collected from seven sources. Interviews are conducted in the region and each community through open ended questions on topics related to the issues identified above with key individuals who were leaders in government, public and private agencies. Data are collected through document analysis involving local and regional archives, museum collections, library resources, private collections of images and text, tourism brochures, festival documents and survey results; media analysis; official document analysis; observation through attendance at festivals, related community and cultural activities and participation at community forums and the academic literature.

## REGIONAL DISTINCTIVENESS

A particular phenomenon, the community based festival, appears to be generated for 'the common good'. There is an emphasis on festivals providing a mechanism to bring diverse factions of the communities into a shared experience. Craik, (1997:135) suggests that partnerships work better in theory than in practice. The partnerships being undertaken in Nimbin, Casino, Grafton and Byron Bay between the private, community and government sectors are providing valuable material in discerning how they reflect what is distinctive about the region, how they represent the values of the host communities and how attractive they are to visitors.

In each of the host communities it seems to be a threshold over which each community is reluctant to stretch. While the region as a whole has an annual calendar of over 100 substantial events and festivals, many of long standing, the pressure from volume of visitation, issues of seasonality, scale and levels of interaction with locals are registered as common concerns (Nimbin Forum, 2000). Safety and security issues, the strain on existing infrastructure, increasing media attention, impacts on the health and welfare amenities for residents and just plain having fun together all form part of the discussion taking place in the host communities. Each community is dealing with these in quite distinctive ways.

The planning and management of community based festivals is affected by the dynamics in each community which change, and solutions which had successfully met locals' needs at a particular point in time, are no longer relevant or acceptable. The community champions who can exert significant influence on the direction and effort put into each project or strategy provide differing leadership qualities. Such people can also suffer 'burn out' which comes from unrelenting community conflict or under-resourced campaigns.

A significant feature of regional demographics is the layers of migrations to each community. These exert specific influences over time in each community, both internal and external. In terms of providing a stimulus for festivals, it is noted that specific interest groups surface and changes to policy and planning deliberations will occur. Those volunteers who come forth with expertise, prior community building experience, age, education and independent incomes will also impact on the choices made when identifying the directions for local social and cultural action.

The growth in the number of festivals and events in the regional market place is substantial. There are some events which have been on community calendars for over 50 years. The arrival of the Aquarius Festival in Nimbin in 1973 did provide a catalyst for greater recognition to be given to existing festivals and particularly to the

participatory nature of such events. The burgeoning district market sector has provided another showcase for community celebration.

Visitors to the region have found the market circuit particularly attractive. Vast numbers come over the border from the south east corner of Queensland to attend markets in Byron Bay, Pottsville, Nimbin, The Channon and Bangalow. The interest in handmade objects, homegrown produce, regional cuisine, distinctive artefacts and high quality outdoor performances is sizeable, with Queensland numberplates dominating. In villages like Bangalow and The Channon the ability of existing infrastructure to deal with increased visitation is being severely tested. The same pressures of carrying capacity exist when communities like Nimbin and Byron Bay host festivals. The physical amenity is not geared to accommodate cars and buses and people all attempting to 'have a great day out'. Such pressures are less marked at the festivals staged by Casino and Grafton which operate in better prepared mainstreet locations.

## COMMUNITY - SENSE OF PLACE

Some preliminary findings of this study have identified a trait fundamental to developing a sense of community. The key is understanding what appears to be an innate instinct for community and the attendant tension which exists when individuals seek to work through the values, beliefs and aspirations they hold while coming to terms with the benefits they accrue from the connectedness offered by community. How are individual needs and those of the wider community accommodated in the best interests of all?

The sense of belonging includes an awareness that others care, and that the individual in turn has a responsibility to care for the other members of the culture (Patton & Cissell, 1990:10). A sense of community engenders meaning and relationship, inclusion thus enables members of the culture to create a shared history and common destiny. It is the sense of community which fosters co-operative actions. Commentators such as David Suzuki and Robert Theobald (1999) have attracted substantial followings in the region as individuals and communities seek to identify the ties that bind, empower and satisfy expressed needs. This provides the 'content' suggested by Wood (1993) to be shared with visitors.

Each of the four communities is dealing with the issues differently. The acknowledgment of the things, which provide the connectedness, identity, heritage, tradition, empowerment, trust, participation and proactivity assist in better management practices for communities. Social capital, the spaces between people and the networks which are nurtured and generally responsible for the sense of community need to be documented. Social reciprocity is one practice which recognises the shared responsibility in community development and can be appropriated into the cultural tourism sector.

Thresholds are recognised by members of each community as they struggle to deal with issues associated with external interventions, carrying capacity associated with increased media attention, and the attraction of growing numbers of visitation and influx of new settlers and pressures on existing infrastructure, let alone coming to terms with providing opportunities within their community for individual expression, entrepreneurship, creativity and nurturing of the cultural diversity which is important to both host and guest. This diversity, so appealing to residents and visitors, is complex to market in the tourism destination sense.

## REGIONAL BRANDING

'Our brand is more than just a logo, it's a complete image package that uses logos, colours and imagery to create a favourable and lasting impression in the mind of the consumer and of course, the more we use it, the more the value grows,' Roberts suggested at the launch of 19 images designed to capture the essence of the northern rivers experience (Lismore Tourism, 2000).

The destination brand employed in the case study region fulfils the generic definition of a brand as a name attached to marketing efforts as a term, a sign, a symbol, a design or a combination of such elements which are employed to identify a product or service for potential customers and differentiate it from its competitors (Kotler et al, 1999:284). The host communities for the four festivals clearly connect the festivals to their corporate, tourism and internal marketing campaigns. The promotional material of each emphasises the appeal of local hospitality, friendliness, and the access to the local amenity contributed by festivals.

## IMAGE AND IDENTITY

There is an understanding within the region of the power and potential of festivals and events in the region to not only contribute to the quality of life and economic well being of the community, but to the images which demonstrate the lifestyle and landscape choices made by residents. There is increasing attention given to the effective management of events that have the potential to attract more people to the region through the positive word of mouth promotion. With 30% of regional visitation attributed to the visiting friends and relatives (VFR) market (Lismore Tourism 2000), festivals provide a sizeable opportunity. The rich tradition for community celebration is being exploited for community and corporate gain.

In Casino, Grafton, Nimbin and Byron Bay there is acknowledgment of the impacts of special events on the host community. There is an interest in providing diversionary activity for the pleasure and leisure of the residents. The volunteer sector contributes vast amounts of time, energy and creativity in generating fairs, markets, festivals, seminars, sporting and cultural events. Some are

used as fund raisers for local groups. Because the volunteer residents have themselves many connections within the community, there is an understanding of the value of partnerships with agencies such as local government, the media and the small business sector. This friendliness and evidence of rural hospitality is an appealing aspect of the tourism experience.

The task for destination marketers is how best to translate this feeling, this 'experience' into images and grow brand awareness within the community and in a national context.

## NIMBIN'S MARDI GRASS - CANNABIS LAW REFORM RALLY

The *Nimbin Mardi Grass* bills itself as the biggest hemp harvest festival in the Western world. It attracts over 10,000 people to the village of Nimbin (population 600) in the first weekend in May to celebrate all things hemp, like medicine, fibre, fuel and food. The event was conceived as a drug law reform protest. The celebration incorporates resident culture and more than expressing contemporary cannabis culture in Australia, it is central to creating and sustaining it (Dunstan, 1999).

'On the Friday of Mardi Grass, a Kombi Konvoy, a salute to the hippy pioneers of 25 years ago, rolls into Nimbin at sunset led by the HEMP Olympix torch bearer. So begins two days, three nights of extraordinary art, music, dance and frivolity. The Pickers Ball in Nimbin Hall on Friday night is followed by the Harvest Ball on Saturday night. There are wacky contests billed as the Hemp Olympix - Bong Throwing, Joint Rolling, Seed Sorting and the annual Grower's Iron Person contest, which comprises a gruelling test of stamina carrying water and fertiliser up hill after a crawl through the dreaded tick and leech infested lantana tunnel. There are seminars, markets, a hemp trade fair, hemp fashion shows, a pot art exhibition, street theatre and street music.'

The study recognises the powerful emotional views held within the host community and shared through a unique forum mechanism. The volunteer management of the event annually deals with the tensions generated by the three day event, while visitors are oblivious to the community development ramifications. The Police, local government, the Chamber of Commerce, tourism agencies and regional media are all significant players in how the image of the village is projected beyond the three day festival.

## BYRON BAY'S NEW YEAR'S EVE CELEBRATIONS

The *LastNight FirstLight* celebrations are a result of the establishment of a community safety committee. A community based Council committee

sought to redress the image generated from 'chaos', 'mayhem' resulting from new year's eve street activity in 1993/4. The negative national media coverage spurred volunteers to seek solutions of a local nature through strategic partnerships, rebranding the town and the annual street celebrations. Extensive work has been undertaken to reorientate the target market, encourage families to return, provide participation opportunities for locals and holiday makers through workshops to prepare floats for a parade, and harm minimisation strategies in relation to consumption of alcohol and drugs and innovative waste management to deal with up to 30,000 people.

Extensive community consultation sought to develop an event that reflected the lifestyle of residents, but capitalised on the iconic status of Byron Bay as a tourism destination. The business sector was vital to ongoing negotiations for effective management and monitoring of subsequent events. The 2000 New Year event was deemed a success in terms of local empowerment, delivery of accessible entertainment and satisfying expressed concerns about potential tourism influxes.

### **CASINO'S BEEF WEEK**

*Casino Beef Week* celebrates its 19<sup>th</sup> year in 2000. It is actually a 12 day week (!) of activity geared to its established market of beef producers across the eastern states of Australia. It comprises such elements as the annual dinner dance and crowning of the Beef Week Queen, with each of the up to 10 candidates representing a specific breed; broadly based community entertainment with a cattle theme; and the highlight is seen as a parade of cattle, horse drawn vehicles and commercial floats. A roundabout in the mainstreet is converted into a judging ring for 120+ live steers to compete. In recent years programming has embraced aspects of the timber industry, local arts and crafts and shop displays.

This profile raising exercise involves numerous individuals, volunteer and community representative groups in its management with a dedicated Festival co-ordinator funded from donations and fundraising for the event. Packages are developed by accommodation and tour companies. The recent amalgamation of two local government areas brings to Casino a Council employed Tourism Officer whose brief includes the integration of *Beef Week* into local and regional promotion. Visitors are drawn mostly from the regional and domestic market, though increasing media exposure has relayed details of the event overseas ([www.richmondnet.com.au/beefweek](http://www.richmondnet.com.au/beefweek)).

### **GRAFTON'S JACARANDA FESTIVAL**

Grafton's *Jacaranda Festival* was inaugurated in 1935. This was the first of Australia's folk festivals. The hundreds of lilac-blossomed trees are central to this tradition of celebrating community

comradeship. Its origins are steeped in the Anglo-Celtic lessons of floral dance, folk lore and picturesque ceremony. Seasonally the time of late Spring allows for residents and visitors to see the City and the Clarence River area in fresh green glory. It currently extends over a 22 day period from mid October to early November.

A gazetted half day holiday becomes the focus of street festivities, breakfasts, outdoor entertainment and activity in local clubs, and allows the business sector to decorate their windows. Like all case study festivals, local media conduct outside broadcasts to share the dynamics of the main day with the regional community.

### **CONCLUSION - INTERIM OBSERVATIONS**

A signifier of a community's sense of self and an expression of its sense of place is the collaboration which occurs when a festival is hosted. This emerges from an observation of Australians' passion for festivals as an intrinsic declaration of communality. It is commented upon by Donald Horne (1989:62) in his book, *Ideas for a Nation*. He suggests festivals are a *ritualised break from routine that defines certain values in an atmosphere of joy in fellowship*. He offers two elements of communal responsiveness, *ceremony and ritual*, which are discussed by Dunstan (1994), when he writes about Nimbin post Aquarius Festival.

The culture of the region is not the exclusive domain of the residents anymore. It is now shared in the touristic mode with visitors. This does, however, raise the risk of confusing what belongs to 'culture' and what belongs to 'tourism'. Traditionally, anthropological elements of cultural tourism are expressed through the identity markers known as the 'brand' in the market place. The landscape and lifestyle choices defended by hosts and guests reflect a region's distinctive features and create its 'identity'. It allows a deconstruction of regional distinctiveness through the constituent parts of communities, filled not only with residents but shared with visitors and the image projected in the market place.

This discussion acknowledges the individual differences represented in the programming of case destinations' events. It recognises the influence of the demographic composition of each community, specific leadership and management of events, relationships within each community and links with wider regional branding initiatives. However, it is evident that in each destination and for this region as a whole, festivals provide a significant dynamic in the three areas, community cultural development, cultural tourism and destination marketing. It is recognised that while festivals are clearly identified in each destination community's psyche and manifested in tourism promotional collateral, there will be degrees of effectiveness in the representation festivals provide as a branding agent.

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# **THE OLYMPIC GAMES**



## AUSTRALIAN TOURISM - BENEFITING FROM A MEGA-EVENT - THE SYDNEY 2000 OLYMPIC GAMES IN AUSTRALIA

**Andrew Woodward**

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### **ABSTRACT**

Australia will be a standout performer in international tourism in the first decade of the new century. There has rarely been a time when the conditions for inbound tourism growth have been better for Australia.

Major factors influencing growth are the Sydney 2000 Olympic and Paralympic Games, which are expected to leave a lasting legacy for the Australian Tourist Commission (ATC), the Australian tourism industry and Australia as a whole. Why?

The benefits to Australia of hosting the 2000 Olympic Games are very clear. An estimated 100,000 new jobs could be created in the tourism industry as a result of increased international tourism generated by the 2000 Sydney Games. In addition, the worldwide interest surrounding the event, will irrevocably change the way the rest of the world sees Australia.

The Games are the single biggest promotional priority for Australia in one hundred years. It is forecast that the publicity surrounding the Olympic Games will bring an extra 1.6 million international visitors to Australia between 1997 and 2004 generating SA6.1 billion in revenue.

In addition the 2000 Olympic Games are expected to attract a television viewing audience of 3.5 billion people around the globe, making it the most watched event in history. During the year leading up to the Games major companies will be promoting their association with the Olympics in Australia.

How has this been achieved?

The ATC implemented an ambitious \$12 million four year strategy which is unique in modern Olympic Games history. The ATC is the first National Tourism Organisation to use the Games to: promote the whole country's tourism image as well as the Host City's; to work closely with Olympic partners to develop mutual benefits from linking the tourism brand with their products and services; and to develop such an extensive media relations program to ensure that every possible publicity opportunity is maximised.

The ATC's Olympic strategy aims to add depth and dimension to Australia's international image and increase long-term economic and social benefits for Australia through increased export earnings, employment, visitor arrivals and visitor dispersal.

## SYDNEY 2000 OLYMPICS TOURISM IMPACTS STUDY

**Bill Faulkner, Ray Spurr, Laurence Chalip and Graham Brown**

*Introduction and Overview: Bill Faulkner, Griffith University, CRC for Sustainable Tourism; International Market Response Project: Ray Spurr University of NSW; Leveraging Strategies: Laurence Chalip, Griffith University; Sponsorship Linkages: Graham Brown, Southern Cross University.*

### ABSTRACT

The summer Olympic Games has evolved into an event of such scale and profile at the international level that it is difficult to envisage any other single planned event that rivals it in terms of potential impacts on the level and composition of international tourist activity. Accordingly, the staging of such events is generally recognised as a rare opportunity for host destinations to promote their tourism product. Similarly, because the Olympics Games have such a high profile, the study of their impacts and associated tourism marketing activities can provide unique insights into ways events in general can be more effectively leveraged for tourism purposes. While much emphasis has been placed on the promotional implications of the Sydney 2000 Olympics in the consideration of approaches adopted by public sector agencies and the industry to the leveraging tourism benefits, the range of strategies being implemented are far more diverse. The assessment of the tourism impacts of the Olympics, and their implications for the future, therefore demands a multi-faceted approach, which examines both supply and demand-side effects.

An evaluation of the tourism impacts of the Sydney Olympics is essential from two perspectives. Firstly, the staging of the Sydney 2000 Olympics has involved a substantial investment of State and Federal Government funds partly on the grounds of anticipated tourism benefits. An evaluation of tourism impact is essential not only for accountability reasons, but also to guide public sector policy on support for major events in the future. If a substantial tourism dividend is demonstrated, then government might be in a position to support an events based strategy to economic development more confidently in the future. Alternatively, if the tourism impacts are limited, then the tourism rationale for the commitment of resources to mega-events in the future would be questioned. Secondly, by examining leveraging strategies more closely and evaluating their effectiveness, we will be in a position to identify approaches which may enable the potential tourism benefits of events to be exploited more effectively in the future.

The CRC for Sustainable Tourism's Sydney 2000 Olympics Impacts Study aims to provide a foundation for a systematic and comprehensive

evaluation of the event's tourism impacts. Specifically, its objectives are:

- To monitor the impacts of the Sydney 2000 Olympics on Australia's international tourism market performance (note that, at this stage, the anticipated level of funding suggests that it will not be feasible to expand the scope of the study to include the domestic market as well)
- To establish the extent to which there have been differential impacts throughout Australia and whether or not there have been any switching effects, both in geographical and temporal terms
- To identify the range of leveraging strategies employed at the national, state/territory and local levels and, in the light of the market trends referred to above, assess the effectiveness of these strategies
- To examine organisational responses to Olympics leveraging opportunities, analyse relationships between these responses and the effectiveness of strategies and ascertain whether or not the challenge of the Olympics has initiated longer term changes that will influence the competitiveness of Australian destinations
- To provide a research foundation for the development of more effective strategies for leveraging tourism marketing opportunities from major events in the future.

The relevance of monitoring demand-side effects is obvious in the sense that changes in the level of tourist activity, and the motivational factors that influence this activity, provide the key indicators of the ultimate effects of the Games. However, unless these changes are examined in conjunction with organisational adjustments and associated leveraging strategies implemented at the destination level, we are in no position to evaluate the adequacy of these responses and learn from the Sydney 2000 experience.

There are three major components of the study. These are described below, where the research team associated with each component is also indicated (in brackets).

- **International market responses** (Robin Shaw and Arch Woodside). The monitoring of international market responses to the Olympics

will be carried out through the inclusion of additional questions in the International Visitors Survey (IVS) for at least three years from October 1999. These questions are aimed at gauging attendance at the games among international visitors and will provide information which will assist in assessing the significance of various promotional effects. Pre-existing core elements of the IVS will support this part of the study. For example, an analysis of multi-destination travel patterns at the unit record level, in conjunction with games attendance information obtained from additional questions, will enable the incidence pre/post-games itineraries and aversion effects to be examined.

- **Leveraging strategies and organisational responses** (Laurence Chalip, Bill Faulkner, Chris Green and Sarah Purchase). An exploratory examination of leveraging strategies has been carried out by Griffith University in the process of producing forecasts on the tourism impacts of the Sydney Olympics for the Tourism Forecasting Council (TFC). Apart from the travel to Sydney induced by attendance at the Games itself, common strategies and impacts include:
  - destination promotion through media profile, organisational effects and visiting journalist programs;
  - pre and post Games itineraries;
  - pre-games acclimatisation camps;
  - opportunities for destinations other than Sydney created by diversion and aversion effects;
  - stimulus to conventions and incentives markets;
  - creation of new market niches through sponsorship linkages (see below); and
  - stimulus to tourism through infrastructure improvements.

The earlier exploratory study is being followed-up through the conduct of pre and post Olympic surveys of national, state/territory and regional tourism bodies in order to ascertain both the extent to which various leveraging strategies were adopted and the

range of organisational effects. These surveys will provide a framework for selecting individual agencies for a more in depth analysis of organisational adjustments and associated strategic outcomes. With the benefit of hindsight, it is often possible to identify missed opportunities and better approaches to achieving organisational and community objectives. Accordingly, the latter component of the study will include a retrospective analysis aimed at drawing together insights from the Olympic experience.

- **Creation of new market niches through sponsorship linkages** (Graham Brown). The many corporate sponsors associated with the Games use the opportunity this event presents to host valued clients through the provision of fully paid trips. New linkages are therefore established between Australia and particular market segments that might not have otherwise been considered as a potential market. The extent to which benefits of this nature are derived from the Olympics is being explored firstly by examining the unique distribution system that services this type of tourism and the type of travel and hospitality programs which are being developed. The nature of these packages will play an important role in determining the direct impact of the Games. However, the critical issue of sustainability will be influenced by the nature of the market which has been created, the propensity of visitors to return to Australia and their influence on the travel decisions of others in their home countries. In marketing terms, the sponsor organisations are (inadvertently perhaps) conducting a form of sales promotion by making it possible for potential consumers to test a product - Australia as a tourist destination.

The research in this section of the project will involve interviews of both representatives from sponsoring corporations (to ascertain the composition of travel packages being provided to clients) and their guests (to examine consumer reactions to the new product and their future intentions). SOCOG has agreed to facilitate access to both these groups.

## HOST POPULATION PERCEPTIONS OF THE 1996 ATLANTA OLYMPICS: ATTENDANCE, SUPPORT, BENEFITS AND LIABILITIES

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### INTRODUCTION

The purpose of this paper is to expand on the research begun by Ritchie (1984) into one aspect of mega-events, the modern Olympic Games. It begins by introducing the reader to a brief overview of mega-event research and moves into the methodology of data collection for the Georgia Poll and the Georgia Olympic Poll. It continues with a discussion of the findings and a summary of the implications of these findings in the Conclusion section.

Ritchie (1984) has defined hallmark or mega-events as one-time or recurring events, which enhance the awareness and appeal of a tourist destination. Mega-events of this type hold the market potential for national and international tourism development (Getz 1991; Hall 1989; Hughes 1993; Jeong 1988; Mihalik 1994; Mihalik & Cummings 1994; Mihalik, Cummings & Simonetta 1993). The Olympic Games are possibly the greatest of all hallmark events. The varied activities surrounding the Games are powerful opportunities for image enhancement with national and international visitors and at the same time creates pride for the local citizenry.

Given the vast potential for community development, global media attention, future tourism enhancement, host community involvement and subsequent citizen pride, the need for systematic research and analysis has been advocated (Cummings & Mihalik 1993; Fodness 1990; Hall 1989; Hughes 1993; Jeong 1988; Mihalik 1994; Mihalik et al. 1993; Mihalik & Simonetta 1996; Ritchie 1984; Ritchie & Aitken 1984, 1985; Ritchie & Lyons 1987; Soutar & McLeod 1993; Uysal, K. Backman, S. Backman & Potts 1991). Further, there has been a call for longitudinal research, in general, on different aspects of leisure studies, (Carpenter 1992; Crawford, Godbey, & Crouter 1986; McGuire, Dottavio & O'Leary 1987; O'Leary, Behrens-Tepper, McGuire & Dottavio 1986). However, according to Carpenter (1997), the response to research conducted over time has been minimal.

There was one longitudinal study undertaken to monitor resident attitudes towards a tourism mega-event. Dr. J. Brent Ritchie as part of the Olympic Research Group at the University of Calgary developed this trend study. Its purpose was to carry out a longitudinal examination of the range of

impacts it was anticipated might result from this mega-event (XV Olympic Winter Games), which was held in Calgary, Canada (Ritchie & Aitken 1984). Their trend study analysis known as the "Olympulse Monitor" was conducted beginning in 1983, 1984, 1985, 1986, and twice in 1987. It consisted of multiple surveys of 20 academic institutions and research organizations in the United States and Europe (Ritchie & Lyons, 1987). Thus, the purpose of this research project was to use Ritchie's Olympic research design in a trend study of perceptions and attitudes of Georgians toward the 1996 Summer Olympic Games. This paper reports on select aspects of the Georgia Olympic Poll trend study that was conducted over 4 years and consisted of 12 data collection points.

### METHODOLOGY

#### Sampling Procedures

Resident perceptions of the Olympic Games were collected as part of the Summer 1992, Winter 1993, Summer 1993, Winter 1994, Summer 1994, Winter 1995, Summer 1995, Fall 1995, Winter 1996, Spring 1996, Summer 1996, and August 1996 Georgia State Poll conducted by the Applied Research Centre at Georgia State University in Atlanta, Georgia, USA. The Georgia Poll, conducted quarterly, contained approximately 60 questions and covered a wide variety of topics reflecting multiple issues and themes and thus included, on select polls, and Olympic component. All 12 surveys represent a combined total of 9,342 Georgia resident responses.

As reported by Mihalik and Simonetta (1998), a database purchased from Survey Samplings, Inc. provided a randomised list of Georgia telephone numbers. Survey Samples, Inc. maintained a database containing more than 3,300 telephone directories of listed household numbers. Duplicate telephone numbers were purged from this list automatically. Next, all of the working exchanges (first three numbers) and working blocks (next two numbers) were identified. Each exchange was assigned to a specific county and the sample was stratified by county proportionate to the estimated number of households in each county. The numbers that composed the sample were randomly selected from the targeted area based on this stratification. Finally, Survey Sampling, Inc. eliminated business numbers by removing known Yellow Page numbers from the sample (Henry 1990).

Once a number was selected for the sample, it was entered into a computer-assisted telephone interviewing system. Trained interviewers called each of the approximately 2,400 households identified in the sample pool of numbers multiple times in an effort to begin the poll. Each phone number selected was called a minimum of 8 times but not more than 16 times in order to begin the computer-assisted telephone poll. Once the phone was answered, the interviewer asked for the person over 18 who has had the most recent birthday. From this point on, this person was identified as the qualified respondent in this household. The selection of the person over 18 with the most recent birthday ensured the randomness of the selection process. At the end of the survey, in addition to the demographic data collected, the respondent was asked "How many persons over 18 live in this household?" and "How many different phone lines will reach this household?" The information obtained from these questions was used to create a category for weighting the number of phones and adults in each household. The weighting took into account the likelihood of a particular residence being called by the Applied Research Center. The data set once collected also was weighted to better reflect the actual population of the state of Georgia. The proportions from the 1990 U.S. Census were used for this weighting procedure (Henry 1990). In each of the above survey polls, no attempt was made to track the responses of the same individual over time as in a longitudinal panel study. The examination of new, but similar individuals over time as in this research effort was classified as a trend study (Babbie 1995; Martin 1983; Schaie & Hertzog 1982).

### Georgia Olympic Polls

The Olympic component of the summer 1992 Georgia Poll was restricted to eight close-ended questions and the initial winter Olympic component of the Georgia Poll was restricted to eleven close-ended questions by the Poll Administrator. While researchers desired to solicit responses to far more Olympic questions similar to Ritchie's efforts at the 1988 Calgary Winter Games, the budget constraints associated with conducting a state-wide telephone poll on a variety of non-Olympic topics necessitated restricting both the number of Olympic questions and the question format.

Two questions in both the summer and winter Georgia Olympic Polls were designed to determine plans to attend any of the events and level of resident support for hosting the Games. The attendance question was phrased as follows: "If you are still living in Georgia in 1996, do you expect to attend one or more of the Olympic events as a spectator?" Responses were restricted to "Yes", "No" and "Not Applicable".

The support question was phrased as follows: "All things considered, do you think it is a good idea for Georgia to host the 1996 Summer Olympic Games?" Again, responses were restricted by the

Poll Administrator to "Yes", "No" and "Not Applicable".

Respondents were then asked six questions in the initial Summer 1992, Summer 1993, Summer 1994 and Summer 1995 polls that described the potential benefits of holding the Olympics in Georgia. The Poll administrator in conjunction with the Applied Research Center Director decided, in the fall of 1995, to not only ask the attendance and support questions, but also ask the six benefit and nine liability questions in every subsequent Georgia Poll from the fall of 1995 through the post Olympic Poll in August of 1996. Thus, a total of 17 questions, attendance, support, benefits (6) and liabilities (9) were asked in the Fall 1995, Winter 1996, Spring 1996, Summer 1996 and August 1996 Georgia Polls.

Both the benefits and liabilities used in this poll were adapted from Ritchie's (1984) Olympulse research. The benefits included the following: 1) international recognition, 2) increased future tourism, 3) economic benefits, 4) Olympic facilities development, 5) enhanced image or reputation of Georgia; and 6) increased citizen pride. The negative consequences included the following: 1) traffic congestion 2) price gouging, 3) strain on law enforcement 4) street crime, 5) unfair distribution of state resources, 6) civil unrest, 7) terrorism, 8) negative attitude of visitors toward residents and 9) negative attitude of residents toward visitors.

A Likert-type scale was developed with a range of one to ten points for both benefit and liability questions. Respondents were asked to rate the level of each perceived benefit or liability using one as a "very small benefit or negative consequence" and ten as a "very great benefit or positive consequence". Comparisons were made to determine if any changes existed in Georgia residents support, plans to attend any of the events, as well as their perceptions of benefits and consequences that would occur because of the Games.

### Findings

#### EXPECTED ATTENDANCE

In all 12 surveys, plans to attend the 1996 Olympics steadily decreased over time for Georgia residents from a June 1992 poll high (Table 1). Those indicating they would attend the 1996 Summer Olympics decreased from a high of 69.3% to a pre-Olympic low of 28.1%. Since the earlier 1992-1993 polls were held relatively close to the awarding of the 1996 Olympics by the International Olympic Committee (I.O.C.) and Olympic ticket prices were not determined at this date, Georgia residents still anticipated attending the 1996 Summer Olympics. While this decrease in expected attendance was similar to the findings of Ritchie's Olympulse research of Calgary residents, the drop in Ritchie's research was not as dramatic. Although the percentages of Calgary residents planning to attend the Winter 1988 Olympics were higher (47.2% versus 28.1%), Olympulse respondents also declined in their plans to attend

over time from a high of 87.9% in 1983 to low of 47.2% in 1987 (Ritchie & Lyons 1987).

The Winter 1993 Poll marked the beginning of a decrease in Georgia residents with regards to attending the 1996 Summer Olympics. Residents may have experienced or anticipated some of the negative consequences of the Games, or they may have had a reality check in later years as proposed Olympic ticket prices were published in a local newspaper. High ticket prices for select popular events may have discouraged some residents from attending the 1996 Summer Olympics. Ticket prices ranged from a low of USD\$7 to a high of about USD\$600 per event. Many of the more popular events such as swimming, men's basketball and women's gymnastics had ticket prices in the hundreds of U.S. dollars per ticket.

Finally, while only 28% of Georgians indicated they planned to attend the Games right before the commencement of the 1996 Summer Olympics, those who actually did attend the Games increased to approximately one third of all Georgians. This increase in actual attendance from a pre-Olympic poll was consistent with the results of Ritchie's research where Calgary Olympic attendance increased from the pre-Olympic projection of 46.2% to actual attendance of 55%.

The 1996 Summer Olympic attendance did differ greatly from Ritchie's Olympulse results, which reported that 55% of those responding to the

Calgary Winter Olympic polls attended an average of 2.2 events each (Ritchie & Lyons 1987). The higher attendance figures for the Calgary Games may have occurred because the average ticket prices for winter Olympics events were less than the average price for a summer Olympic event. Alternatively, attendance differences may have been a result of data collection methodology and the reliability of sampling strategy utilised by both Olympic Polls.

### Resident Support

Resident support for hosting the 1996 Summer Atlanta Olympics remained strong over the years. Table 2 noted the percent of Georgians who stated hosting the 1996 Atlanta Olympic Games was a good idea.

Since the 1996 Summer Games were approaching, resident concerns about the potential negative consequences of the Games may have dampened resident support. This initial high level of resident support and then a decline in support was consistent with the future optimism theory (Mowen & Mowen 1991). Future optimism theory states that when outcomes occur in the future, outcome optimism is predicted because of the relatively greater valuation of gains. When outcomes are expected to occur in the present, losses loom greater than gains, leading to risk aversion (Mowen & Mowen 1991).

**Table 1: "If you are still living in Georgia in 1996, do you expect to attend one or more of the Olympic events as a spectator?"**

<b>Georgia Poll:</b>	<b>Attend: "Yes" (%)</b>	<b>Attend: "No" (%)</b>
Summer 1992	69.3	30.7
Winter 1993	63.6	36.4
Summer 1993	65.4	34.6
Winter 1994	58.2	41.8
Summer 1994	59.0	41.0
Winter 1995	47.9	52.1
Summer 1995	39.8	60.2
Fall 1995	37.2	62.8
Winter 1996	33.7	66.3
Spring 1996	28.9	71.1
Summer 1996 (Pre-Olympic)	28.1	71.9
August 1996 (Post-Olympic)	33.3	66.7

This decline also may be associated with exchange theory as less and less Georgians expressed a willingness to attend the 1996 Summer Olympics. As resident perceptions of potential rewards dropped, it is possible that their perception of costs of the Olympic Games increased. Exchange theory was defined as "A theory which attempts to explain interpersonal behavior in terms of exchange of rewards and costs." (Shaw 1981, p453). When the number of Georgians willing to attend the 1996 Summer Games dropped about 41% from the summer of 1992 to the Summer of 1996, it is possible that some resident support also disappeared.

Also, the decrease in perceived statewide support along with a corresponding increase in perceived liabilities may be explained with exchange theory. The significant increase of perceived liabilities such as increased traffic congestion, price gouging, strain on local law enforcement and increased crime also may have helped dampen resident support for hosting the 1996 Summer Olympics.

This decrease in level of resident support for hosting the 1996 Summer Olympics differed greatly from Ritchie's findings. In the Calgary Olympulse Poll, the number of respondents who indicated it was a good idea to host the Games actually increased from 84.7% in the first poll to 88.7% in the last poll just before the 1988 Winter Olympics.

### Perceived Benefits

In all Georgia Olympic Polls, Georgia residents rated the international recognition benefit the highest (Table 3). Increased economic benefits such as the Olympic facility developments, increased economic benefits and increased tourism, while receiving significant press attention and Atlanta Olympic Committee financial resources, were the least important benefits in all surveys to the residents of Georgia.

It was difficult because of the question restrictions imposed in this study by the Poll Administrator to determine the actual cause and effect for the lower rankings in subsequent years. Perhaps local newspaper and television press coverage in latter years was more negative than 1992. This question will be partially addressed in a future research project, which will utilise content analysis to study the positive, neutral or negative tone of headlines and articles published in the *Atlanta Journal and Constitution* regarding the 1996 Summer Olympics. However, it is beyond the scope of this research article to address press coverage as a possible cause of lower benefit scores beginning in 1993.

Although Georgia residents still viewed all six benefits as important, it must be noted that the level of support for the three highest ranked perceived benefits declined over time. The three other benefits increased only slightly over time. This also may be attributable to the exchange theory. Since many Georgians eventually realised that they were not going to attend the 1996

Summer Olympics or their personal routines were going to be adversely impacted by the Games, Georgia residents may have felt they were getting less in exchange for the right to host the 1996 Summer Olympics. Thus, the level of overall resident perceptions of the benefits decreased over time.

### Perceived Liabilities

In all liability polls, Georgia residents rated the traffic congestion consequence the highest perceived liability with the exception of the Post Olympic Poll conducted in August of 1996. However, after the 1996 Summer Olympic Games, residents clearly indicated that perceived traffic congestion was not a major problem as originally forecasted. The issues of price gouging from street merchants and the Atlanta Olympic Committee, the strain on local law enforcement and increased terrorism were elevated in importance in the final post-Olympic Poll. Obviously the bombing in Centennial Olympic Park played a major factor in increasing the perceived liability of terrorism.

In all but the post-Olympic Poll, Georgia residents rated the traffic congestion as the highest perceived liability, followed by price gouging, strain on law enforcement and increased crime (Table 4). In all surveys, three of the top four perceived negative consequences dealt with law enforcement issues. Since about 50 percent of the survey respondents lived in the Atlanta metropolitan area and heavily relied on the automobile for commuting, it was not surprising that this perception was ranked the highest in all years of data collection. Also, the Atlanta Olympic Committee (AOC), fearing a traffic nightmare when transporting International Olympic Committee members and the Olympic athletes to competition sites, had consistently predicted, via the Atlanta press, that the Atlanta highways would be severely congested. The AOC regularly pleaded with residents to change work patterns and/or use public transportation during the 1996 Games.

When just examining the pre-Olympic to post-Olympic polls, it is worth noting that in all cases the perceptions of all liabilities softened. Where before the 1996 Summer Olympic Games, some liabilities received scores of almost 9 out of 10, after the Games, no single liability scored above 6.3. Further, the ranking order of perceived liabilities changed. Where the traffic congestion liability was always the highest in all the pre-Olympic surveys, it dropped to fourth place in the post-Olympic Poll. It was supplanted by a new number one perceived liability, i.e., price gouging. And where terrorism was generally perceived lower in the earlier surveys, after the Olympic Park bombing, this liability moved to the third highest ranking, but still only received a rating of 5.3175.

### CONCLUSION

This project was designed to be a part of a systematic collection of information on the perceptions or attitudes of host residents about the 1996 Atlanta Olympic Games. With regard to residents, support

**Table 2: Resident Support for Hosting the 1996 Atlanta Olympics:  
Percent of Georgians who stated, "Yes"**

S-92	W-93	S-93	W-94	S-94	W-95	S-95	F-95	W-96	Sp-96	S-96	Post Oly. Aug-96
93.6%	94.7%	87.9%	90.5%	90.7%	86.7%	85.6%	89.0%	83.5%	86.3%	79.5%	94.7%

**Table 3: Mean scores of perceived benefits by survey date**

Perceived Benefit:	S-92	S-93	S-94	S-95	Fall-95	W-96	Sp 96	S-96	Post Oly. Aug-96
1. Int'l Recognition	8.30	7.81	8.19	8.37	8.12	7.57	8.24	8.28	8.10
2. Enhancing GA's Image	7.90	7.39	7.79	7.65	7.68	7.00	7.30	7.51	7.52
3. Increased Citizen Pride	8.21	7.39	7.76	7.38	7.46	6.81	7.09	7.35	8.06
4. Economic Benefits	7.62	7.00	7.72	7.38	7.36	6.57	7.14	7.30	6.63
5. Increased Tourism	7.36	7.07	7.49	7.31	7.21	6.58	7.04	7.21	7.07
6. Olympic Facility Legacy	7.25	6.63	7.29	7.27	7.42	6.74	7.07	7.16	7.25

**Note.** 1 is a very small benefit and 10 is a very large benefit.

**Table 4: Mean scores of perceived liabilities by survey date**

Perceived Liability	W-93	W-94	W-95	F-95	W-96	Sp-96	S-96	Post Oly. Aug-96
1. Traffic Congestion	8.58	7.89	8.85	9.17	8.69	8.91	8.89	4.29
2. Price Gouging	7.42	6.88	7.66	8.47	7.68	7.81	7.89	6.24
3. Law Enforcement Strain	6.69	6.65	7.59	7.77	7.03	7.42	7.60	5.53
4. Increased Street Crime	6.63	6.22	7.00	6.71	6.61	6.53	6.72	3.55
5. Unfair Distribution of State Resources	5.21	4.62	5.42	6.07	4.99	5.00	5.29	3.76
6. Civil Unrest	4.11	4.44	4.99	5.05	4.84	4.73	5.31	2.76
7. Bad Attitude of Tourists	3.73	4.01	4.67	4.94	4.44	4.28	4.62	2.79
8. Bad Attitude of Residents	3.57	3.84	4.54	4.96	4.58	4.46	4.75	2.59
9. Terrorism	3.51	4.24	4.67	5.15	4.64	4.61	5.32	5.32

**Note.** 1 is a very small problem and 10 is a very large problem



Olympic Games. With regard to residents, support remained relatively strong over time, which helped the Atlanta Olympic Committee as they continued to push for improved infrastructure in Atlanta. Further, Georgians consistently, over time, rated the intangible benefits greater than the economic issues. This should help future Olympic Games Organising Committees because this research indicated that Olympic Committees should develop and market increased international recognition and a sense of community and civic pride especially when undertaking the organisational phase of the Olympic bid proposal. This will then serve as a foundation for generating community support for the massive and expensive infrastructure projects that will be needed to host an Olympic Summer Games. This increased citizen support will be even more important as the International Olympic Committee (I.O.C.) has stated it will no longer endorse or allow a host city to fund future Olympic Games solely from private sources. The I.O.C. demand for more government financial support will require an increased level of citizen support to endorse an increase in taxation.

When addressing perceived liabilities, Georgians became increasingly concerned about the negative issues surrounding the 1996 Summer Olympics over time. It was possible that increased press coverage was moving from the positive euphoria of being the host city to the hard reality of actual community costs associated with hosting an anticipated 150,000 visitors per day for 17 days. This increase in perceived liabilities also may be related to exchange theory as less and less Georgians expressed a willingness to attend the Summer Olympic Games. Thus, they may perceive they were no longer getting something of value in exchange for the perceived liabilities of hosting a mega tourism event such as the 1996 Summer Olympics.

Since the level of resident support decreased over time and the level of perceived liabilities increased over time, future Olympic organising committees and government officials need to secure and commit funding for many of their major capital improvement projects in the early stages of Games euphoria. If support and government approval for financing the major Olympic venues and community infrastructure improvements are delayed, an Olympic Committee may meet increasingly stiff civic resistance in bearing the financial obligation necessary to host a future Olympic Games.

Finally, when looking at the results of the Post-Olympic Poll, it is evident that a modern Olympic Games can have an exceedingly positive impact on the host community. Almost 95% of those Georgia residents surveyed immediately after the Olympic Games ended in early August of 1996, indicated it was a good idea to host the 1996 Summer Olympics. When Games euphoria experienced by residents is combined with effective management planning and practices to minimise perceived liabilities, residents of a host community can experience a sense of civic pride that may be unique among Olympic sponsoring communities.

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## AN EVENT-BASED ENTREPRENEURSHIP CASE STUDY ON FUTURISTIC STRATEGIES FOR SYDNEY 2000 OLYMPICS

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### ABSTRACT

This paper presents a number of case study lessons learned by successful and unsuccessful businesses during the 1996 Summer Olympic Games in Atlanta, Georgia; and constructs a descriptive model from which implications and recommendations are drawn for businesses interested in the 2000 Summer Olympic Games in Sydney, Australia.

There were two major reasons for undertaking Olympic businesses case studies. The first is to develop a theoretical framework of factors critical to businesses specifically catering to the significant increase in perceived demand for goods and services that arise when staging an Olympics.

The second major purpose of undertaking Olympic businesses case studies is to apply the lessons learned from the descriptive model in constructing a normative model for businesses gearing up for a future Olympiad, or similar large-scale special events.

Some businesses expecting to make a quick fortune out of the Sydney Olympics are likely to be disappointed, as the experiences of entrepreneurs in Atlanta indicate that it would not be an easy task. The study found that the businesses most likely to be successful are ones that are already established with surplus funds to deploy into new ventures in which they can afford to take risks with the high levels of both strategic and tactical planning.

The Olympics in Australia is less than a year away, and hopefully, the organisers will learn and benefit from the painful lessons of Atlanta. The Case Studies presented in this paper provide specific lessons on how businesses can make or lose money during special demand conditions such as an Olympics period.

### INTRODUCTION

When Atlanta, Georgia, was first awarded the 1996 Olympic Games, the business community anticipated a windfall in the profits generated from the increased business that the anticipated 2.5 million visitors would bring. Not only was the city of Atlanta itself expected to benefit, but outlying

areas within 100 miles of Atlanta were also told by the *Atlanta Committee for the Olympic Games (ACOG)* that they could profit from the Olympic rush. Basing projections on the experience in Barcelona, where thousands of tourists each day visited towns more than 100 miles from the city, ACOG raised the hopes of many small business owners to the real possibility of significant returns.

More ominously, visitors showed little interest in Atlanta's bustling street stalls, upstart souvenir shops, small retailers, expensive restaurants, 'cultural events', and suburban nightclubs. Even the neighbouring states' tourist attractions were ignored.

There are many lessons here for businesses hoping to cash in on the Sydney Olympics or any other large-scale special event. How well prepared are they? What will be the real impact on their bottom line? Will the transport system cope? Do they need more or less staff and supplies? What is meant by 'business as usual' during an event that is utterly unusual?

This paper presents some case studies and some preliminary thoughts about small business success and failure during critical periods of intense demand, specifically the 1996 Atlanta Olympics period. Seven small businesses were interviewed about their experiences. They were specifically asked about lessons learned and what they would tell their counterparts in Sydney during the 2000 Olympics.

### RESEARCH OBJECTIVES, METHOD AND SAMPLE SELECTION

#### Purpose of Undertaking Case Study Based Research

There were two major reasons for undertaking Olympic business case studies. The first was to develop a theoretical framework of critical factors to businesses specifically catering for the perceived demand for goods and services that arise when staging an Olympics, in order to construct a descriptive model.

The second major purpose was to apply the lessons learned from the descriptive model in constructing a normative model for businesses gearing up for a future Olympiad or any other large scale event.

Therefore, an *Olympic Businesses Interview Schedule and Questionnaire* was administered to a sample of the Atlanta Olympic businesses market in order to apply the lessons learned to the Sydney Olympics. Researchers such as Patton (1990) and Zikmund (1991) have emphasised that case studies are ideal for identifying the nature of research problems or identifying potential relationships among variables that can then be utilised as the basis for investigating the population.

### **Justification of the Case Study Approach**

Adoption of a case study approach to researching Olympic businesses provided opportunities to conduct exploratory research within an organisation into specific factors that influenced the undertaking of the Olympic related business. In business disciplines such as accounting and marketing, it has been recognised that case studies are likely to provide more meaningful results in examining complex relationships and transactions than research methods that rely solely on quantitative analysis (Bonoma, 1985; Kaplan, 1986). While quantitative analysis can indicate certain relationships within an organisation, it cannot identify the actual inner or interpersonal transactions that bring them about (Diesing, 1972).

Use of a case study approach enabled the researchers to gain potential insights into how organisational and environmental factors interacted to affect the Olympic business process. Furthermore, the case study approach provided a firm basis for theory building and hypothesis development. Patton (1990) argued that there are no rules for sample size in qualitative inquiry. Sample size depends on what the investigator wishes to know, the purpose of the inquiry and what can be done with available time and resources. Given that a primary reason for the case study was to obtain lessons for use in Sydney, and also due to the need to keep the data manageable, it was felt that seven information-rich case studies would be appropriate for the purpose of this research study.

### **Case Selection and Description**

We used a chain sampling approach to select seven appropriate case studies for analysis (Patton, 1990). This method involved first asking two academics, who were familiar with Olympic businesses, to nominate an organisation (and key personnel within that organisation) that they felt had significant involvement in the Atlanta Olympic business process. Similarly, each company interviewed was asked to nominate another, until 7 case study organisations were interviewed.

### **Data Collection Methods**

The main body of data was generated from interviews using a pre-designed *Case Study Questions Protocol*. In addition to interviews, data

were collected through on-site observations and the reviewing of relevant documents. Prior to conducting the interviews, the Case Study Questions Protocol was examined by two University academics who were experienced in field research techniques in order to ensure the relevance and understandability of the questions being asked. All interviews were audio taped and subsequently transcribed for analysis. Field notes were also taken to act as a back-up for audiotapes and to document informal on-site observations. During and after each site visit, a full account of the visit was prepared by drawing on interview transcripts and field notes.

### **Interviews**

From each organisation two key staff members at the chief executive officer (CEO) or chief operating officer (COO) level, and two staff members from the organisation's sales area were interviewed. All of those interviewed were heavily involved in Olympic business transactions during the Atlanta Olympics. Meetings were held with these staff members over a three-week period, with each meeting lasting 60-90 minutes. Non-standardised/generative questions were employed in the case study. Follow-up telephone calls were also conducted to clarify statements.

### **Documents**

Whenever a piece of paper of significance came to attention, a request was made to inspect it and/or have a copy made. For each document collected an extraction was made of the notable contents.

### **Observations**

These were typically unstructured, though key factors were identified for consideration. For example, observation of the office environment; the age and education levels of key staff; and the general attitude of staff toward Olympic business transactions might provide insights into why the organisation decided to invest heavily in Olympic based business.

### **Method of Data Analysis**

A Case Study Description was developed using participants' responses to the Case Study Questions Protocol, field notes and documents. Transcripts of audiotapes were also used in developing the Case Study Descriptions.

### **Data Quality Control**

Two of the investigators transcribed the audiotapes of all interviews. To ensure accuracy of entry, the other two researchers reviewed these transcripts. Each Case Study Description was inspected by those interviewed.

The next section provides a summary account of each of the seven case studies.

## **CASE STUDY DESCRIPTIONS AND GENERAL ISSUES**

### **CASE STUDY #1: WHOLESALE RESTAURANT EQUIPMENT DEALER**

This 20-plus year old business and its 53 employees experienced only positive financial and business results from the 1996 Olympic experience. No new business lines were established for the Games, and business continued from its one existing location in metropolitan Atlanta. The business simply expanded its current line of equipment and sold to ACOG and Olympic vendors and existing restaurants. Revenues from the Olympic Games increased by 70-80%, and the only additional expenses were for additional stock and overtime for some of its employees. Good overtime management resulted in carefully controlled costs. The only problems experienced by this company involved the difficulty of making deliveries because of the traffic and the closed streets. Many of the new start Olympic vendors bounced cheques, but the existing company credit controls allowed the dealer to quickly repossess the collateral equipment.

The owner felt that much of the dealership's profitability was because he was able to anticipate the need for increased levels of stock and then buy that stock when the price was right. He was able to do so because of his years of experience in the business, and his knowledge of the industry. He also felt that a major competitive advantage for his company was that he knew what type of equipment the local ordinances allowed. This knowledge allowed him to ensure that he had the right equipment to meet the local codes - an advantage not shared by new or out of town competition.

Another important lesson learned from previous short term, high profile events and used to his benefit in Atlanta was that leasing equipment to customers does not work. Most new start-ups are not financially eligible for lease financing. The dealer had previous experience with sell/buy back agreements, and used this extensively with vendors in Atlanta during the Olympics. Because of the company's established position in the industry, accurate information about the used equipment market was used to structure these deals, and the owner found that they were 'very profitable' for his business.

### **CASE STUDY #2: HOME RENTAL BUSINESS**

This business was specifically started for the Olympics to provide bed and breakfast type housing for visitors as a supplement to the hotels. The owner put together a highly organised effort to rent out double-occupancy 'bed-and-breakfast' units, which included a bedroom and bathroom in people's homes.

The homeowners were to provide breakfast, laundry service and transportation to and from Olympic events or on the MARTA rail system. The program was considered unique because homeowners were able to remain in their houses and avoid the risk of leaving their homes open to unscrupulous renters. The units were priced to rent for US\$925 to US\$1,325 a night. The organiser took 20 percent of the fee; the homeowner kept the rest. There was one employee and the owner served as manager. The primary motivation for starting the business was to make sufficient money to retire. The owner/founder felt that this was her 'big chance' to make a 'real killing'. Instead she lost over US\$23,000.

'It really was a bomb,' said the owner, whose home-rental business gained her national and international media attention before the Games. By the spring season prior to the Games, she had 2,700 available units, but business already was falling flat. In May 1996, she sold shrimp in the front yard of her South Rockdale County home to pay the phone bill. In June, business had not got any better. After 17 Olympic days, the owner had rented out 10 units, nine of them after she dropped the amenities and then dropped the price to about US\$300 per night.

All told, the owner (who refinanced her house to raise cash for the venture, spent US\$8,000 to remodel her garage into an office and worked five years on the project) lost more than US\$23,000. Her only real revenue was the US\$10 application fee each client paid to register a home with her service.

The owner said her business failed for two reasons. Firstly, 'My program could not work until supply and demand kicked in, which was when the hotel rooms were gone,' Unfortunately, the hotel rooms never actually sold out despite the pre-Games hype. Secondly, 'I think the concept of private housing was totally rejected'. [See also Sanford, 1996].

The owner/manager, in retrospect felt that her best advice to others would be, 'Do not put any money that you cannot afford to lose into a business dependent on the whims of visitors.' She also felt that it was important not to spend money on establishing a home office unless it ultimately enhanced the value of your home or unless it could be used after the event.

### **CASE STUDY #3: FROZEN LEMONADE STANDS**

This company was started to take advantage of an opportunity to provide a frozen lemonade drink to visitors at the Atlanta Olympics. It was a franchised business with its home office in Rhode Island - in the north-eastern United States, about 800 miles from Atlanta. The reasons for setting up sites during the Olympics were: to earn needed capital to continue the business after the Olympics; to gain exposure for the product (which was new to the Atlanta area); and to test some marketing ideas.

There was modest support from the franchisor - primarily in the form of reduced wholesale prices and some corporate staff who went to Atlanta to attend the Games and to work in the stands.

The number of employees varied from a handful to nearly 50 at the busiest time of the Olympics. The overall cost of site rental for 4 fixed locations and 3 roving locations was US\$128,000. Six months after the Games, the owner was still trying to determine how much money he lost due to:

- problems with a complicated City of Atlanta business permit process
- inadequate inventory control
- stiff competition from Olympic corporate sponsors such as Coca Cola
- competition from a competing lemonade product
- the city's seemingly arbitrary closing of streets where he had set up kiosks
- lower than expected attendance at the Games.

'I remember driving down the deserted interstate on the first morning of the Games, sobbing out loud. There was no traffic, and no traffic meant I wasn't going to make any money, and I had a payroll to meet and money that I had to repay to my friends.' The owner felt that his original plan had been too ambitious. Too much money was spent on permits, which were not worth what they sold for. They provided no territory protection. Because of the complexity of the Olympic site, the owner felt that multiple locations were not necessarily better than one good location.

When things started to 'fall apart' - non-permit vendors setting up next to you, changing traffic patterns, or employees not showing up for work, etc. - the vendor found the difficulty of moving supplies from one location to another overwhelming. In addition to these unexpected circumstances, there were situations under the control of City officials, such as street closings, that caused havoc to the vendor's plans.

The owner also felt strongly that untrained staff can be worse than no employees at all. Going into an event such as the Olympics and having employees in multiple locations meant that, in most cases, there would be wasted product, inadequate employee supervision, poor inventory control, and transportation problems.

Finally, unanticipated and unregulated competition meant that prior sales projections turned out to be meaningless. The owner said that he would never undertake this type of activity again, unless he felt that more guarantees were available from the governing institutions to protect early investments by first movers. He felt that the unregulated *ambush marketing* tactics of unlicensed vendors who were not controlled and simply moved quickly to a new location when shut down by authorities at

the old location cost him most of his planned profits. He sensed that the authorities just 'gave up' after a while, and that in downtown Atlanta during the Olympics it became a war of survival - all against all - with vendors' carts pushing against each other to occupy the prime locations.

#### **CASE STUDY #4: BEVERAGE DISTRIBUTOR**

This business distributed soft drinks and related beverages to restaurants, coffee shops, and employed 32 full time associates. The business was not established for the Olympics and had been in business in Atlanta for over 10 years at the same site. No major advertising was done for the Olympics, but the owner was able to get on a list issued by ACOG as an approved vendor.

Revenue from the Olympics was not totalled separately, but the owner knows that sales were especially heavy during the period prior to the Olympics because his usual customers were buying more in anticipation of increased sales. Although, the owner experienced no special problems with the Olympics, he believed that the experience would have been more problematic if he had departed from his usual payment policies by extending credit to new customers.

Many of his fellow businessmen did extend credit to new start-ups and suffered financial loss because of defaults. He knows of instances in which buyers left town without paying or filed bankruptcy. The latter included several major restaurant start-ups. The owner felt that it was important to continue doing business as usual, and not to vary from your established policies because you think you can 'make a killing in a short time.' 'When something looks like it's going to be too good to be true, it usually is.'

#### **CASE STUDY #5: PARK CRAFT RETAIL LOCATION**

This was an established craft business employing 3 associates in a retail location that rented additional booth space in the Stone Mountain Park Olympic site in the hope of attracting tourist business to purchase her new line of Olympic theme dolls, sculptures, etc.

The owner estimated that she lost about US\$10,000 because she created items with an Olympic theme, which she was unable to sell, and had little hope of selling after the Games. Visitors stayed away from Stone Mountain Park, a major tourist attraction for Atlanta and the Southeast, even though Olympic events were located there. Nobody knows why this occurred. The extra help she paid to attend the booth when she couldn't be there and the extra inventory she created caused a loss much larger than she had imagined.

## **CASE STUDY #6: CURRENCY SERVICES AND FOREIGN EXCHANGE**

This company was a foreign currency exchange business that sold cash bank notes, traveller's cheques, and international bank drafts. It was a United Kingdom based organisation that had many years of experience with foreign exchange and international travel. In anticipation of Olympic business, the company established four locations with other business partners. Two locations were downtown near the Olympic Park, and two were uptown near the retail and residential heart of the city.

The principal felt that it was not a very successful business project. Answering questions with a quiet face and a very slow soft voice he described a changing market where 'people who travel no longer need large amounts of currency or travellers cheques because they are able to use credit or debit cards in place of the currency.' In his mind the overall business world of foreign exchange is changing very quickly via the use of these smart cards and the overall computerisation of the industry. 'Atlanta was disappointing in that overall the business did not do well as measured by the kinds of activities and the low volume. We had hoped to generate more business.'

Still, he is looking for a company to do the same business in Sydney, and actually has people from Australia who are working with the company now in order to get to know a little more about this business after the Atlanta experience. One major lesson learned was to be located in high traffic areas.

Another problem was that his company had no contingency plans for unexpected events such as the Olympic Park bomb. This had a major impact on traffic and seemed to put everyone in a 'down' mood where they didn't spend as much money as they were spending prior to the bombing.

The owner felt that the Olympic committee is a very closed society, and when one wants more information, they are generally not willing to give that information in a timely fashion. In his words, 'If you are outside of that loop, you will not get much information, nor can you influence them'.

## **CASE STUDY #7: SPORTING GOODS STORE**

This business was an established retail store that sold sportswear, shoes, apparel, etc. While not established for the Olympics, the company stocked plenty of Olympics merchandise to sell in front of the store. Revenue increased during the summer Games, but not from Olympics merchandise. The increase came from established lines and regular merchandise. The owner felt that sporting good stores should do well in Sydney, if they stick to

what they know, and have plans for merchandise and employee control.

The owner felt that the store suffered from an Olympic side issue. They didn't have a good plan to control the employees. Some days the employees didn't show up because of poor transportation planning. On other days the excitement and competition of the Games simply proved irresistible to the young staff of the business, and many were absent without permission—placing strain on the staffing requirements of the business.

## **GENERAL OBSERVATIONS FROM CASE STUDIES**

There were two issues that directly contributed to the success or failure of the small businesses involved in the Centenary Olympiad.

- Business issues relating to making money in periods of concentrated demand. Basically, did business owners get greedy and overextend themselves in the hope of 'striking it rich'?
- Infrastructure issues relating to government and quasi-government (ACOG) support of small business initiatives. How hospitable and organised was the culture of the area for business success?

### **Business Issues**

Our interviews suggested that a business must understand the industry and the market it operates in. Some thought must also be given to competitive advantage issues. Costs, barriers, and control over prices and distribution do matter very much. Further, a management team that has industry and technical experience is critical. Integrity and honesty are also important traits.

'Visitors didn't spend the kind of money people had expected. Restaurants were waiting for droves of diners, but my Olympic guests had no interest in eating out. They were spending so much time getting to venues and sitting through events that by the end of the day, they wanted to relax in front of the television. No one even brought dress-up clothes to wear to a nice restaurant. This was track-shoe city.' (Geewax, 1996 p 5).

Many companies failed to recruit the necessary extra staff, and others were under-resourced. Professional services that expected large profits from the Atlanta Olympics - lawyers, accountants, doctors - were hit especially hard. There was a lot of lost productivity among white-collar service related businesses in the run-up to the Games. For example, lawyers in legal practices stayed at home to work, but often they had no adequate technical support. The severity of the downturn was almost equivalent to the Christmas period (Ham, 1999).

### **Infrastructure Issues**

The City of Atlanta and the ACOG did not fare very well in the after action reports of the experiences of small business. It could, however, be argued that the major purpose of the 1996 ACOG was not to

support or help businesses and help them make a profit. In fact, they have been consistent about this in their press releases and actions, stating that their mission was only to build world class sports venues and manage these venues so that Olympic athletes could set world records and compete at the highest level possible. They have claimed that their responsibility always ended at the gates of each venue. They have also argued that one cannot spend USD\$1.7 billion without some local businesses doing very well, and certainly many did make good profits.

The sponsors had to use temporary sites to store and test their equipment. There were severe delays in connecting a power supply to the main stadium. Many fences were only erected '20 minutes' before the opening ceremony. Contractual deadlines were missed. In addition, unlike Spain where a commuter rail system weaves throughout the major cities and countryside, Atlanta does not have a system of public transport in place to bring tourists to outlying areas. Atlanta, for many companies, failed to deliver, and these infrastructure issues caused severe downstream problems for the smaller entrepreneurs.

A further issue that arose was the fact that the City of Atlanta did not provide a friendly environment for small business. It failed to adjust traffic to benefit vendors. In fact, they closed off some streets in such a way as to divert the flow of tourists away from the prime in-city locations they had leased at premium prices. Everyone was scared off the roads and onto public transportation. The highways were packed and overflowing but many highways were virtually empty.

The City also failed to provide promised electrical power to vendors who could not operate without electricity. The City failed to provide carts and tents that vendors contracted for, and leased the same space in the same location at widely disparate prices.

The City allowed scores of unlicensed vendors to operate creating an excess of competition. Vendors who signed a lease in January claim to have paid US\$10,000 for the same space leased for US\$1,000 by another vendor at the last minute. Hundreds of such unlicensed vendors operated freely in parking lots and on the streets without overhead. They could, therefore, offer cut-rate prices and skim off much of the business from licensed vendors who paid as much as US\$20,000 each for a kiosk space. Police busy with crowd control and security could not be diverted to roust illegal vendors.

Such complaints paint a picture of an unprofessional operation by an inexperienced promoter (the ACOG) who failed to manage such a major event. Some of the questions they raise about contractual obligations have taken the city into litigation.

The real tragedy is that a county-fair atmosphere with tasteful carts and carefully spaced vending operations could have enhanced Atlanta's image. If professionally done, that look need not have cost any more than the cheap, overcrowded vendor carnival that visitors encountered (Ezzard, 1996).

## **OBSERVATIONS AND LESSONS LEARNT**

Many businesses made money during the Atlanta Olympics, both large and small. Delta Airlines did very well; some local law firms associated with the Games did extremely well; local construction firms had great years leading up to the Games. Niche players who carefully watched their risk fared very well. The more established the business, the higher was the probability of success.

'Anyone looking for gold during the 1996 Olympics should have looked on Wall Street rather than in Atlanta. The Dow Jones industrial average surged 4.7 percent in the two trading weeks of the Olympic Games. Some of the biggest gainers were Georgia-based companies that sponsored the Olympics' [Walker, 1996].

It has been suggested that the economic benefits might have occurred anyway, and that other sectors of the economy, especially those that benefit from government funding, may suffer as money is channelled towards the special event. Even the tourist industry may suffer; figures suggest that the number of visitors attracted to the Olympics is outweighed by the number deterred from visiting the host country for fear of crowds or increased costs (Salmons, 1999).

## **EVENT-BASED ENTREPRENEURSHIP MATRIX**

The Descriptive Model that emerged from the case studies has been summarised in the following matrix (Figure One). Various motivations, issues and strategies for each case study have been identified. From the matrix it can be seen that 'Y' (Yes) and 'N'(No) have been tabulated against each area of interest pertaining to motivations, strategies or tactics, and the last two columns provide their respective percentage frequencies.

Each of the case study participants was also required to rate on a Likert scale (1 to 7, '1' being not an issue and '7' being a major problem) their concerns about issues that eventuated from the Olympics. These issues were categorised into logistics, finance and planning and infrastructure (Figure Two). The mean scores for each issue are included in the last column. It can be seen that 'Purchasing of assets that do not provide value after events' had the highest mean score and this was followed by 'No proper regulations on obtaining permits' and 'Problems with street closure'. The mean scores give an indication of the impact of the major issues on our case study businesses. They may also provide an indication of some of the



**FIGURE ONE: Matrix of Motivations, Strategies & Tactics Used by SMEs**

<i>Objectives / General Motivators</i>	1	2	3	4	5	6	7	Y (%)	N (%)	
Use Olympics as motivation to start business	N	Y	Y	N	Y	N	N	43	57	
Utilise surplus funds	N	N	N	Y	N	Y	Y	43	57	
Use Olympics returns as source of future financing	N	Y	Y	N	Y	Y	Y	72	28	
Test market products to a global community via the Olympics	N	N	Y	N	N	N	N	14	86	
Obtain increase market share and brand awareness	N	N	Y	Y	N	Y	Y	57	43	
Take advantage of proximity of current business to Olympics venue	N	N	Y	N	N	Y	Y	43	57	
<b>Strategies</b>										
Link current range of products to need of Customers:	- Participants of Olympics		N	N	N	N	Y	N	14	86
	- Organisers		Y	N	N	N	N	N	14	86
	- Vendors – Intermediaries		Y	N	N	Y	N	N	28	72
	- Olympic Spectators		N	N	Y	N	Y	Y	57	43
Set up SBU to meet Olympic objectives	N	N	N	Y	N	Y	N	28	72	
Utilise major elements of marketing mix	N	N	Y	Y	N	Y	Y	57	43	
Obtain Approval ACOG / SOCOG vendor	Y	N	Y	N	N	Y	Y	57	43	
Obtain support from government authorities	N	N	N	N	N	N	N	0	100	
Locate near the Olympics venue	N	Y	Y	N	Y	N	Y	57	43	
Engaged in Pre-Olympic research	N	Y	Y	N	Y	N	N	43	57	
<b>Tactics</b>										
Increase levels of stock	Y	N	Y	Y	N	N	N	43	57	
Check ordinances for type of machinery that can be used	Y	N	N	N	N	N	N	14	86	
Use equipment that also meet local sales needs	Y	N	N	N	N	N	Y	28	72	
Re-organise shopfront to denote Olympic theme	N	Y	Y	N	N	Y	Y	57	43	
Design Promotional material	N	Y	Y	N	Y	Y	Y	42	28	
Hire and train staff to handle extra volume of business	N	N	Y	N	Y	Y	Y	57	43	
Arrange for sell and buy back to vendors	Y	N	N	N	N	N	N	14	86	

Y= Yes, N= No

**FIGURE TWO: Self Assessment Likert Scores for Major Issues**

<b>Major Issues</b>	1	2	3	4	5	6	7	Mean Score
<b>Logistics</b>								
Problems due to street closure	7	1	7	2	1	1	2	3
Extend problem from corporate sponsors – closing of streets at last minute notification	6	1	7	2	1	1	2	2.85
Deliveries were difficult – logistics due to street closures	6	1	7	1	1	1	2	2.71
Multiple locations not generally better than one good location	2	1	6	1	2	4	4	2.85
<b>Finance &amp; Planning</b>								
Collection of debts (bounced cheques)	1	1	1	7	2	1	1	2
Repossessed equipment	1	1	1	7	2	1	1	2
Inadequate planning and forecasting	2	7	7	5	6	5	1	4.71
Inadequate checking of service providers (registered and not)	1	1	1	4	6	2	4	2.71
Excess spending	1	6	1	4	6	2	1	3
Purchasing assets that do not provide value after such events	1	7	2	2	7	1	6	3.8
Inappropriate credit terms to clients	4	1	1	6	2	1	1	2.3
Loss of revenue because of the oversupply of service provides	4	6	1	2	5	2	4	2.85
<b>Infrastructure</b>								
No proper regulations on obtaining permits	5	3	4	2	2	1	4	3
Possibility of Olympic park bombing	3	2	4	2	1	3	1	2.4
Untrained employees, inadequate employee supervision	4	1	4	2	1	1	6	2.8
Poor inventory control	3	1	3	3	1	1	3	1.9

Major Issues – Likert Scale score (1 to 7) '1' being not an issue, '7' being major problem or '0' not applicable

issues that need to be addressed by the *Sydney Organising Committee for the Olympic Games (SOCOG)* and businesses expecting to benefit from the Sydney Olympics.

The concept of poor business planning must be addressed at this stage. Figure Two and the above discussion highlights that too many people did not engage in sound planning and believed the media hype of the press and simply thought they could do any business venture and not fail. The weakness in the above 'self-scoring' exercise is that it highlights how people refuse to acknowledge that they planned poorly. A review of the cases reveal that only two of the businesses engaged in sound planning and five did a poor job. However, in the self assessments five believed that planning was not an issue!

### **CONCLUSIONS AND NORMATIVE IMPLICATIONS**

For many entrepreneurs east of Atlanta, dreams of big profits melted into heartache. One of the main reasons was that, to the surprise of all, the masses never came. Further, those that did come did not spend the amount of money expected. The tour buses sat empty, the area's attractions remained relatively unseen by fresh eyes and few rental homes hosted vacationing visitors. The simplest explanation for this reversal of expectations was the important finding that the Olympic consumer proved to be a very different creature from the ordinary tourist or business traveller: an unpredictable hybrid – sports-mad, tight-fisted and uninterested in traditional tourist attractions. It has been estimated that, on average, spectators at the Atlanta Games spent just \$US15 a day after accommodation and transport. Normal business travellers, by comparison, would spend \$US350 a day and ordinary tourists about \$US100 a day. It is now clear that many Atlanta businesses failed to prepare for this different type of customer (Ham, 1999).

It is forecast that the commercial activity spurred by the Sydney Games should extend well beyond 2000. Various studies by professional accounting firms have estimated that the Games will generate \$A6.5bn in extra economic benefits in Australia, spanning a 12-year period that began in 1994-95. It is also predicted that 10,000 jobs will be created in New South Wales (NSW), Australia, annually during the six years leading up to the Games, 24,000 in the Games year and 3,000 part-time jobs annually during the five years thereafter. Most of these will, however, be casual or temporary jobs (Ham, 1999).

However, businesses expecting to make a quick fortune out of the Sydney Olympics are likely to be disappointed. Our study found that the businesses most likely to be successful are ones that are already established with surplus funds to deploy into new ventures in which they could afford to

take a risk (see also Abernathy, 1997). Businesses interested in participating in the Sydney Olympics should have started working closely with SOCOG (ACOG's equivalent in Australia) far in advance of the Games to blend their strategic plans with that of the Sydney committee.

The Olympics in Atlanta generated not only core construction projects, but also triggered a burst of activity in remodelling, road construction, and other infrastructure work designed to make Atlanta more appealing to the millions of visitors watching the Games (Johnson, 1996). It is hoped that as a result of the lessons learnt from Atlanta, SOCOG has ensured that such infrastructure projects are well managed and that small businesses have been given a chance of bidding and procuring a share in these projects.

The NSW Government has also underwritten the budget of the Games organising committee, covering the revenue to be earned and expenses incurred largely during the period of the Games themselves. The Government will spend \$3.3 billion on construction in the lead-up to the 2000 Games, with two-thirds of that going to new sporting facilities and the rest to improvements in Sydney's road, rail and airport infrastructure.

Although there is big money involved in the sale of TV broadcasting rights, sponsorships, ticket sales and the like, there are equally big costs in staging the Games. Incomings and outgoings are likely to be roughly equal, leaving a small profit or even a small loss.

That is, overall, the State Government's expectations. What about private enterprise? What about all the visitors, the accommodation, the restaurant meals, the sales of souvenirs, the sight-seeing? Well organised companies, both large and small, will make good profits in Sydney 2000 – but only for two weeks. As the lessons from Atlanta indicate, it's easy to overestimate just how fast and furious that fortnight is likely to be. Atlanta showed, however, that 'ambush marketing' is a phenomenon that is widely used in big events and SOCOG should police this closely. There are already signs of this taking place in Australia, for the Olympics of the new millennium (Flint, 1998).

Post-mortems of special events show that in general the number of overseas visitors is frequently less than host-city business people were expecting. Most visitors don't stay for the full period and a surprisingly high proportion of them manages to bed down with friends or relations. Restaurants can be less than full at night because visitors retire to their rooms, order in food and watch more events on TV.

Then there is the tendency of many locals to shut up shop, turn their homes over to visiting relatives and retreat to the hills for the duration. Prophecies

of chaos and confusion often prove self-defeating. None of this says the commercial boost from the Games amounts to nothing – however, the indications are that the size of the benefit is probably vastly exaggerated.

It must also be clearly understood that Australia's population is less than 10% of that of the U.S.A., and visitors from the host country would not be as extensive as those for the Atlanta Games. In view of this fact, Olympic organisers should have ensured that Australia is marketed from a macro perspective rather than just focusing on one city (Sydney). Visitors from the Northern Hemisphere and other destinations could be better enticed to visit the whole of Australia (Melbourne, Adelaide, Perth, Brisbane, Gold Coast, and parts of the outback) rather than just spend all their savings in just one city (Sydney). For this to take place there perhaps should have been a unified approach from all the different states in Australia to project an image of the 'Australian Olympic Games' rather than just the 'Sydney 2000' Games. This strategic option may have enticed a larger number of visitors for both the Olympics and also provided a boost for Australia's tourism industry. It is now too late, however, to project this image, and therefore, it remains to be seen if Sydney 2000 will benefit the rest of Australia.

The Olympics in Australia is less than a few months away, and one can only wait and observe to determine if the various interested parties learnt and benefitted from the painful lessons of Atlanta. The Case Studies presented in this paper provide specific lessons on how businesses can make or lose money during special demand conditions such as an Olympics or other large-scale special event.

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## KEY SUCCESS FACTORS IN THE PROCESS OF BIDDING FOR HALLMARK SPORTING EVENTS: DIFFERENT PERSPECTIVES

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### ABSTRACT

Because of the high popularity of international sporting contests, hallmark sporting events attract significant media attention. In order to award the hosting of the event to the most suitable organiser, event owners require potential hosts to put in bids. What is most important in this process is largely based on logical assumptions rather than empirical data.

Semi-structured interviews were undertaken with six key bid campaigners from four countries involved in the bid process for the Olympic Games bids of 1996 (Melbourne), 2000 (Sydney), 2008 (Osaka); Commonwealth Games bids of 1994 (Windsor) 1998 (Kuala Lumpur), 2006 (Melbourne); Canada Summer Games 2001 (Windsor); Bledisloe Cup 1997 and 1998 (Melbourne) World Sailing

(Championships 1999 (Melbourne), World Cup Qualifying Round 1997 (Melbourne) and the Presidents Cup 1998 (Melbourne).

Qualitative analysis of interviews delivered a range of primary and secondary criteria deemed critically important by experienced bid committee members. These criteria served as a basis for a quantitative follow up study. Using an international sample of 135 event owners and organisers, Principal Components analysis performed on survey data delivered eight factors that are critical in the process of bidding for hallmark sporting events. Perceived importance of factors was compared between event owners and event organisers, between organisers/owners of big and smaller events and between organisers/owners from Europe/USA and Australia.

## CULTURAL DIVERSITY AND EVENT MANAGEMENT: THE SYDNEY 2000 OLYMPIC GAMES

**Jock Collins and Wally Lalich**

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### ABSTRACT

Sydney is one of the world's most cosmopolitan global cities. More than half of Sydney's population today are first or second generation immigrants. While the majority of Sydneysiders are from Anglo-Celtic backgrounds, the population is comprised of people from some 180 different national backgrounds in addition to Sydney's indigenous communities. Clearly event management in culturally diverse cities like Sydney must consider matters related to cultural diversity. This paper explores the main dimensions of Sydney's ethnic

diversity before critically assessing the way in which the Sydney Organising Committee of the Olympic Games (SOCOG) has dealt with the issue of the cultural diversity of officials, athletes and spectators in its preparations for the Sydney Olympic Games. The paper also presents the results of surveys of ethnic community organisations and of individuals from diverse ethnic communities about their attitudes to and plans for the 2000 Olympic Games. The paper concludes with some general observations about cultural diversity and event management.

# **EDUCATION AND TRAINING**

## **EVENT MANAGEMENT EDUCATION AND TRAINING IN AUSTRALIA: INDUSTRY NEEDS, PROGRAMS AND OUTCOMES**

**Rob Harris and Leo K. Jago**

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### **ABSTRACT**

This paper seeks to determine the current state of play regarding education and training in the event context in Australia. Specifically it seeks to identify what research has been conducted into the training/educational needs of the events industry; the extent to which industry and various education

and training bodies have responded to these needs; and the degree to which such responses have met the needs of program participants. In undertaking this study the authors have brought their previously published research in this area up to date, as well as conducting a study of graduates from the two longest running event management programs at Australian universities.

## A FUTURE FOR EVENT MANAGEMENT: A TAXONOMY OF EVENT MANAGEMENT TERMS

**Charles Arcodia & Alastair Robb**

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### ABSTRACT

Events and festivals have become strong demand generators, play a significant role, and make a considerable contribution to the tourism, Leisure and Hospitality industries. Consequently, there is an increasing level of interest from educators, researchers and governments in understanding the impact and legacy of festivals and events to Australian economic, cultural and social life. As Australia hastens towards the Sydney Olympic Games, and other major events that mark the turn of the century, the festival and events industry is developing the confidence and professionalism which will continue its emergence as a vibrant business sector that makes a significant contribution to the economy. As the industry matures, tertiary education is becoming increasingly involved in providing newcomers to the industry with the necessary skills to ensure the continuing growth and success of the event professional and the industry as a whole.

As might be expected for an emerging industry, literature on festival and event management is growing but still limited. The resources that are available usually originate in the United States or the United Kingdom which have a longer history of professionally staged and managed events. Consequently these countries have developed terminologies and expressions that suit their contexts. The terms and expressions in the current literature however, do not appear to use a standard terminology for festivals and events, and in any case, do not always make an easy transition into an Australian setting.

There are several reasons which identify the need for a standard terminology in the festival and event industry. Firstly, there needs to be a consistency of terms in education to allow portability and application of learned skills; students must learn to

use terms confidently and appropriately. Secondly, standard terminology is important to ensure clarity of communication among practitioners within the industry. Clear communication within an organisation is a necessity as it is with both clients and third party suppliers. Thirdly, without consistent naming and classification, measurement of economic activity associated with festivals and events becomes extremely difficult, perhaps diminishing the value of the industry's contribution to the economy. Such dilution of the value of the industry may adversely affect the ability of the industry to negotiate successfully with governments or other authorities.

This paper provides an analysis of current terminology used in festivals and events discourse; offers a definition of key event terms as they may be used in the Australian context and positions the various terms within an overarching event framework. The analysis of the terminology will examine the existing terms, establish the commonalities which exist, and determine their suitability and appropriateness in an Australian context. The development of a framework will enable educators, students and practitioners to conceptualise the roles played, and the relationships formed between the various component streams of the event industry.

### INTRODUCTION

Events and festivals have become strong demand generators, play a significant role, and make a considerable contribution to the Tourism, Travel, Leisure and Hospitality industries. Events and festivals play a multiplicity of roles in enhancing the social fabric of a community and as generators of economic activity. Whatever the aims and objectives of events or festivals, they are becoming increasingly popular vehicles for achieving diverse outcomes in the community.



As the events industry matures in Australia, there is an increased sense of confidence, professionalism and dynamism in the organisation of events and festivals and, indeed, in those who manage them. Paralleling the maturity of the industry, tertiary education is becoming increasingly involved in providing newcomers to the industry with the necessary skills to ensure the continuing growth and success of the event professional and the industry as a whole.

As the industry is still emerging, literature on event and festival management is growing, but still limited. While Australia is now producing some event and festival management resources, many of the currently available resources originate in the United States and the United Kingdom, consequently the terminologies and expressions used suit the context of the country of the resource's origin. As a further consequence of the different origins of event management resources, there appears to be little standardisation of the terminology used to describe and define events and festivals.

There are several reasons which identify the need for a standard terminology in the festival and event industry. Firstly, there needs to be a consistency of terms in education to allow portability and application of learned skills; students must learn to use terms confidently and appropriately. Secondly, a standard terminology is important to ensure clarity of communication among practitioners within the industry. Clear communication within an organisation is a necessity as it is with both clients and third party suppliers. Thirdly, without consistent naming and classification, measurement of economic activity associated with festivals and events becomes extremely difficult, perhaps diminishing the value of the industry's contribution to the economy. Such dilution of the value of the industry may adversely affect the ability of the industry to successfully negotiate with governments and/or other authorities. Indeed, Rogers (1998, p.16) makes the point that:

One of the reasons for the limited statistics on the size and value of the industry is the lack of an accepted and properly defined terminology. Words such as 'conference', 'congress', 'convention', 'meeting' even, are used synonymously or indiscriminately. Other words are also used with similar but more specialised connotations, such as 'symposium', 'colloquium', 'assembly', 'conclave', 'summit', though it is probably only the last of these for which it might be easy to reach a consensus on its precise meaning.

To illustrate this point further, the Meetings, Incentives, Conventions and Exhibitions (MICE) sector, an important subset of the overarching events industry, has recently been the subject of an Occasional Paper published by the Bureau of Tourism Research Australia (Johnson, Foo & O'Halloran, 1999) in which the characteristics and

economic contribution of Australia's meetings and exhibitions sector are described. Interestingly, the definition of 'meetings' used is that provided by the Commonwealth Department of Tourism (1995) and is as follows:

'... all off-site gatherings, including conventions, congresses, conferences, seminars, workshops and symposiums, which bring together people for a common purpose – the sharing of information' (p.7).

Johnson, Foo & O'Halloran (1999, p. 7) go on to explain that 'the term 'meetings' is used in its broadest sense and should be interpreted as covering conferences, conventions, seminars, workshops and symposiums'. Even though the term 'meetings' is but one of many in the events spectrum, a simple definition can include many differing meanings and may express a variety of connotations when communicated. Hildreth (1990, p. 1) describes a meeting very generally as, 'a planned communication encounter between two or more persons for a common purpose'. While Rogers (1998, p. 17), prefers the Convention Liaison Council and the Joint Industry Council's (1993) definition:

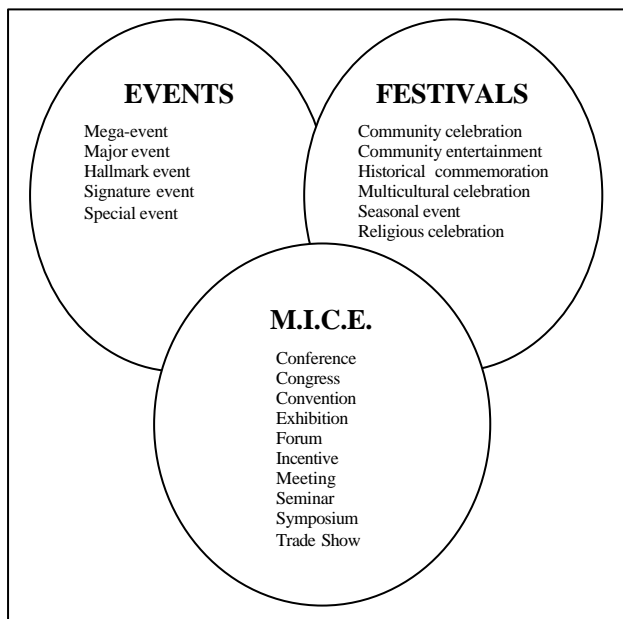
'A general term indicating the coming together of a number of people in one place, to confer or carry out a particular activity. Can be on an ad hoc basis or according to a set pattern.'

But as Shone (1998, p. 167-168) explains, a meeting is usually smaller in scope than a conference or a convention but it can be used in a broader way to describe collectively larger scale meetings such as conventions and conferences. To complicate matters further, various associations and organisations have labelled their large scale 'get togethers' as, for example, an 'international meeting'.

## **CLASSIFYING EVENT MANAGEMENT TERMINOLOGY**

It may be appropriate at this point, to attempt a classification of the component activity streams that form the overall events industry. While categorisation may appear to place limitations on the inter-relations that do exist between many of the activities, it is not the intent of the authors to impose anything other than broad categories on individual activities. The categorisation seeks to better illustrate the inter-relations that do exist between the various activity streams. As Figure 1.0 demonstrates, event management terms have been arranged into three broad categories within the Tourism, Travel, Leisure and Hospitality industries. Additionally, the diagram represents a conceptual framework offered to enhance the recognition by educators, students and practitioners of the relationships formed and roles played in the various component activity streams.

Figure 1.0 - Event Categories



The first broad category to be described is *Events* where primary activities are generally related to the provision of entertainment for commercial gain and contains the following component activities:

- Mega-events
- Major events
- Hallmark events
- Signature events
- Special events

The second broad category to be described is *Festivals* where primary activities revolve around the marking of special occasions and the celebration of significant events, and contains the following component activities:

- Community entertainment
- Community service
- Multicultural celebrations
- Religious celebrations
- Seasonal and/or harvest celebrations

The third broad category to be described is MICE related activities where primary activities centre on the provision of information, the exchange of ideas, and/or the display of new products and services, generally for commercial gain. Such information can be from sources internal or external to the organisation, or a combination of both, and may include information relating to goods and services, and contains the following component activities:

- Conventions
- Congresses
- Conferences
- Meetings

- Incentives
- Symposiums
- Forums
- Exhibitions
- Trade Shows

## CURRENT TERMINOLOGY

While glossaries and dictionaries of event management terms have been published in the United States and are readily available in Australia, there are inconsistencies in the use of event management terminology. While the differences may seem minor, they highlight the ease with which the communication of concepts, expectations and importantly, measurement, can become blurred. The definitions, while broadly similar, show there is sufficient variation to create uncertainty as to the true nature of events, thus the communication of particular concepts suffers as a result of general and subjective definitions.

## EVENTS

### Mega-event

Starting with a term that has broad application, Getz (1997) argues that a mega-event should be judged not only on its volume of visitors, cost or psychology, but also its ability to generate exposure through media coverage. He contends that some events might never attract large numbers, but still generate enormous exposure through media coverage. It would be certainly more appropriate when defining a mega-event to include factors that go beyond size. Getz (1997, p. 6) consequently summarises mega-events as:

'... by way of their size or significance, are those that yield extraordinarily high levels of tourism, media coverage, prestige or economic impact for the host community or destination.'

A mega-event is clearly an event that has the potential to impact an entire community and is of interest, as McDonnell, Allen & O'Toole (1999, p. 11) suggest, to the 'global media.' The Olympic Games is clearly an example of a mega-event which has a strong impact on a community and generates global media interest. A major event differs only in scope from a mega-event in that its impact is on a smaller scale.

### Special Event (Hallmark/Signature)

Increasingly special events are a feature of modern society, but as the following definitions suggest, writers are not always in agreement as to what constitutes a special event. Getz (1997, p. 4) for example, suggests that a special event 'is a one-time or infrequently occurring event outside the normal program or activities of the sponsoring or organising body'. While Goldblatt (1997, p. 2) counters with, 'a unique moment in time celebrated with ceremony and ritual to satisfy specific needs'.

In the case of hallmark events, there is general agreement on the questions of scale and duration, and in most cases the presence of a distinct theme is strongly defined. Nicholls, Laskey and Roslow (1992) describe a hallmark event as a 'a special event, of limited duration and significant scale, attended by large crowds whose attention is focused on a distinct theme'. While Ritchie in Getz (1997, p.5) suggests hallmark events are:

'Major one-time or recurring events of limited duration, developed primarily to enhance the awareness, appeal and profitability of a tourism destination in the short and/or long term. Such events rely for their success on uniqueness, status or timely significance to create interest and attract attention.'

It is this last point that, perhaps, suggests that 'signature' may be a more suitable descriptor of such events. Signature suggests the linking of a particular activity with a particular location, that is, in the consumer's mind, a particular event is always associated with a particular place. For example, the running of the bulls is always associated with the Spanish town of Pamplona.

One must agree however with Jago and Shaw's (1998), statement that:

...although the outcomes of special events are well recognised and there has been discussion regarding the definition of special events in general, and hallmark events in particular, there is still no clear, all embracing definition for special events.

Clearly however, any definition of a special event needs to focus on the notion of 'special' and what makes it so.

## FESTIVALS

A key characteristic of a festival which distinguishes it from other events is that there is a clearer community and celebratory focus to the occurrence. Getz (1997, p.8) quotes Falassi's (1987) description of festivals as 'a sacred or profane time of celebration, marked by special observances'. He then continues to argue that:

'Whereas traditional festivals often retain religious or mystical roots, contemporary festivals are primarily 'profane' or secular. And although many traditional festival themes have been retained, including those related to the harvest, countless new themes have been established.'

Tourism South Australia (1990, p.2) offers a very comprehensive definition for a festival:

'Festivals are a celebration of something the local community wishes to share and which involves the public as participants in the

experience. Festivals must have as a prime objective a maximum amount of people participation, which must be an experience that is different from or broader than day-to-day living. It is not necessary to extend hands-on experience by more than one day, though it is often economically desirable.'

From the above discussion, it is clear that festivals are public in nature and usually have a central celebratory theme. As Getz (1997, p.8) and Goldblatt (1997, p.7) suggest, a festival is a public, freely accessed and themed celebration which involves a variety of media such as arts and craft, performances and demonstrations. While it appears desirable that a festival exposes the festival-goer to experiences beyond normal life, such a prerequisite is not always present in every definition. There also appears to be some inference that festivals reflect a cultural tradition, celebrate a religious occasion or perhaps commemorate an historical occurrence associated with the community staging the festival.

## THE MICE INDUSTRY

A subset of the events industry, the MICE sector is usually associated with the provision of information to business usually for commercial advantage to all parties to the event. Often the instigating business gains from the dissemination of information, vendors or suppliers who may be in attendance gain from sales and the venue provider gains from the supply of facilities and/or accommodation. There are a number of meetings that fall in the broad MICE category.

### Convention/Congress

A variety of authors have identified characteristics that distinguish conventions (Weissinger, 1992; Astroff & Abbey, 1998; Shone, 1998). As is the case with previously discussed terms, the terminology of conventions is general and subjective. Weissinger (1992, p.29) describes them as state or national meetings in scope, but conventions can also be regional and indeed international in scope. In attempting a description of conventions, Rogers (1998, p. 17) quotes the Convention Liaison Council and the Joint Industry Council:

'A general formal meeting of a legislative body, social or economic group in order to provide information on a particular situation and in order to deliberate and, consequently, establish consent on policies among the participants. Usually of limited duration with set objectives, but no determined frequency.'

Shone (1998, p. 165) offers a British perspective:

'In the UK and Ireland the word 'convention' implies a gathering of greater importance than a normal conference, in terms of size and formality, perhaps an event with over 300 people in attendance.'

Astroff and Abbey (1998, p. 9), point out that:

'Today's convention usually involves a general session and supplementary smaller meetings... Conventions are produced with and without exhibits. Most conventions have a repetitive cycle, the most common of which is annual. Market reports, introduction of new products, and mapping of company strategy are some common objectives of a convention.'

Again, different authors offer similar, but not identical definitions of a particular activity. Agreed features of a convention are that it is generally a large-scale meeting, the objective of which is to discuss organisational policies, strategies, products or services. It can be held on a once only basis or have a repetitive cycle.

A congress is in many ways similar to a convention but as Weissinger (1992), and Astroff and Abbey (1998) note, it generally has a national or international flavour about the proceedings. The term is used more commonly in Europe, for international meetings but it is only in the United States that it also has political connotations. Various similar definitions of a congress can be found in the literature but Weissinger (1992, p. 29) adds that its most distinctive feature is that it may be attended by delegates who represent a local chapter or geographical area.

### Conference

A conference is one of the most commonly used terms for a meeting. Shone (1998, pp. 165-166) offers the following, 'In the UK and Ireland the word 'conference' is used to describe almost any type of meeting whose purpose is the interchange of ideas.' While there are examples in the literature of conferences being described more as conventions, it is possible to find distinctions between the two. For example, a clear description is offered by the Convention Liaison Council and the Joint Industry Council (1993) as quoted in Rogers, (1998, pp.16-17):

'An event used by any organisation to meet and exchange views, convey a message, open a debate or give publicity to some area of opinion on a specific issue. No tradition, continuity or periodicity is required to convene a conference. Although not generally limited in time, conferences are usually of short duration with specific objectives.'

Weissinger (1992, p. 29) adds that, 'attendees at a conference have like careers or interests. A conference can be made up solely of chemical engineers or a conference on chemical genetic engineering might involve chemists, engineers, doctors, researchers.'

A conference is most definitely a meeting where the primary objective is participation in the exchange of ideas. While a conference may have similar

objectives to a convention, and be regarded by many as nearly a synonym for a convention, it is generally different in scope. A conference is smaller in scale and less significant. But as Astroff and Abbey (1998, p. 10) admit:

'The differences are those of semantics rather than execution. A conference program commonly deals with specific problems or developments and may or may not have smaller break-out meetings.'

### Incentive

The definition of incentives is reasonably consistent, perhaps because incentives have a well-defined and distinctive purpose. Goldblatt and McKibben (1996, p.98), suggest that incentives are simply, 'a corporate-paid trip offered as a prize to stimulate productivity'. Rogers (1998, pp.16-17) cites the Society of Incentive Travel Executives (1997) which provides a lucid definition of incentives:

'Incentive travel is a global management tool that uses an exceptional travel experience to motivate and/or recognise participants for increased levels of performance in support of organisational goals.'

The above definition is supported by the Commonwealth Department of Tourism's (1995, pp. 3-4) definition of incentive travel as:

'Incentive travel is used as a motivational tool to encourage employees to improve their performance. It can be used, for example, as a reward for increased productivity or to encourage executives to reach certain corporate goals.'

Incentives are a significant and potentially lucrative part of the MICE sector and there seems to be broad agreement on the nature of the incentive and its sponsors. It is clearly a motivational tool used to stimulate workplace productivity or encourage particular buying patterns.

### Forum/ Symposium/ Seminar

The most straightforward definition of a forum is offered by Goldblatt and McKibben (1996, p.75) who explain it as 'an open discussion between audience, panel members and moderator'. Astroff and Abbey (1998, p.11) identify factors such as discussion, audience participation, debate and interaction as key features of a forum.

A symposium is similar in many respects to a forum but some distinctions can be made. For example, Astroff and Abbey (1998, p. 10) suggest that while there are strong similarities between symposiums and forums, a symposium appears to be more formal than a forum. For example, a community would be more likely to organise a forum to discuss streetscape changes but an

association of scientists would be more likely to organise a symposium to discuss new scientific developments. Shone (1998, p. 169) supports this view but adds that:

'This is similar to a seminar except that it is normally concerned with a single subject and the occasion is usually less formal since the flow of information is two-way. It is most common in academic spheres.'

A seminar is defined by Astroff and Abbey (1998, p.12) as a meeting that usually involves:

'...much participation, much give-and-take, a sharing of knowledge and experience by all. It usually is under the supervision of a discussion leader. This format obviously lends itself to relatively small groups.'

A seminar is well described as a formal, educational, small scale meeting where the main purpose is discussion, instruction and a sharing of views. If the seminar grows in size it may well become a forum or a symposium.

### **Exhibition**

Exhibitions are also a significant component of the MICE sector. Weissinger (1992, p. 31) suggests, 'the term exhibition generally is used to describe a show that is held in conjunction with another meeting, such as a convention'. Astroff and Abbey (1998, p.13) also contend that exhibitions are generally held in conjunction with other activities:

'An exhibition usually describes an event held in conjunction with another meeting, such as a convention. The exhibition format is used for display, usually by vendors of goods and services, and has a built-in audience since it is held as part of a convention.'

In a more comprehensive definition, the Commonwealth Department of Tourism (1995) explains that while an exhibition is generally a part of a meeting, it can also be promoted as an independent event. The purpose of exhibitions is to 'bring together suppliers of products and services with buyers of products and services usually in an industry specific context (p.4).

None of the current definitions however, include the educational dimension of exhibitions. These are the arts and/or cultural exhibitions which focus not so much on bringing suppliers and buyers together, but are used to showcase cultural achievements and/or heritage.

### **Trade show**

A trade show is often used interchangeably with an exhibition but there are some clear differences. As Shone (1998, p.169) proposes, a trade show is a:

'A gathering for a trade or competitive exhibition, often with accompanying social events, a conference or workshops and

entertainment, which is not open to the general public.'

Astroff & Abbey (1998, p. 13) add a different perspective on the trade show by suggesting that it

'...is used to describe a show that is held for its own sake. In Europe such exhibits, generally held without any type of program, are called trade fairs'.

The Commonwealth Department of Tourism (1995, pp.4-5) agrees on the trade-only aspect of such shows:

'A trade show is run exclusively for a particular trade or industry and provides a forum for the exchange of information between companies and potential clients. Each show usually involves associations or organisations in a particular industry and may be held only every two or three years.'

The pre-dominant feature of a trade show is that it is a marketing event. As Rutherford (1990, p.44) suggests, it is best summarised as:

'... a collection of exhibits that are specific to one or more closely allied or associated trades. In most instances, the buyers represent businesses that are shopping for services and products to use in the conduct of their business.'

### **TENTATIVE CLASSIFICATION**

The discussion above leads to the following summary of distinctive characteristics. The definitions are tentative because the characteristics of one type of event may, according to its context, overlap with another.

### **CONCLUSION**

The event industry is emerging as a strong participant in the Australian economy but the literature on event management is still in its early stages of development in comparison to other service industries. The underlying proposition in this paper is that a classification and discussion of event management terms is useful for the sake of consistency and clarity but also to be better able to quantify the economic benefits of events to the community.

As the industry emerges more strongly, the literature on event management will grow and there will be an even stronger need to develop a widely accepted taxonomy of event management terms. This paper is an attempt to categorise the terminology used in event management research and practice, offer an appraisal of the effectiveness of some of the terms currently in use and make some suggestions about the appropriate use of terms.

Figure 2.0 - Event Characteristics

TYPE OF EVENT	DISTINCTIVE CHARACTERISTICS
<b>Events</b>	
Mega-event	High volume of visitors; extensive media exposure; economically significant
Major event	High volume of visitors; wide media coverage; economically significant
Hallmark event	High volume of visitors; strongly themed; presence of ceremony and ritual
Signature	Linked to a particular location
Special event	Once only or occurring irregularly
<b>Festivals</b>	
Festival	Community focus; community participation; celebratory, cultural, religious, or seasonal themes
<b>MICE</b>	
Convention	Large scale meeting; national, regional, international significance
Congress	Large scale meeting; international significance; political connotations
Conference	Exchange of ideas; focuses on career interests
Incentive	Motivational tool; stimulates employee productivity or encourages buying patterns
Forum	Public debate; open discussion; audience participation
Symposium	Professionally organised discussion of new developments
Seminar	Small scale educational meeting; sharing of views
Exhibition	Display of goods or services; showcase cultural achievements; open to the public
Trade Show	Marketing event, meeting of suppliers and buyers; exclusive to particular industries

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## **TOURISM: FOOD, WINE AND FESTIVALS - A DELECTABLE MIX**

**Jenny Davies and Lorraine Brown**

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### **ABSTRACT**

This paper investigates the initiation and development of an events course (Tourism: Food, Wine and Festivals) within an Australian university and examines the environment within which the course was created and planned. It defines festivals and events and examines the economic impacts and government contribution to events. The environment examined includes the competition for events that occurs between the states in Australia, the role of the conventions and the meetings, incentives, conventions and exhibitions industry (MICE), the nature of the Australian academic framework, and the South Australian context. The socio-cultural underpinnings of events generally and of the course specifically are investigated with some curriculum detail given.

The recent development of events, festivals and related courses within undergraduate and postgraduate degrees in Australian Universities is an academic response that reflects a number of imperatives. Amongst these are the Australian political framework, the winning of the Olympics for Sydney, university imperatives, tourism initiatives, the growth in tourism and the perception that tourism is one of the major saviours to the economic malaise of many cities and regions.

The course, Tourism: Food, Wine and Festivals at the University of South Australia (SA), has been developed within the Bachelor of Management (Tourism and Hospitality) in the School of International Business. The course was written within a local framework that reflects, at a micro level, the wider Australian scene. This framework includes the state government's tourism strategies, the successful wine industry, the recent National Wine Centre initiative, the comparatively short but impressive history of world class hospitality training and education, and the very successful creation of Australian Major Events. The more

recent role of the MICE industry has also been part of this background.

Tourism: Food, Wine and Festivals has been developed within a socio-cultural framework. It examines cultures of groups around the world and relates that culture to the festivals and events which are part of their lifestyle. The paper discusses the role of food and wine in festivals and suggests that these are integral to successful festivals and events. Students in tourism are expected to be able to plan, stage, attend, participate in and critique events anywhere in the world. All of these activities require the knowledge and skills of event management and, more importantly, a deeper understanding through cultural sensitivities.

Due to the lack of significant landmarks and icons Adelaide and South Australia are somewhat dependent on festivals, events and conventions to bring visitors to the state where they will experience the lifestyle, festivals and culture of the city and regional areas. Hence the development of the course Tourism: Food, Wine and Festivals can be seen as an important element in South Australia's tourism.

### **INTRODUCTION**

The paper begins with definitions of festivals and events; examines the economic impact and government contribution to them; and considers the competition between the Australian states to stage major events and the role of the MICE industry.

It gives an overview of South Australia's tourism and the importance of food and wine in the state's tourism. The broad academic environment is investigated to provide an understanding of the development of the events area as a legitimate

discipline within universities. The paper also carries out a preliminary examination of the names of events courses in Australian universities.

The course 'Tourism: Food, Wine and Festivals' is described within the University of South Australia context and particular emphasis is given to the socio-cultural underpinnings of events and festivals.

The paper concludes with some ideas for future research in this area.

## FESTIVALS AND EVENTS

Festivals are:

'themed, public celebrations ... (they) celebrate something which has value to the community ... have been created specifically to give people something to share, to inform them, to foster community pride ... (they can be) performances, or social dramas full of conflict and power statements ... are art forms ... are stories told by members of a culture about themselves' (Getz 1995:313-314).

McDonnell, Allen, O'Toole (1999) state that humans have always found ways to mark important events in their lives, that they have needs to celebrate key moments. Special events give people opportunities to go outside their normal experiences, to use one off or infrequent occasions to have leisure, social or cultural experiences (Getz 1995). According to Berylne (cited in Graburn 1989:24) 'all human life tries to maintain a preferred level of arousal and seeks artificial sources of stimulation ... to make up for shortcomings of their environment' MacCannell says that peoples' focus is on the 'intensity of emotions produced' not on the event or content' (MacCannell 1992:231).

This paper uses events, festivals, special events, mega-events, hallmark events and major events interchangeably, but acknowledges that there are

differences between them which for the purposes for this paper are unnecessary to distinguish. Staging events and the study of events have become popular for a number of reasons. Governments see that events can improve their economic situation, while politicians want to 'keep the populace happy and themselves in power' (McDonnell et al 1999:24). According to Hall (1992) places have seen the success of event tourism in other cities and regions and want to enhance their image through this kind of tourism. Media coverage of an event, which promotes a city or region, can also be an important component of tourism. Other impacts include increases in employment, investment and infrastructure.

## ECONOMIC IMPACTS OF EVENTS

Events are economically very important for many cities and regions. Although there is some debate about the way these impacts are measured, the following will give an indication of a selection of events, their economic impact and the government's contribution.

Although the potential for positive economic impact is often a major factor in pursuing events, other reasons are evident. For example more employment, increase in the number of businesses involved, increase in business turnover, and an increased opportunity and exposure by locals to events which they would not otherwise experience.

## GOVERNMENTS' CONTRIBUTION TO EVENTS AND FESTIVALS

Governments' contribution to events occurs through many avenues; for example in bids and investment in the planning, promotion and staging of events, and tourism infrastructure (for example festival centres, convention centres, velodromes, theatres, and sports grounds). The table below shows the extent of governments' contribution to large events.

Year	Event	Government contribution (\$M)	Impact on Gross State Product (\$M)
1985	Adelaide Grand Prix	2.6	23.6
1990	Adelaide Festival and Fringe	1.9	10.1
1991	Eastern Creek Motor Cycle Grand Prix	4.8	13.6
1991	Convention industry	NA	50
1992	Adelaide Grand Prix	4.0	37.4
1993	Sydney Gay and Lesbian Mardi Gras	NA	12
1994	Brisbane World Masters Games	2.8	50.6
1994	Melbourne Festival	6.1	11
1994	Melbourne Comedy Festival	NA	10.6 - 17.7
1994	Queensland Indy Car Race	NA	20

Source: Mules, Trevor, 1995, The economic impact of special events, invited paper presented to *Regional Economic Issues Conference*, University of New South Wales.



As an example of investment in infrastructure, in 1999, the South Australian government allocated infrastructure grants of \$1million for the Murray River's Bookmark Biosphere Interpretive Centre, the South East's Lady Nelson Interpretive Centre, Kangaroo Island's Kingscote Penguins Boardwalk and the Eyre Peninsula Ceduna Marina/Coastal Centre (SATC, Autumn 2000).

Governments also fund research into the impact of events through the CRC, ARC and other research granting organisations.

The Sydney Olympics, which will be the largest event held in Australia, will have impacts particularly in Sydney and New South Wales. The impacts will be felt to a lesser extent through the eastern seaboard and across Australia. An example of this is the soccer qualifying games to be held in Adelaide as part of the lead up to the Olympic Football finals in Sydney. The cost of staging the Olympic games to State and Federal governments is substantial (the NSW government underwrites the games which has a total budget of \$2.288 billion), but the overall perception is that it will bring benefits to Australia <http://ultraglobe.com/olympics/olympics.html>

The Australian Tourism Net summarises the benefits of the Olympics as:

- an extra 2.1 million international tourists by 2004 (representing \$4billion boost to tourism)
- during the games, 300,000 visitors, 30 cruise ships, and 15,000 media representatives will be in Sydney
- a boost for conventions, incentives and events
- unprecedented exposure on the world stage
- improved infrastructure for tourism
- closer links with world travel industry [www.atn.com.au/nsw/syd/olympics.htm](http://www.atn.com.au/nsw/syd/olympics.htm)

## COMPETITION BETWEEN THE STATES

Due to the perceived benefits of staging events there is fierce competition between the Australian states to host major events. Two examples of this are the Australian Grand Prix which went from Adelaide (1985-1995) to Melbourne (1996-present) and the Motor Cycle Grand Prix which shifted from Phillip Island (1989-90), to Eastern Creek (1991-1996) and back to Phillip Island (from 1997 to present). This competitive streak can be traced back to the state structure of Australia from first European settlement.

In South Australia one of the responses to the competitiveness was the initiation of Australian Major Events which was set up to secure or develop major and strategic events for South Australia. It was set up after Melbourne won the rights to stage the Australian Grand Prix in 1996. This organisation is now part of the South Australian Tourism Commission and assists major events to come to South Australia. Some examples of the

types of events that have been successfully bid for and supported are:

- Jacob's Creek Tour Down Under
- Tasting Australia
- Clipsal 500 Adelaide
- Adelaide LeMans
- Olympic Games football
- Testra Adelaide Arts Festival of Arts
- Adelaide Fringe
- 2000 International Rose Festival Adelaide
- Ford Open Golf Tournament
- International Barossa Music Festival
- World Solar Challenge
- Womadelaide

Tasting Australia was held in Adelaide for the first time in 1997 and again in 1999. It has been a most successful event and in 1999 secured \$44 million in publicity for South Australia (SATC 2000). This event attracts the world's food and wine media, and interstate and local visitors. It runs food and wine appreciation courses, the Australian Regional Culinary Competition, the Arts SA Michelin Australian Food and Wine Writers Festival and Feast of the Senses. The Jacobs Creek Tour Down Under began in 1998 as a race that was not part of the World Cycling Competition, but in 1999 it became part of the championship. This event exceeded expectations in terms of the crowds it attracted and the world television coverage was substantial. Also it was an inexpensive event to run and although no economic impact study has been carried out, there is general perception that it is a successful event.

## ROLE OF CONVENTIONS AND MICE INDUSTRY

Conventions or more broadly the MICE (Meetings, Incentives, Conventions and Exhibitions) industry is an important contributor to the events arena. Although accurate information on this is difficult to find, it is estimated that it currently generates between \$3 billion to \$7 billion annually in direct expenditure in Australia (Commonwealth Department of Tourism 1995, Johnson, Foo & O'Halloran 1999, cited in McCabe, Poole, Weeks & Leiper 2000). Conventions and meetings are acknowledged as being pivotal to South Australia's tourism. Adelaide had the first purpose built Convention Centre in Australia in 1987 which has been ranked twice in the world's top ten convention centres. The Convention Centre has contributed \$341.9 million to the state since it opened and in September 2001 will more than double its capacity when extensions are opened (Adelaide Convention Centre 2000). This will result in larger conventions coming to Adelaide.

In 1999 in South Australia the convention industry created demand for 1,350 jobs and demand for

10,000 nights' accommodation and the (unsuccessful) Commonwealth Games bid estimated the economic impact to be \$45 million (1996 Adelaide Festival: An economic study). The meetings and exhibition sector directly employs 85,000 people in Australia (Johnson et al 1999, cited in McCabe et al 2000). 'The industry is viewed as the 'blue chip' sector of the tourism industry with respect to employment and employment opportunities' (McCabe et al 2000:23)

An organisation which has contributed much to the MICE industry is the Adelaide Convention and Tourism Authority (ACTA). ACTA is a member-based body that actively promotes Adelaide as the ideal location for conferences. These special events are seen as the drawcard that will bring visitors into the city where they will have positive experiences and stay longer and/or return as tourists. The meetings business is economically worthwhile as the average international visitor to Australia spends an average of \$83 per day while the international convention delegate spends \$609 per day (Thorp 1997). International delegates also boost foreign exchange earnings.

### **SOUTH AUSTRALIA'S TOURISM**

In South Australia tourism is promoted as good living/lifestyle, a time to participate in the culture, giving tourists an opportunity to understand and appreciate the essential character of the state. A place where festivals, events, food, wine, art, architecture, heritage, natural environments and landscapes can be experienced. Without icons and landmarks, South Australia has had to rely on attracting tourists to its festivals, events and meetings.

In 1960 Adelaide staged the second Festival of Arts in Australia (the first was in Perth) based on the Edinburgh Festival. It also won the rights to the first Grand Prix in 1985 and from this developed the infrastructure, expertise and personnel to plan and stage major events.

The South Australian Tourism Plan 1996-2001 (1996:53) lists the special qualities that give Adelaide a competitive advantage. These are:

- quality of life – Adelaide is ranked as Australia's most livable city, with its Mediterranean climate, unparalleled opportunity for developing cultural, leisure, sporting and festival experiences
- lifestyle – a relaxed lifestyle
- pre-eminence – South Australia is the pre-eminent state for food and wine, and is the major wine producing region of the nation
- accessibility – Adelaide is known as the walkable city where visitors can walk to almost all activities within the city square
- cost of living – in 1995 Adelaide was ranked as one of the world's top 30 cheapest cities in which to live

- location – Adelaide has a superb physical location for both interstate and intrastate travel and the state is well positioned to benefit from north/south or east/west travel.

The Tourism Plan also points out that a paradigm shift is required to change the thinking about South Australia. It suggests that all those involved in tourism need to think about Adelaide and the state as having many special characteristics which give it a competitive advantage, instead of considering it as a place which has little to offer the visitor.

As part of the Arthur D Little review of economic development opportunities for South Australia (1992), there was an assessment of the potential of the tourism industry. The review recommended a number of strategies and action programs and acknowledged the important role of festivals in Adelaide and the regions.

### **THE INFLUENCE OF FOOD AND WINE IN SOUTH AUSTRALIA**

The food and wine industry in South Australia provides another part of the backdrop to the development of the events course in the University of SA. South Australia is Australia's premium wine tourism destination with a third of all international visitors to South Australia including a winery visit on their itineraries, and 20% of all interstate tourists visit a winery during their stay in South Australia compared to 8% nationally (Industry Brief 2000).

South Australia is to host the 3<sup>d</sup> Australian Wine Conference in August 2000 and wine tourism together with nature based tourism is a focus of the South Australian Tourism Commission Sector Development Group. A coup for South Australia was the decision to site the National Wine Centre in Adelaide. The Centre, which is due to open in 2001, will promote wines from all wine regions throughout Australia.

There are also many festivals in South Australia that relate directly to the wine industry, for example the Barossa Vintage Festival, McLaren Vale Sea and Vines Festival, Adelaide Hills Harvest Festival and the Clare Gourmet Food and Wine Day.

Adelaide has an established reputation in tourism and hospitality training and education with the Regency Hotel School being credited to confer Swiss Hotel Association's Diplomas and Le Cordon Bleu Diplomas. South Australia has many nationally renowned chefs and wine and food writers, for example Cheong Liew, Maggie Beer, Gay Bilson, Michael Symons, Angela Heuzenroeder, Phillip White, Valmai Hankel and Barbara Santich.

This all contributes to the emphasis on the good living, lifestyle, food and wine, and socio-cultural

environment within which South Australia's tourism operates.

### **AUSTRALIAN UNIVERSITIES FRAMEWORK**

In recent years the academic framework in Australia has seen major changes. This was evident in 1990 when, as a result of the Dawkins era, all government funded tertiary institutions (with the exception of Technical and Further Education institutions [TAFE]) were forced into amalgamated universities. These higher education reforms expanded the number of universities to 37 (King 1995). In many areas competition for students and the research dollar became the norm and market driven courses and research became the imperative. Universities have ended up chasing markets rather than driving them and tourism, hospitality and associated areas such as events and festivals, food and wine have become university territory (previously the domain of TAFE).

The development of fields such as tourism and hospitality within a university environment illustrates one of the impacts of such government policies. The first universities (or more correctly their predecessors) to offer tourism and hospitality as formal courses did so in 1974 and 1975. There was a proliferation of tourism degrees in the 1980's (Craig-Smith, French 1991). In a study conducted in 1990 Craig-Smith and French (1994) found that the number of institutions offering tourism degrees was 2 in 1975, 3 in 1987, 16 in 1990 and 24 in 1994. This picture is similar to that in the United Kingdom where although the first tourism degree appeared later (in 1986), the numbers built rapidly to 15 institutions in 1991, 36 in 1993, 43 in 1995 and 50 in 1997 (Ladkin 1999).

As universities are pushed into a more self-reliant mode where there is less dependence on government funds, there is a need to attract paying customers, particularly fee paying overseas students (FPOS). The tourism and events area has been attractive to these students and numbers at many Australian universities have grown substantially. This includes students travelling to Australia to study internally, students overseas who study externally and students studying in off shore programs.

### **EVENTS COURSES IN UNIVERSITIES**

The development of tourism and hospitality events and festivals courses has closely followed the proliferation of tourism courses. Harris and Jago (1999) examined the development of events courses within universities in Australia and the education associated with this field. Their study showed that in 1999 out of 29 universities investigated via their web sites, 17 offered at least one events course. Many events courses are offered within tourism and hospitality, reflecting the broader context in which Universities are operating. This is an example of the tertiary sectors market driven response to the

substantial growth in the field of special events (Light 1996).

Universities are now driven by the market, by limited funds and by competition. Although they aim to create unique courses to capture the market, the programs and courses produced have many common elements because they are all influenced by the same external and internal factors. This is evident in an examination of tourism courses (Craig-Smith, Davidson, French 1994, Ladkin 1999, King 1995) and events courses (Harris, Jago 1999).

Harris and Jago (1999) carried out some research that used university web sites to find names of events courses. As an introductory way of investigating the event course content of these courses the authors of this paper categorised the titles as follows:

- 15 with management in the title
- 15 with meetings and/or exhibitions in the title
- 5 with festivals in the title
- 5 with marketing and/or public relations in the title
- 4 with Olympics and/or sport in the title
- 3 with business in the title e.g. accounting, law, operations
- 1 with catering in the title
- 1 with evaluation in the title

Results from this preliminary study suggest that there is little variation in most course content, but further research is needed to confirm this.

The course at the University of South Australia, Tourism: Food, Wine and Festivals, is unique in that it combines the three areas, and would appear to be the only one to have a socio-cultural theoretical base. This statement cannot be verified until a closer examination is carried out of the course content. This is an area of future research.

### **INDUSTRY AND ACADEMIA - THE GAP?**

Another interesting area examined by Harris and Jago (1999) is that of industry requirements for events organisers and that which came from Getz and Wicks' (1994) paper on professionalism for events practitioners. Getz and Wicks (1994) include areas such as the history and meanings of festivals, celebrations, rituals and historical evolution; whereas in the Harris and Jago (1999) paper the list include topics like event bidding, planning and organisation of events, finance and event monitoring. This illustrates the gap between what the industry says it wants and what academics consider necessary in the events area, although the names of the events courses tend to show a bias towards what industry says it wants. The authors of this paper consider that the course Tourism: Food, Wine and Festivals is more attuned to the Getz and Wicks (1994) approach.

## **TOURISM: FOOD, WINE AND FESTIVALS AT THE UNIVERSITY OF SOUTH AUSTRALIA**

Tourism: Food, Wine and Festivals is a course developed in the University of SA within the broad Australian and state political, academic and economic environment. The course is a part of a Bachelor of Management program with a major in tourism and hospitality within the Division of Business and Enterprise. The term course is used to describe a single unit of study, which is one quarter of a full time student workload. An undergraduate degree requires successful completion of 24 such units over three years of full time study.

There are three universities in South Australia, with the University of SA the only one offering events courses. Flinders University offer degrees in ecotourism (in the Faculty of Science and Engineering) and cultural tourism (offered in the Faculty of Education, Humanities, Law and Theology). Adelaide University does not offer any tourism courses but will, in 2001, offer postgraduate programs in Gastronomy and Restaurant Management. It is interesting to note that Adelaide University, through the South Australian Centre for Economic Studies, conducted the first economic impact study on a major special event (Burns, Hatch, Mules 1986) and it currently has staff and post graduate students involved in tourism research. TAFE in South Australia offer Advanced Diplomas and degrees in tourism, hospitality and hotel management and run a number of events courses.

The University of SA's interest in tourism degrees came from its precursor institutions - the South Australian Institute of Technology and the College of Advanced Education. Academic staff in both institutions had a specific interest in the area and the university needed to attract students in new disciplines to substitute for those it was no longer attracting in areas like education. This is another example of the economic imperatives framework that universities find themselves in.

The course Tourism: Food, Wine and Festivals was created in 1998 after an examination of degrees in tourism and hospitality, consultation with the tourism literature and academic staff within the School. Due to the economic constraints the university was operating in and the downsizing of staff numbers, academic staff were extremely restricted in the number of new courses and programs that could be developed. The new courses that make up the new degree program in tourism and hospitality are:

- Perspectives on tourism and hospitality
- Tourism: food, wine and festivals
- Tourism and hospitality: planning and development
- Tourism and hospitality: research and analysis

The course Tourism: Food, Wine and Festivals was the only course where the development team deliberately used a local South Australian focus as the emphasis; that is the team took an area that was grounded in the local yet had application to the global. The course was developed in a microclimate that reflected the broader academic environment, that is, one that is in restrained economic climate, a time of rationalisation, market driven products and in a time of the growth of events, festivals and an increasing emphasis on the MICE industry.

The aims for Tourism: Food, Wine and Festivals are:

- to enable students to explore socio-cultural perspectives on food, wine and festivals in order to enhance their appreciation of these attractions as destination 'pull' factors
- to enable students to appreciate the relevance of a rich knowledge base to creative problem solving.

The objectives are that on completion of this course students should be able to:

- demonstrate understanding of major tourism concepts
- identify the characteristics of ritual
- explain the sociological and ritual significance of food
- assess the role of food and wine in enhancing the experience of travellers
- account for the origins of the wine mystique through an examination of the place of wine in myth, ritual and history
- explain the popularity of wine consumption in Australia and internationally
- through an analysis of selected case studies, evaluate the economic and psychological benefits of festivals and events for host communities
- demonstrate a capacity for synthesis and creative thinking in creating a festival or event.

The title of the course (Tourism: Food, Wine and Festivals) is descriptive of the course's content. Tourism underpins the course content with the emphasis on cultural tourism. The cultural emphasis relates to history, geography, sociology, and anthropology.

Topics covered in the course include:

- tourism concepts
- ritual and its purpose
- social, cultural and symbolic meanings of food
- food for travellers
- creation of the wine mystique
- physiology and sociology of taste
- wine as a 'pull' factor
- festivals and events as public rituals

- conceptualising and planning festivals and events
- business of festivals and events management
- staging and logistics of festivals and events management
- evaluation of the management of events

The text used is McDonnell et al 1999, although it relates only to the latter part of the course as no text has been found that deals with the social, cultural aspects as well as the management side. Other material that is used is written by Getz (1994, 1995, 1997), Hall (1992, 1995), Murphy (1985), Visser (1992), Urry (1990), Cohen (1974), Geertz (1994), Fuller (1993), Graburn (1983), Allende (1998), Santich (1998), Ripe (1996), Wood (1995), Ioannou (1997) and others.

Assessment for the course consists of three assignments; the third is a major piece of work worth 50% of the marks. It is based around the theme of an original event which allows the students to conceptualise an event based on their interests, their culture and their understanding of the course. The overall idea of the assignment is to allow students the opportunity to conceptualise something original and preferably imaginative but possible. The assignment also required planning the event for implementation and suggestions for evaluation. All of this requires links to the theory presented.

Students are expected to develop an awareness of the event timetable. In South Australia the only daily paper *The Advertiser* provides advertising of events both paid advertising and column space; for example for the 2000 Telstra Festival of Arts the *Advertiser* provided daily supplements. Local newspapers, usually free, are also a great source of event information. The free newspaper *Adelaide Review* gives information and critiques of many events and festivals. Television and radio stations support events by giving community service announcements and mentions in news broadcasts where possible. For example Channel 9 supports the Telstra Adelaide Festival of Arts. The SA Tourist Commission also produces a comprehensive program of events (*Calendar of Events 1999-2000 SATC*).

Students discuss the type of events e.g. is it a sporting event, is it an ethnic cultural event, is it a religious festival, is it a music festival, a food festival, a wine event, and its socio-cultural base. Students need to become culturally sensitive especially in relation to festivals and events and this is done through using such strategies as discussion, videos, questioning and presentations.

The course also deals with the pragmatics of planning, promoting, and staging events, all of which are related back to the cultural and social aspects.

## LEARNING THEORY AND TOURISM: FOOD, WINE AND FESTIVALS

In this course (as is true of all in the tourism area) the process by which the learning takes place is regarded as very important. Hergenbahn (1988, cited in Merriam and Caffarella 1991:124) defines learning as 'a relatively permanent change in behavior or in behavioral potentiality that results from experience and cannot be attributed to temporary body states such as those induced by illness, fatigue or drugs'. Sometimes the experience can be immediate and be actually experienced by the student; at other times experience has to be taken in second hand. It is important for educators to provide as many relevant experiences as possible - balanced by the constraints of time, experience, environment, and social values. Relevant learning theories need to be considered in the construction of a course. Often more than one theory will be seen as relevant.

Merriam and Caffarella (1991) consider that there are four groupings of learning theory - behaviourist, cognitivist, humanist and social learning orientation. The learning theories most evident in the planning and delivery of Tourism: Food, Wine and Festivals are humanist and social learning. By choosing to base the course on the micro model of South Australia, where the majority of the students are temporarily/permanently based, the social learning theory which emphasises focusing on the social setting is evident. Here the interaction of person, behaviour and environment is important (Merriam & Caffarella 1991:138).

## SOCIO-CULTURAL ASPECTS OF EVENTS

The course Tourism: Food, Wine and Festivals relies on an understanding of the socio-cultural and symbolic meanings of food, wine and festivals. The opportunities and risks of festivals can be more clearly shown by an examination of the socio-cultural underpinnings of festivals and events. This approach can be found in, for example, studies on gay tourism, the Bristol Festival of the Sea, the Asparagus Festival, Italian festivals and the Barossa Valley in South Australia.

Studies examining gay and lesbian tourism show that although there are opportunities, there are also dangers associated with gay festivals in that gay touristification will erase gay identities, that is destroy the cultural base of the event (Pritchard, Morgan, Sedgely, Jenkins 1998). Pitts (1999) in a study of the gay sports tourism industry concludes that there is much potential, but it does not examine the dangers of touristification of the industry. In the Bristol study Atkinson and Laurier (1998) investigate the issue of the eviction of travellers who do not fit the perceived image of the Festival of the Sea, and conclude that this would result in a purified, sanitised image that is not an accurate picture of Bristol. The Asparagus Festival is an example of a secular food celebration popular

with locals and visitors which was developed to create a sense of communality, history and cultural connectedness in a community that had little sense of its own identity (Lewis 1997).

Benito (1997) examines the demise of festivals in France and suggest many reasons for this – budget constraints, increasing competition, saturation of supply, failing level of promotion, concerns about festival management, and the political and economic situation. This suggests that the community/cultural base of these festivals is not a strong component.

Field (1997) suggests that in Italy festival is everywhere. She writes that Italian festivals fall into four categories – those held in the country which celebrate the fertility of nature, those held in cities to glorify the particular city, religious festivals which include the celebration of saints' days and political festivals. 'All have ritual foods that reflect agriculture and religion and consecrate the festival.' (Field 1997:5). Festivals can be large or small, constant or moving both in place and time. 'They are moments when people can have their culture and eat it too.' (Field 1997:13)

Ioannou (2000) in his book *Barossa journeys: into a valley of tradition*, uses such terms as 'cultural pioneers', 'cultural bounty', 'cultural landscape' and the 'Barossa cultural region'. The Barossa (in South Australia) is seen by many in Australia as a special cultural region. It has a unique history which is somewhat preserved, it has an interesting and unique landscape which has changed little since the white population shifted into the area for crop farming and vines. Ioannou in the first edition of the book (1997) was concerned that the tourist looked only at the surface of the Barossa, and did not delve deeper. In the postscript of the second edition (2000) he recognises that the contemporary traveller is increasingly looking for something deeper – 'a more authentic cultural experience' (Ioannou 2000:232).

Ioannou (2000:223) states that the historical origins of the modern Barossa Vintage Festival come from the harvest festival celebrated in the churches. In 1947, the individual celebrations in the Valley were combined into a Festival (at one period called the 'Festival of Bacchus' – a name which did not sit well with the Lutheran Church, hence the name Barossa Vintage Festival).

The food of the Barossa can be linked to the culture and through that to the Festivals. Heuzenroeder (cited in Dare 1999) writes of the various foods which continue to be used in the Barossa. The recipes for fermented dill cucumbers and various cakes have, it seems, been little altered from the earliest days. Other recipes have been altered to suit the products of the new region, so that *rote grutze*, a dessert, uses grapes as an ingredient while in Germany it appears to have been made using raspberries, gooseberries, strawberries or

rhubarb (Dare 1999:62). Even in a so-called traditional cuisine, change is present.

The Barossa Vintage Festival has changed in its lifetime but the essential flavour still appears. There was a change to a Bavarian emphasis (which was seen as not reflecting the culture of the original Silesian settlers) and the eventual recognition of the Barossa's unique character and its cultural heritage has returned the festival to its more authentic folk culture. A current problem with the Festival is that of growth. The community based event has now shifted away from purely local planning to that where the SA Tourism Commission and Australian Major Events play a part in the planning. Fortunately at this stage the community-based celebration of the vintage harvest is still a strong underlying element (Ioannou 2000).

Douglass (1997) uses the Spanish fiesta cycle to examine identity and nationhood of Spain through bulls and bull fighting. This contributes to the understanding of Spanish politics and Spain's place in the world.

All of these studies acknowledge the strong socio-cultural roots of festivals and the underlying importance of food and wine.

## **CRITIQUE OF TOURISM: FOOD, WINE AND FESTIVALS**

The course has been available to students for 3 semesters and it has been monitored in terms of content, teaching methodology, assignments and delivery. The course is available in both internal and external mode with students geographically situated within South Australia, Australia and overseas.

Feedback from students, through questionnaires and interviews, has overall been positive, with some criticisms based on the lack of practical visits and the arrangement of the hours on campus for internal students. The positive comments were about the cultural base ('drew my attention to aspects of tourism and festivals that I was not aware of') and the links with the practical aspects of managing a festival. There was also feedback about the value of discussions with other students which helped them apply the theory presented. Overall students found it a useful way to apply the theory in the practical exercise of organising and managing an event. Student numbers in this course have increased each time it has been taught – another form of positive feedback

Further research is required to fully evaluate this course and this will be done in the near future.

## **CONCLUSION**

This paper has presented the history, context, development and evaluation of an events course in the University of SA.

Festivals and events are special times in people's lives; they give us the opportunity to go outside normal experiences for a cultural, social or leisure experience. The study and staging of events has become a popular pastime for governments, politicians, bureaucrats and academics for a variety of reasons. One of the major reasons is because of the economic impact of events and the potential for increased employment and general economic activity. Governments invest large amounts of money and resources to this area of activity. The states of Australia are extremely competitive in bidding for large events, with some mega events shifting from one state to another and back again as the competition increases. The MICE industry has become an important player in the events arena, with dedicated Convention Centres the norm in all states. Meeting delegates contribute to the economic impacts, particularly international delegates who boost foreign exchange earnings.

Tourism in SA is promoted as good living/lifestyle, good food and wine, a cultural experience, heritage and landscapes, a place to appreciate the essential character of the state. Food and wine play a pivotal part in this, with a many festivals linked closely with these experiences.

The Australian university environment is also an important component of the picture, as universities responded to federal government initiatives and public funding of universities dropped. Universities deliver what the market demands and what will attract students.

This paper gives a preliminary examination of events courses in Australian universities and suggests further research to investigate the content of such courses.

The course 'Tourism: Food, Wine and Festivals' in the University of SA was developed in 1998 to enable a diverse group of students to explore sociocultural aspects of food, wine and festivals. The course uses a local South Australian focus which has global application. The course requires further evaluation to assess the effectiveness of its teaching strategies and course content.

Further research is needed to investigate the content of other University events courses and the perceived gap between what industry says it wants and what academia writes about as the requirements for event organisers.

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## **TRANSFERRING KNOWLEDGE FROM ONE BIG EVENT TO THE NEXT: THE GREEK OLYMPIC EDUCATIONAL EXPERIENCE**

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### **ABSTRACT**

The Master of Management (Sport Management) degree for Greek students at University of Technology, Sydney (UTS), designed to train and educate an Olympic Games workforce, is the result of a unique set of circumstances. The idea for the program originated with the Democritus University of Thrace (DUTH) in Greece and was developed by UTS as a collaboratively operated education and workplace educational scheme. The Master's program has been designed to provide the opportunity for students to integrate their postgraduate education with a substantive internship component with the Sydney Organising Committee of the Olympic Games (SOCOG). This program is fully funded by the Greek Ministry of Sport who embraced it as an excellent opportunity to establish an informed, knowledgeable and skilled workforce for the 2004 Olympic Games in Athens while at the same time providing a legacy for the management of sport in Greece. Currently there is no accredited, Master of Sport Management in that country. Underpinning the theoretical studies component is a transfer of knowledge from SOCOG to the Athens Organising Committee (ATHOC). Moreover this is the first stage in what is envisaged to be an ongoing system of information transferral from one OCOG to the next, each learning from and building on the subsequent experience.

In such a venture there are multiple stakeholders each with their own distinct set of goals and objectives. Unquestionably the relationship between the student, the university, SOCOG and the Greek

ministry is complex and value laden. Nevertheless the precise nature of this relationship must be considered and further clarified to develop a framework to measure the effectiveness of training and the utility of the information exchange. In order to develop a comprehensive framework it is important to canvas each of the key players. The first phase of these empirical investigations explored participating students' expectations and experiences. Specifically this research aimed to provide a case study to assist in the establishment of a model for the development of innovative and sustainable ways to address education and training requirements.

This research examines the training received, the types of knowledge acquired, the utility of such in the current situation and the types of student research undertaken for the Master's project, which formed a critical part of the knowledge transfer. Data analysis occurred within a framework of effectiveness and stakeholder theory, however a caveat is acknowledged. The use of theories of effectiveness is often fraught with danger. The term the 'effectiveness paradox' has been established in part to shed light on this dilemma. Basically the phrase infers that what is effective for one particular group (within an organisation) may not necessarily be true for all other organisational personnel. Similarly what one stakeholder perceives as useful knowledge, another may perceive as inadequate or not appropriate. Nevertheless such analysis does provide the basis for evaluation of event-based training and education.

## INTRODUCTION

This research aims to add to the body of knowledge about training and education in the sport event field. Surprisingly little research has been undertaken in this emerging area. Given the increasing economic reliance of many cities and countries on hosting hallmark events such as the Olympic Games, this research is both timely and pivotal to building a better knowledge base in the events literature. The initiative under investigation is the first of its type, a unique collaboration between the current host organisation of the Sydney 2000 Games, the subsequent host Athens 2004 and two universities from the respective countries of each host. The outcomes and benefits to each of the parties involved, including the participating students needs to be clearly identified. An evaluation of the effectiveness of this inaugural program seeks to provide such information and will be of use in the development and implementation of other related initiatives.

There are multiple stakeholders in this venture and each has a distinct set of formal and informal goals and objectives for the program. It is important to systemically canvass each of the important players in evaluating the program's effectiveness; however, the first phase of this research agenda sought to investigate the participating students' expectations and experiences. This paper reports on this initial stage only.

Specifically this first phase aimed to:

- Assess the perceived utility of the program in relation to students' prior expectations
- Assess the perceived applicability of the program in relation to students' prior expectations
- Understand the relationship between the student stakeholders and the organisational context of the program
- Extract those factors which could be considered unique to this program (as distinct from international postgraduate education, and post graduate education in general)
- Produce a database that will assist in the establishment of a framework for the assessment of postgraduate education and the development of innovative and sustainable ways to address education and training requirements.

The data and information collected will be examined in relation to effectiveness and stakeholder theory. As such, there are two identified research phases to be followed on from this project. The first is a longitudinal study with the Greek cohort of students to provide ongoing evaluation of their UTS/SOCOG education and training of which this research is phase one. This research allows the multiple stakeholders in the initial project to be surveyed at set intervals during their program as to their perceived effectiveness of

the program, and then at later stages in their program, upon completion and post-completion. As indicated given that the relationship between the student, the university, SOCOG and the Greek ministry is intricate, the precise nature of this relationship must be analysed and further clarified to develop a way in which to measure program effectiveness.

The second phase of the study will involve an examination of the cross-cultural dimensions of postgraduate education to eventually enable comparisons between the Greek cohort and other international postgraduate students. These students' experiences will be related to questions of identity formation, cultural affiliation and professional aspirations. Challenges faced by the students such as the production of diasporic spaces in the host country and re entry to their home communities will be considered. Such research has the potential to develop across national and international programs and inform the development of knowledge about pedagogy and global curriculum. This work is increasingly important given the global movement of students, information and knowledge.

## BACKGROUND TO THE PROGRAM

The idea for the Hellenic Master of Management (Sport Management) program was suggested to representatives of the School of Leisure, Sport and Tourism at UTS in early 1999 by the Democritus University of Thrace (DUTH). In pursuing the arrangement, collaboration was established with SOCOG and financial support secured from the Hellenic Ministry of Sport. The criteria for student placement in the program were an undergraduate degree from a recognised institution, English fluency and two years work experience. According to Gargalianos et. al. (1999) within twenty days of the program being announced, 300 applications were received from which 140 were selected to sit the English exam. Through a rigorous process of elimination, the final cohort of students was selected based on academic ability and SOCOG placement requirements.

In August 1999 sixty-eight Greek postgraduate students arrived in Australia ready to undertake a full-time program of education with UTS and an internship with SOCOG. At UTS the existing Master of Management (Sport Management) was adapted significantly to meet the specific needs of the Hellenic cohort. The host's twelve subject Master's degree is usually completed in full time mode over two years or part time mode over three. Due to the restrictions of time and the immediacy of the task at hand, the Hellenic Masters was to be delivered via intensive mode in less than eighteen months. Furthermore a number of changes were made both to the core subjects included in the degree and the content covered therein. Subjects thought to be specific to the Australian environment or surplus to the needs of this group were removed and replaced

by subjects containing an internationalist perspective. As a result Sport and the Law, Public Relations, Project Preparation and the two electives were deleted for Analysis of the Olympic Games, Managing People, and two subjects written specifically for this program. These were Structure and Function of Sport in Greece and International Relations for Sport. Finally an elective subject entitled Professional Practice for Graduates was also included to link the internship with the academic program.

Wherever possible the theoretical material covered in each subject was contextualised within an international or hallmark events perspective. The Master's project, an 8-10,000-word study on a topic of the students' choice, was designed to form a pivotal part of the knowledge transferred from SOCOG to ATHOC. While some students chose a non-Olympic related topic for this capstone subject, most constructed a research agenda around their functional area within SOCOG. Hence numerous projects focus on event and venue management, training and human resource issues, logistics, overlay, information systems, volunteer recruitment and program effectiveness.

Upon completion of the degree at the end of 2000, the Athens Organising Committee for the Olympic Games in 2004 will have at its disposal an educated workforce with significant experience in the conduct and management of diverse aspects of the Olympic Games. Equally important is the fact that the experiences and knowledge gained within the confines of this program have the potential to provide a strong legacy of Sport Management in Greece for decades to come. However before the program can be measured for its success, and used as a model for any subsequent iterations, a process of evaluation of its effectiveness needs to take place

## REVIEW OF LITERATURE

In evaluating educational programs, it has been well established that the use of theories of effectiveness is fraught with danger. The term the 'effectiveness paradox' has been coined to in part shed light on this dilemma. Basically the phrase infers that what is effective for one particular group within an organisation may not necessarily be true for all other organisational personnel. With that caveat firmly established, the various theories on effectiveness can be useful for descriptive purposes.

Although effectiveness is essentially subjective assessment, five main approaches to examining the issue have been established in the literature. These are the Goal Attainment approach, the Systems Resource approach, the Internal Process approach, the Strategic Constituencies approach and the most recent addition to the literature, the Competing Values model developed by Quinn & Rohrbaugh (1981).

Slack (1997) suggests that the goal attainment approach has been the most frequently used method to evaluate effectiveness in organisations where goals are consensual, identifiable, measurable etc. A win-loss record in sport exemplifies this. However the potential multiplicity of organisational goals, the potential lack of clearly articulated goals, and the possibility that sub-unit goals may be in direct conflict limits the utility of this approach. In particular in higher education, goals have traditionally been vague and elitist. However, recent changes have meant that student and industry expectations of education are changing and are more consumer focussed with a greater accountability for outcome measures.

The Systems Resource approach examines effectiveness in light of resource acquisition (inputs) and that which is produced (outputs). Critics of this particular approach address guaranteed vs. non-guaranteed resources as is the case with government vs. non-government funding (Chelladurai, 1985) and even in semantics, what exactly is an input? (Slack, 1997) Rather than focusing on inputs or outputs the Internal Approach identifies the transformation process or throughputs that take place within organisations. Critics of this theory argue that process may not necessarily impact on outcome (Cameron, 1980), similar goals may be met through different processes (Hrebiniak & Joyce, 1985), or that converse may apply, similar processes achieving quite different results (Das, 1990).

The most recent theory to determine effectiveness is the Competing Values approach. This is Quinn & Rohrbaugh's (1981) adaptation of Cameron's (1980) indicators of effectiveness. The Competing Values approach is not dissimilar to the strategic constituencies' model in that it recognises the relationship between different values and expectations. While Slack (1997) argues that at least this model takes into account the paradox of effectiveness (p.34), it is inappropriate in this study as we are not measuring multiple constituencies nor are values being addressed.

The Strategic Constituencies model addresses the notion of multiple stakeholders and with regard to this research is probably the most appropriate theoretical model. In this instance the different stakeholders are interested in the success of the organisation and the organisation realises that the stakeholders are critical to the assessment of their effectiveness. In this research agenda the stakeholders are the Greek students, UTS, SOCOG, ATHOC and the Greek Ministry of Culture. The focus of this paper is the students. The criticisms of this theoretical model lay in a perceived inability to identify all the constituent stakeholders (Slack, 1997) but in this instance this is not the case. Another problem alluded to with this model focuses on the perceived importance of the various constituent groups. However in this current research the investigators are only concerned with the one stakeholder group, i.e. the students. This

study provides a valuable perspective to quality management at the university by considering the needs and experiences of the students.

If, as Gargalianos, Quick & Clubb (1999) suggest, the Greek Sport Management program will provide future programs with a blueprint for effective sport management education, it is incumbent on this program to undertake a comprehensive evaluation to ensure it meets the needs of future consumers. By using Strategic or Multiple Constituency theory which focuses on project partners or stakeholders, one measure of effectiveness of this program can be clearly established.

## METHODOLOGY

The first stage of the research involved the use of a focus group to collect information from students enrolled in the program. For the focus group twelve students from the Greek Master of Management (Sport Management) program were randomly selected for inclusion taking account of gender and age representation. A representative of the cohort who briefed the group on the aims of the study and then asked if they would like to participate contacted potential focus group members. It was made clear to students that this was an entirely voluntary session. Only one of the initial group contacted chose not to participate due to a prior engagement. The focus group was conducted at a time and location convenient for the students involved and discussion focused on student-based issues related to their hopes, expectations and realisations regarding the Masters program.

These discussions will be used to shape the framework for the measurement instrument to be constructed and validated. The questionnaire will then be piloted, adapted and then administered to all students consenting to participate in the research. Data analysis of the questionnaire surveys will be undertaken using the SPSS software package. Standard statistical tests will be employed to ascertain the students' perceptions of program effectiveness.

## DATA

A facilitator conducted the focus group over a two-hour period and ranged from discussions about the students' pre program awareness and attitudes related to education and Australia, to aspects concerning the utility of program content and the congruence between program expectations and realisations. The discussion proceeded along various student-initiated themes, which for purposes of clarity have been posed as questions in the following discussion. The discussion was taped and transcribed for analysis.

**Question 1: What were your preconceptions about graduate education, international education, Sydney, Australia?**

In the main the students commented that knew very little about Australia, other than that it was on the other side of the world. The conventional Australian stereotypes existed. However most participants indicated that it was a place that they often thought they would like to visit. It was well known that there was a large Greek population in Australia and it was thought that the inhabitants were relatively friendly. The focus group felt that although it was a country with a short Euro-history it had the potential to provide good opportunities for education and training. Overall the combination of work experience and education was seen to be both important and novel. For some members of the focus group further education was not previously a high priority, while for others it was a dream come true.

With regard to postgraduate education the group pointed out that similar programs did not exist in Greece. The participants indicated that private Greek universities were perceived to be of a rather low level with many students choosing England, Spain or Italy as a place for further study. However they felt that this European focus was a product of proximity to Greece rather than the intellectual integrity of the course offerings in those countries. Moreover while a number of students indicated that they had harboured a desire to undertake further study, in the main this was outside the field of sport management.

**Question 2: What were your previous thoughts regarding the Olympic movement?**

The participants indicated that while being Greek made it difficult to escape an association with the Olympic Games, generally there was not a lot of fascination with the movement. Most only got excited once every four years. Their perception was that the Olympic Games in the third millennium was just business and far removed from the supposed Olympic ideals. However there was a belief in the group that 2004 was an opportunity to promote Greece, and that with the awarding of the Games to Athens the world will now take notice of Greece. This cohort argued that the Greek press and media had already latched on to this perception.

**Question 3: When you found out when you were coming to Australia what were the major issues faced?**

In all cases the major area of consternation was distance. Most students found it difficult to say goodbye to a whole life. Family, friends, and partners were an important issue, as a number had never lived outside the family home. Many of the students expressed that they had extremely strong bonds with their parents. However in most instance parents and friends were generally supportive of their efforts to apply for the scholarship. Some focus group members saw it as a tremendous chance, and nothing was going to stop them coming to Australia (especially those who had previously lived outside Greece). Others saw it as merely an opportunity to make new friends.

**Question 4: What were your hopes and expectations when you found out you were coming to Australia?**

While the thought of returning to University after a number of years absence was quite daunting for the older participants, in the main the perceived lack of opportunities in the professions of physical education and coaching in Greece in part allayed some of these concerns. The students considered it an opportunity for further career development and enhancement. It was also considered to be an adventure outside Athens, an opportunity to be a mature age student and to study. The perception was expressed that Australian universities were good educational institutions.

**Question 5: What did you hope for in regard to internal group dynamics?**

The participants in the focus group indicated that they had not given any real thought to the potential dynamics of the group selected for the program. The commonly expressed belief was that friends would be made with some people. There was also expressed a strongly held belief that the majority of the group would be well qualified and worthy of being in the program. While a number indicated initial concern at their ability to make new friends, this did not take long to overcome. A common background was not as important as the diversity in the group, and it was argued that such diversity in this group has manifest itself into significant support mechanisms. Many of the focus group now believes that some of the friends made within the group will exist long beyond the life of the program.

**Question 6: What were the hopes and expectations regarding UTS and the sport management program?**

The focus group participants hoped that the program would be a way to learn more about Australia. It was also hoped that there would be more mixed groups/seminars and not just specific Greek classes. It was argued that many university initiatives and activities had not been taken advantage of due to lack of time. Conversely their expectations regarding the facilities have in most cases been met or surpassed. The library facilities and technology are perceived to be much better than the Greek equivalent. Interestingly, UTS students are envied for their access to resources, both in terms of library and instructional technology support. The lecturers' focus on data base usage and Internet activities was thought to be quite different to that provided in Greece. A downside of this exposure was that not enough library time was available to make use of these resources.

It was felt that at UTS students were encouraged to be more specific with an emphasis on the supporting of ideas. Similarly process was seen to be important. Participants commented that, 'We learnt to be more specific and support our ideas'. 'We learnt process not just ideas'. However intensive subjects were demanding with little time for reflection which slightly compromised learning.

Also the students had no idea what the subject Professional Practice, the internship linking theory with practice, was really attempting to do. Finally the focus group participants expressed general disappointment that Greek subjects were included in the degree arguing that all subjects should have been conducted by UTS faculty.

The focus group participants were of the belief that the basic education systems were quite different between Australia and Greece, although it was not clear whether this just applied to postgraduate degrees or even specific faculties. It was agreed that the relationship between lecturers and students in Australia was seen to be healthier, with UTS lecturers more supportive of the students. It was alleged that the relationship was far more formal in Greece. Finally, a number of the students indicated concern with which institution their degree would be awarded from, with the firmly stated belief that graduation should be connected with UTS, not a Greek university, institution or organisation.

**Question 7: What were the hopes and expectations regarding the SOCOG placement?**

As expected the SOCOG placement was a contentious issue. The focus group participants were unequivocal that UTS needed to be far firmer with the Olympic organising committee's demands on the students. The student expectations were that initially they would have observer status, followed by introductory training before work commenced. Fundamentally it was hoped that University studies would predominate and that the SOCOG placement would be a true volunteer posting. It was anticipated that their level of involvement would increase with knowledge and experiences gained. Being 'thrown in at the deep end' proved extremely stressful. It would appear however that the SOCOG representative told the students of the demands of the position at the initial interview.

It was felt that there was need for a UTS or liaison person at SOCOG to monitor SOCOG treatment of students, as problems there continually impacted on their ability to fully commit to their UTS studies. However participants also acknowledged that perhaps this was a communication issue, and that there was a need for much better dialogue between UTS and SOCOG. Rightly or wrongly the impression SOCOG gave the students was that they were here to save the budget of SOCOG and that the organisation cared little about their UTS studies. The students indicated that they had expected greater flexibility and appreciation for their contribution to the SOCOG.

**Question 8: How long before you were aware that your SOCOG hopes and expectations might not be met?**

In terms of setting the tone for what was to follow, the students recounted how on arrival the group went to their temporary accommodation and a SOCOG representative commented that it was good accommodation 'for students', which they felt was

far from the case. Furthermore, it was raised as an issue that SOCOG allowed a very limited time for the students to settle in as students were expected at SOCOG within the week. (A number of students interviewed indicated that they were ready to go back immediately). The realisation of what SOCOG was expecting initially proved daunting. However it was universally agreed by the focus group participants that many valuable skills and knowledge have been learned while the students were at SOCOG. However the students' hope that SOCOG personnel would be able to assist in the educational process by providing advice and feedback on student assignments never eventuated.

**Question 9: How long before you were aware that your UTS hopes and expectations might not be met?**

Even prior to leaving Greece the students indicated that they were disappointed with the amount of information and pre-planning documentation. There was a general lack of information and knowledge about the education process especially as it related to the stipend, accommodation, and what exactly they would do. The students commented that this lack of information led to serious frustration. They indicated that they had hoped that this was just the case in Greece, and that Australia would be different. However this was not to be.

Significantly the focus group suggested that from the day the students found out that they would all be in the one class for subjects, the perception was created that the program was created specifically for the group. This gave the impression that the students were a special group that was at odds with the hope that they would be part of the normal student population.

**Question 10: What changes would you make to enhance the student experience?**

The students in the focus group strongly supported the notion that more information was required in the initial stages. They commented that the program should have had a mission statement and its own goals with a leader appointed. There was a need to know who was in control. It was also felt that there was a need for an overarching organisation to link all components of the program and for ATHOC to have input.

The focus group believed that there is no doubt that the group has learned to survive and help each other. The focus group participants argued that greater access to the host school would be beneficial as in many instances the students were not clear as to assignment expectations etc. This was not the normal mode of assessment for the group. Moreover as assignments were marked by different people this provided much consternation for the group, as the cohort constantly compared results and gradings. It was argued within the focus group discussions that there existed a need for much smaller groups or for work groups to be led by senior students within the cohort. The focus

group thought that eighteen months was far too short a time to get a masters degree and that given more time to do things properly the standard of student work would increase. Finally there was a suggestion made that the fees charged were not reflective the standard of the lectures and material presented.

**Question 11: So, what has worked well for you?**

The Master of Management (Sport Management) program was generally perceived as worthwhile by the students within the focus group who commented that it offered diversity across and within subjects. While some subjects were seen to offer more practical application than others, it was agreed that Sport Marketing/Event and Facility Management/Managing People had a universal application. While it was argued that not all the program's academic component was directly applicable to SOCOG, there was debate and disagreement within the focus group as to whether the theory actually linked to the practice. It was also acknowledged that the group was atypical in terms of students with the belief that the cohort has something to offer in terms of critical comment to both SOCOG and UTS. A number of the focus group felt that ATHOC had no right to be involved in the decision-making, which contradicted a previously held position most indicated that they would be keen to gain employment with the organisation.

**CONCLUSIONS**

The students interviewed argued that this program could be improved in a number of areas. The focus group indicated general disappointment in the way they were dealt with in their last days in Greece and their first days in Australia. Their expectation of better organisation was not realised and the lack of adequate information has continued. While initial excitement and expectations were high this quickly abated as many questions went unanswered. Furthermore the lack of information was compounded by distance. For some students the only reason they did not immediately return to Greece was the potential embarrassment. Others in the group realised they would not be abandoned by UTS.

The focus group believes that a major shortcoming of the program was that they had not had the chance to act as students, to do typical things students do. The students would have liked to be involved in University life. The focus group felt that there was a need for closer cooperation between the academic and practice component of the experience, with job rotation within the SOCOG practice to allow them to make better sense of sport and event management theory. The expectation was that concepts learned at UTS would apply to SOCOG and the assignments would be directly linked to placement. It was argued that clearer linkages between theory and practice would have

enabled work at SOCOG to utilise the theory grounding at UTS and vice versa. Finally the cohort was frustrated that many special circumstances were created for the group. The focus group contended that all that that was really required was better, more timely information and the opportunity to be normal postgraduate students. They argued that if such had been the case many of the other issues would have taken care of themselves.

Concerning the effectiveness of the program, there is no doubt there were divergent views emanating from the focus group. While this may merely confirm the presence of the effectiveness paradox, it is clear that the Strategic Constituencies Model is the most appropriate framework in this case. It is anticipated that a clearer picture will emerge when phase two commences. By undertaking the statistical analysis of the entire cohort differing notions of effectiveness with the group may be discerned.

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# **EVENT MARKETING**



## A NEW PERSPECTIVE ON THE DECISION-MAKING PROCESS OF ARTS FESTIVAL VISITORS

**Richard Gitelson and Deb Kerstetter**

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### ABSTRACT

The Central Pennsylvania Festival of the Arts (CPFA) is an annual juried arts festival that began in 1968 in a small college town in central Pennsylvania, USA. From its beginning as a loosely organized event, the CPFA is now in its 31<sup>st</sup> year and attracts 70,000 to 100,000 visitors over a five-day period. Approximately 60 percent of the attendees travel at least 30 miles to the event (defined as tourists). Approximately 43% of these tourists visit friends and relatives while attending the event.

One of the goals of this study was to look at selected factors that effect tourists' behaviour. These factors included the motivations for attending the event, the timing of the decision to attend the event, and the influence that friends and relatives (living in the local area) had on travel related decisions.

Understanding when an individual makes a travel related decision is important in determining when to market a particular event or attraction (Gitelson & Crompton, 1983). It is also important to understand why individuals are attending an event in order to develop and refine marketing campaigns (Backman, Backman, Uysal, & Sunshine, 1995; Pyo, Mihalik, & Uysal, 1989; Scott, 1996). It is also important to understand the decision making process. Although a number of studies have focused on the decision making process, few studies have focused on the specific role of friends and relatives (Gitelson & Kerstetter, 1994). Gitelson and Kerstetter (1994) found that tourists visiting a Heritage Route in Pennsylvania relied on friends and relatives in the area to make most of their trip-related decisions.

CPFA attendees were randomly selected each day of the event. The individual was asked to participate in a short-onsite survey. The individual was then asked to complete a follow-up survey that would be mailed to them. This process resulted in 1174 on-site surveys and 670 follow-up surveys (53%).

Tourists were divided into two groups. Group 1 included those respondents who visited friends and/or relatives during the event, and Group 2, those respondents who were not. The intent was to look at overall tourist behaviour, while focusing on potential differences between these two groups.

There were several statistically significant differences in the size of the travel party. Group 1 was more likely to contain children, while the predominant type of travel party in Group 2 was a couple. Group 2 respondents are more likely to make the decision to visit the festival during the week leading up to the event. The findings substantiated the importance of local residents on travel-related decisions made by tourists, although they played a role in the decision making process of both groups. There was a significant difference in the use of 3 of 8 possible information sources and significant differences in 3 of the 16 motivations for attending the CPFA.

Friends and relatives living in the town where the event is being held play a significant role in the decision making process of tourists. Although there were some differences between the motivations of the two groups, in general, tourists were not attending the festival for the reasons that the event organizers were most important. The study provided valuable insights into how tourists behaved while visiting the event and their economic impact on the community.

## INTRODUCTION

The Central Pennsylvania Festival of the Arts (CPFA) is an arts event that began in 1968 in central Pennsylvania, USA. The CPFA began as a loosely organized event co-sponsored by the town and Penn State University, which dominates the town's economy. The primary purpose of the event was to lure people to the downtown area during the summer when there was essentially no other reason to visit.

What began as a 'happening' with a few booths and a lot of hippies has grown into an event that attracts approximately 100,000 visitors over a five-day period and requires year round planning. The nearly 350 artists who display their work are selected through a rather rigorous juried process. Musical and other types of events complement the sale of fine art at the CPFA.

According to a study done in 1988 (Gitelson & Wang, 1989), 60% of festival visitors were non-local. They were estimated to have an economic impact of \$7 million, approximately one-half of which directly impacted the local economy. Interestingly, 50% stayed or were acquainted with individuals who live in the local area. Hence, it is plausible that locals may have a profound influence on the decision-making process and, ultimately, spending behaviour of non-locals who attend the CPFA.

The primary goal of this study was to learn more about non-locals' decision making processes and how they compare with locals' (defined as those individuals living in the county where the event was held). To address this goal, the following questions were proposed:

- When do non-locals decide to attend the event and does this differ from locals? Although planning for the following year's event begins immediately, little data exists as to when festival attendees, whether local or non-local, decide to attend the event. This type of information is important to managers who must decide when to begin promoting the following year's event.
- Why do non-locals attend the CPFA and does this differ from the motivations of locals. This type of information is useful in determining if different targeted marketing campaigns are warranted.
- What information sources are used by non-locals and do these sources differ from locals? The CPFA has a rather limited advertising budget. Documenting which sources attendees use would be valuable.
- To what extent do locals influence selected trip-related decisions of non-locals? As indicated previously, a large percentage of non-locals

have friends and/or relatives in the area. Yet, little is known beyond anecdotal stories as to the impact these individuals have on decisions made by non-locals. This information is considered critical in addressing the first three questions.

## LITERATURE REVIEW

Understanding when an individual makes a travel-related decision is important in determining when to market a particular event or attraction. Gitelson and Perdue (1983) found that the North Carolina's assumption that vacation decisions were made in the spring was found to be false, as a majority of visitors to the state were making their decisions in the fall.

It is also important to understand why individuals are attending an event in order to develop and refine strategic marketing campaigns. Several studies have focused on segmenting festival attendees by their motivations for attending various festival events (Backman, Backman, Uysal, & Sunshine, 1995; Mohr & Carmichael, 1993; Ralston & Crompton, 1988; Scott, 1996; Uysal, Gahan, & Martin, 1993). Although the findings have not shown a strong relationship between attendee origin or other demographics and various motivations, Backman et al. (1995) concluded that attendees are not homogeneous as to motivations and that event planners should consider motivations in segmenting their potential markets.

Finally, in order to develop and design marketing campaigns, it is important to understand the decision-making process. Although a number of decision-making studies have dealt with recreation (Darley & Lim, 1986) or tourism decision-making (Myers & Moncrief, 1978; Nichols & Snepenger, 1988; Woodside & Carr, 1988), none have dealt with special events. The focus of these studies has usually been on the spousal decision process (Myers & Moncrief, 1978) or the influence of various family members on decision-making behaviour (Belch, Belch, & Cresino, 1985; Darley & Lim, 1986; Gupta, Hagerty, & Myers, 1983; Howard & Madrigal, 1990; Nichols & Snepenger, 1988). And, while studies have documented friends/relatives as an important information source (Gitelson & Crompton, 1983), only one study has focused specifically on friends and relatives as an actual part of the decision-making process (Gitelson & Kerstetter, 1994). In their study, Gitelson and Kerstetter asked respondents visiting a heritage trail in Pennsylvania the level of influence friends/relatives had on six travel-related decisions. Examples of the decision areas included where the travel party would eat, what they would do and, most importantly from the standpoint of the planners, which sites the travel party would visit while in the area. The results indicated that in approximately one-third of the cases, friends/relatives were the sole or dominant decision

maker in at least four of the six decisions. Most importantly, friends/relatives were the dominant or sole decision maker in nearly four out of ten decisions as to which sites the respondents would visit while in the area.

## METHODS

Based on the researcher's familiarity with the Festival and input from the director, a sampling protocol was developed. Four locations were selected around the perimeter of the Festival grounds and surveyors were trained to collect a random sample of individuals passing each location at various hours each day of the event. Individuals were asked to participate in an on-site survey, which took approximately two to three minutes to complete. The on-site survey consisted mainly of demographic questions and a few behavioural questions. This process resulted in 1,174 on-site surveys, with less than a 5% refusal rate. The two main reasons for refusing to take part in the on-site survey were individuals were in a hurry to get somewhere or they were working downtown and not visiting the Festival. After completing the on-site survey, individuals were asked to take part in a follow-up survey they could complete at home and return in a postage-paid return envelope. Less than two percent of the individuals completing the on-site interview were unwilling to take the follow-up survey.

A post-card reminder was sent one week after the last day of the Festival and a replacement survey was sent to non-respondents two weeks after the postcard reminder. The response rate for the mailed survey was 57% (N = 670).

## STUDY VARIABLES

Planning frame: Limited to when the decision was made to attend the CPFA. Respondents were given six categories ranging from the day of the event to 6

months or more.

Motivations: Respondents were given 17 possible reasons for attending the CPFA and asked to rate the importance of these reasons on a 5-point Likert scale ranging from 1 'not at all important' to 5 'extremely important.'

Information sources: Respondents were asked to indicate which of 10 different information sources were used in making event-related decisions.

Decision making: Respondents were asked who influenced six trip-related decisions. For each decision, the respondent was asked to assign (where applicable) a percentage to themselves; their partner; their children, friends and/or relatives; or others as to their influence on the decision. The total assigned for the five categories was to equal 100%. If someone was assigned 100%, then they were considered the *sole* decision maker. If their share was larger than the rest of the group, they were considered the *dominant* decision maker. If the decision was shared equally by two or more individuals, then each was designated as *sharing* the decision. If someone had a percentage less than the other group members, they were considered to have a *minor* role in the decision-making process.

## RESULTS

### Planning Frame

Table 1 shows the planning frame for locals and non-locals. It appears that non-locals were significantly more likely than locals to make a spur of the moment decision to attend the Festival. Nearly one-fourth of the non-locals versus 6% of the locals made the decision to attend the day of the event. Further, 42% of the non-locals compared to 34% of the locals made the decision to attend 6 months or more ahead of the Festival.

**TABLE 1: When non-locals and locals decided to visit the CPFA**

Time frame	Non-locals	Locals	Total
Day of the event	24%	6%	12%
The week before	12	15	14
2 to 4 weeks before	7	17	14
1 to 3 months	11	19	16
4 to 6 months	5	9	8
6 months or more	42	34	37
Total	100 N=218	100 N=430	100 N=648
Pearson Chi-Square Value = 64.95      DF = 5      Sig. = .000			

## Motivations

Factor analysis has been used in the past to reduce a large number of motivational items into meaningful dimensions (Backman et al., 1995). In this study, a factor analysis (Principle Components Analysis using a Varimax rotation method) produced six factors that accounted for seventy-two percent of the variance (Table 2). Eigenvalues of 1.00 or greater, factor loadings of .5 or higher and the Kaiser-Meyer-Olkin statistic were referenced in creating the 6 factors. In addition, the reliability of each factor was assessed. The reliability coefficients ranged between .77 and .82. The resulting factors were labeled: 'Fun,' 'Gifts,' 'Arts,' 'Getaway,' 'Music' and 'Social' (Table 2). In order to do follow-up tests, the overall mean score for each factor was calculated by adding

together the score on each item and then dividing by the number of items. Respondents were assigned a mean score for their response to each factor.

Analysis of Variance (ANOVA) procedures were then used to determine whether or not differences in the mean scores between non-locals and locals were statistically significant (Table 3). The results indicated differences in response to three factors. Non-locals were more likely to be visiting the Festival to purchase gifts and to be there as part of a 'getaway' trip. Locals were more likely to attend the Festival for the entertainment. The results indicate that both non-locals and locals were attending to have fun, see the art work and to socialise with family and friends.

**Table 2: Factor analysis of 17 motivations for attending the CPFA**

	Factor 1 Fun	Factor 2 Gifts	Factor 3 Arts	Factor 4 Getaway	Factor 5 Music	Factor 6 Social
Motivations						
Enjoy the sights and sounds	.70					
Have fun	.85					
Have a good time	.81					
Purchase art work		.85				
Purchase gifts		.78				
Purchase unique crafts and gifts		.88				
Develop knowledge of the arts			.85			
Learn more about arts and crafts			.84			
See artists demonstrate their skills			.60			
See different arts and skills			.50			
Experience something different				.84		
Getaway from the everyday routine				.58		
See or hear the entertainment					.90	
Experience the performing arts					.83	
Socialize with friends and family						.83
Be able to visit friends and family						.89
* Arranged by factor, motivations in the survey were not listed together. Principle Components Analysis using Varimax rotation with Kaiser Normalization Only factors that had eigenvalues greater than 1 were included. The six factors accounted for 71% of the variance.						

**Table 3: Differences in locals' and non-locals' response to the motivation dimensions using ANOVA**

Motivation scales	Non-locals	Locals	F value <sup>b</sup>	Significance
Fun	4.3	4.2	.521	.471
Gifts	3.0	2.7	6.96	.009
Arts	2.9	2.8	.928	.336
Getaway	3.7	3.1	6.66	.010
Music	1.8	2.2	40.74	.000
Social	3.5	3.4	.983	.322
Mean scores are based on a scale that ranged from 1 = not important to 5 = very important.				

## INFORMATION SOURCES

Respondents were asked which of 10 sources they used to obtain information about the Festival. The results in Table 4 show that the local chamber of commerce, the CPFA festival office, conferences held at the local university and the local visitors and convention bureau were essentially not used by either group. One of the remaining sources, literature distributed by the university, was only used by about eight percent of the respondents.

Of the remaining five sources, chi square analysis indicated the amount of use by non-locals and locals was significantly different. For example, non-locals were more likely to use friends and relatives for information than locals, although approximately one-third of the locals relied on this source for Festival information. Locals were more likely to use the local newspaper, personal experience, and the official program guide produced by the CPFA office.

## DECISION MAKING

Table 5 shows the level of influence that friends and/or relatives had in non-locals' six trip-related decisions. It appears that friends and/or relatives had the most influence on *where to eat* while attending the Festival and, as expected, the least amount of influence on *art purchases*. Friends/relatives were the sole or dominant decision maker in deciding where to eat in one out of 4 cases and shared in the decision in approximately one-fifth of the other cases. Nearly one out of five decisions as to what entertainment non locals would see was made by a friend/relative, presumably living in the area where the festival was located. While it is important to note that the majority of all decisions were made by a member of the non local travel party, the results do indicate a role being played by members outside the usually considered decision makers, i.e., immediate family members. The results indicate this role of friends / relatives appears to go beyond the traditional role

**Table 4: Comparison of information source use between non-locals and locals**  
(expressed as percentage using each source)

Information sources	Non-locals	Locals	Chi Square	Significance
Friends/relatives	53%	38%	12.95	.000
Personal experience	61	70	5.11	.014
Call to local Chamber of Commerce	2	0	*	*
Call to the CPFA office	1	2	*	*
Official program guide	21	37	19.29	.000
Local newspaper	24	63	94.55	.000
University literature	10	5	3.95	.030
Newspaper program guide	30	35	1.85	.102
Call to local Convention and Visitors Bureau	1	<1	*	*

\* Chi square was not performed for these information sources due to overall nonuse of these sources.

**Table 5: Influence of friends/relatives on non-locals' decision making <sup>a</sup>.**  
(Expressed as percentages)

Decision Type	Sole	Dominant	Shared	Minor	No Role	N=
What to do at the CPFA	4%	11%	23%	7%	55%	172
Where to eat	10	13	18	5	55	154
What art to buy	5	1	4	3	88	131
What entertainment to see	6	12	19	4	59	110
How long to stay	4	5	12	5	75	149
Where to stay	14	3	10	0	74	121
Other things to do	5	8	17	2	68	141

<sup>a</sup> Individuals were asked to indicate who was involved in the decision. They were given the following categories themselves, partner, friends/relatives, children, or others.

of simply providing information that is used in the decision process, i.e., the friends/relatives actually make some of the decisions.

## DISCUSSION AND RECOMMENDATIONS

The results indicated that attending the Festival for many attendees is an impulse decision. However, there is also a sizable percentage who begin planning far in advance of the Festival. Hence, managers should consider two types of promotional campaigns, one targeted to each of these two groups. Given that non-locals are more likely to make spur of the moment decisions, it is critical that their point of departure or residence be documented. This information will be helpful in determining which media to target the days leading up to and during the event.

The results showed that a significant percentage of non-locals were visiting friends/relatives in the area. Given the prior connection that many of these individuals had with the University, it is likely that for many of these attendees, this event may serve as a catalyst or an excuse for returning to the area. What is not known from this study is the number of visits non-locals make to the Festival area during a typical year. For example, if the Festival were not held, would non-locals come at some other time of the year? Perhaps the event is not necessarily adding new dollars to the economy but shifting when the impact occurs. This would not be an insignificant finding as the Festival may be shifting visitation from the peak seasons to a low use season. On the other hand, the event may be generating an additional trip to the area that would not have been made.

With respect to motivations for attending the Festival, it appears that non-locals are more likely than locals to be interested in getting away from their normal routine and to be attending the Festival to purchase gifts. Locals were more likely to attend the Festival for the entertainment that was provided. This finding challenges the notion that motivation for attending a festival does not differ significantly based on place or origin or residence (see Backman et al., 1995; Mohr & Carmichael, 1993; Scott, 1996; Uysal et al., 1993). It also lends support to the argument that motivation can be used to segment a particular group of users (e.g., festival visitors).

The fact that non-locals and locals differ in terms of their motivation for attending the Festival is not surprising considering the age and character (e.g., fine art versus crafts) of the event. Locals who have lived in the area for a while have had the opportunity to experience the Festival over time. They've been able to see it develop into a top of the line arts festival, one which is highly regarded across the country. As such, they would be expected to be motivated by different attributes of the Festival. In addition, locals can pick and choose what aspects of the Festival they want to

experience because they are not limited to a day or two of visiting. Hence, the importance they attach to the motives may differ from non-locals.

In the future it would be interesting to determine if there are hard core locals that do use the Festival to buy gifts or perhaps buy a piece of artwork from a favourite artist since many of the artists return year after year.

Not surprisingly, considering that most attendees have visited the event previously, personal experience is the major source of information for non-locals and locals. There is also signage at the entertainment venues which indicates who will be performing and when. Although friends/relatives may not be making decisions for attendees, they are certainly influential in providing festival-related information. Over half of the non-locals rely on information from this source. The limited use of the official or newspaper program guide by both locals and non-locals could be worrisome in terms of attracting sponsors for the publications. However, the low numbers may be reflective of not being able to differentiate between the two. For example, someone may have used one and confused it for the other or they may have used both sources (they are easily available on site) and only remembered one of the sources.

The direct role of friends/relatives on non-locals' decision making behaviour was not as strong as anticipated, especially in light of the fact that previous research indicated that 50% of non-locals stay with or visit friends and relatives in the area (Gitelson & Wang, 1989). This result differs from the one presented by Gitelson and Kerstetter (1994) in their study of heritage trail visitors. Perhaps the difference is due to past experience with the destination/event. The vast majority of non-locals had visited the CPFA previously; the same was not true of non-locals visiting the Heritage Trail. The difference may also be due to the fact that non-locals were much more likely than locals, including those who may be friends/relatives, to be seeking a getaway vacation and to be shopping for gifts. The need to escape and gift purchases are highly personal and represent decisions that would not be impacted to any great degree by outside influences such as friends and relatives.

It is important to note the high percentage of repeat attendees in this study. Future research should compare the decision processes among individuals who are attending an event for the first time versus repeat visitors. The question remains as to whether a festival is attracting individuals who would not have otherwise visited at all or if the festival is shifting when visits to a particular area are occurring. Decision-making behaviour may be different in each context.

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## CUSTOMER SATISFACTION AND QUALITY COSTS: TOWARDS A PRAGMATIC APPROACH FOR EVENT MANAGEMENT

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### ABSTRACT

In order to succeed in the current environment of increased competition and regulation, reduced profit margins and a more demanding clientele, event management companies must deliver a quality product/service in a cost-effective manner. To event management companies, effectively managed systems and procedures are essential as they define the operational quality and standards achieved. Quality costing, defined as the 'cost of ensuring and assuring quality as well as the loss incurred when quality is not achieved' (BSI, 1990, p. 3), enables managers to justify and control the quality management system in financial terms.

This paper advances quality costing as a management tool for the event industry. Three approaches to quality costing are presented and discussed and a practical system to record and control quality costs for events developed. The paper concludes by discussing the potential implications of quality costing for the successful management of events.

### INTRODUCTION TO THE UK EVENTS INDUSTRY

The UK events industry is wide ranging, incorporating many different sectors from the smallest of exhibitions, conferences and parties, through to large-scale sport and entertainment events. Although definitive data are not available, due to the complex nature and diversity of the industry, figures suggest that the economic impact of business tourism alone (e.g. conferences, exhibitions, incentive travel) is £12 billion and expected to grow to £16 billion within the next ten years (Business Tourism Forum, 1999). This suggests that this industry offers significant income to the UK economy.

The events industry is experiencing steady year on year growth which has led to increased attention being paid to this area by associations, academia and increasingly, the government. As a result, event companies have to take the dynamic business environment into consideration if they are to be able to operate effectively. As the industry becomes leaner and fitter, with 'best value' and 'benchmarking' coming forward as issues, event management companies will have to compete on something other than price. The obvious alternative is quality. Companies are looking at quality as a means of differentiating themselves from the competition, not only to maintain and retain customers but also to increase the level of business.

### QUALITY

But what is quality? Authors have defined quality in many different ways. However, one comprehensive definition used by British Standards Industry within BS 4778 (BSI, 1991, p. 5) is, 'The totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs,' in other words, 'Meeting customers' needs and expectations' (Jones, 1992, p. 22). Within the events industry, as elsewhere, satisfying given needs and expectations is dependent upon the price that the customer/visitor is willing to pay (Getz, 1997). The customer is increasingly demanding more for their money, which includes higher quality service. Failure is no longer acceptable. This is further exacerbated by the nature of events, where in many cases there is only one chance to get it right. In order to ensure that quality and costs are being managed effectively, measurement is required. Quality costing is highlighted as an essential quality tool for professional organisations.



Designing, implementing and operating a quality management system has a cost. However these costs are, in most situations, quickly recouped by two major sources of savings. Firstly, a reduction in failure (in terms of wasted product, customer complaints, etc.) and secondly, a decrease in inspection brought about by increased confidence in the quality of the product/service. Thus quality management and costing are inherently linked – the former cannot be evaluated and controlled without the latter (Blades 1992; Fox 1993). Successful events require financial planning and control. Senior management evaluates all issues in terms of costs and revenue, therefore if quality issues are not presented in financial terms they will not receive their due attention and commitment (BSI, 1990; Fox, 1993). Quality costs are valuable as a financial record of company achievements, as they provide the basis for all areas to communicate clearly and effectively in business terms (Morse et al. 1987; Feigenbaum 1991). Consequently, by defining quality as meeting customer needs, and creating a specification to reflect this, measurement of quality (and hence costs) is possible. Monitoring quality costs is one way to enhance a firm's operations as the data gathered will guide improvements, which in turn will reduce costs, increase revenue and boost profits (Blodgett, 1996). As Anderson (1989, p. 206) noted, 'Identifying errors and the costs associated with making them provides an important index for quantifying conformance and prioritising opportunities for improvement.'

Quality, time and cost are three areas where companies can compete – quality provides the information for strategic decision making (Christofi & Sisaye 1993; Low & Yeo 1998; Harrington 1999) whereas, cost is becoming the main driving force in the customer's value equation. Joyce (1995) supports this view, noting that price competitiveness and the ability to improve the range of the activities delivered is dependent on the cost of achieving quality.

Feigenbaum (1991, p. 109) noted:

'Unsatisfactory quality means unsatisfactory resource utilisation. This involves wastes of material, wastes of labor, and wastes of equipment time - and consequently involves higher costs. In contrast, satisfactory quality means satisfactory resource utilization and consequently lower costs.'

## QUALITY COSTING

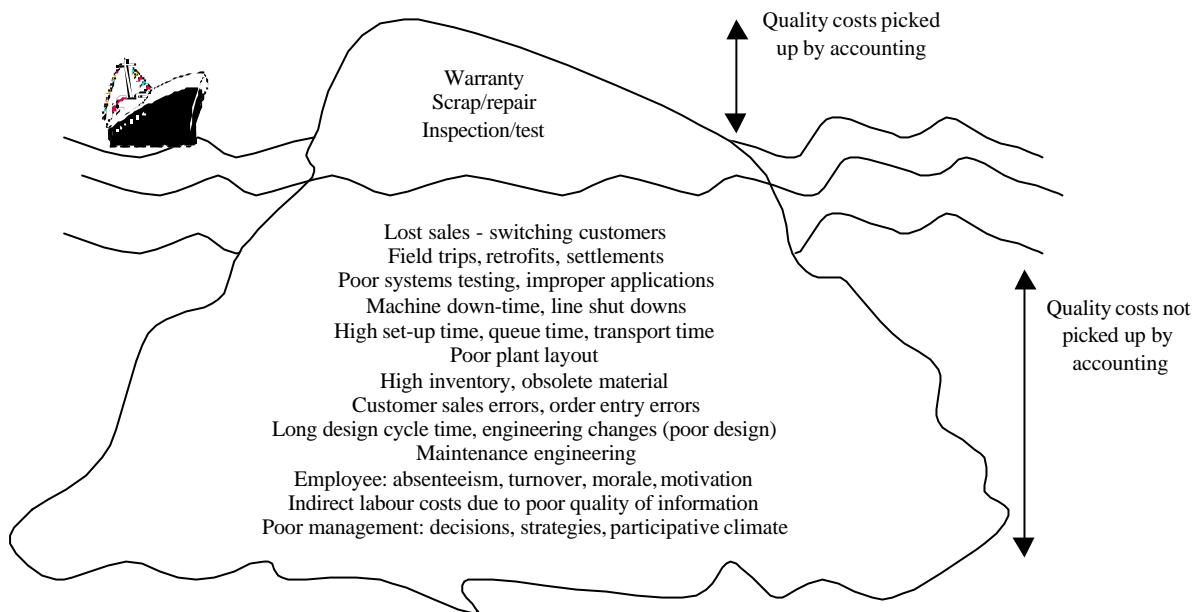
Cost of quality, quality costing, quality costs, quality-related costs, economics of quality – many terms have been applied to the concept, with many authors using the terms interchangeably. Quality costing highlights areas of high expenditure, potential problem areas and cost-reduction opportunities. It provides a basis for comparison both internally and externally, can reveal problems

in cost collection, and is ultimately the first step towards control and improvement (Feigenbaum 1991).

There is a considerable amount of published literature on quality costing, however little work has been carried out in service industries (Dale & Plunkett 1995). It has been highlighted that the cost of quality is invariably large (i.e. typically ranging from 5 to 25% of sales turnover) and is often both unmeasured and uncontrolled (i.e. less than 40% of companies record quality costs) (Dale & Plunkett 1992). Crosby (1986) and Feigenbaum (1993) believed that in service organisations cost of quality failures can amount to 10%, 20% and sometimes more of sales. Further studies have shown that quality-related costs in service organisations can account for 30% to 50% of sales turnover (Asher 1987, Bohan & Horney 1991, Oakland 1993, Bendell et al. 1994, Gray 1995, Blodgett 1996, Bland et al. 1998). It is possible to predict that a smaller proportion of events companies monitor quality costs than the figures quoted as these have been inflated by large manufacturers.

According to the British Standards Institution (BSI 1990) the costs associated with failure to achieve quality can exceed 70% of the total. These, it should be noted, are avoidable. Munroe-Faure & Munroe-Faure (1992) believe that the majority of costs are associated with appraisal and failure (more than 80% in most companies). This indicates that there is much room for improvements as investment in prevention will result in more satisfied customers as well as reduced failure/appraisal costs. Further, savings in quality costs will generate extra profits. These principles are in keeping with event management theory (Catherwood & Van Kirk 1992; Getz 1997; Goldblatt 1997; McDonnell et al. 1999), which suggests that investing time in the planning stages should lead to a more successful event, and subsequently less failure costs.

There is agreement from many authors on the potential savings to be made from conducting quality costing exercises. Evidence from over 30 years of consultancy suggests that quality focussed companies obtain quality cost reductions of between 30% and 50% compared to competitors (Feigenbaum 1987). This is supported by more recent work by Hutchins (1992) that claims costs of poor quality can be reduced by over 50% in 3-5 years. Corradi (1994, p. 267) noted, 'If most managers recognised that 20 to 30% of their organisation's revenues were being dissipated on bad quality costs, they would immediately initiate activities to reduce these costs.' Earl (1989) claims that in manufacturing, cost of conformance can be reduced by 50% with relatively little investment. Anderson (1989, p. 205) noted, 'Experts believe at least 85% of all errors need to be addressed by management initiatives – to provide proper training, to properly define requirements, to take proper corrective action'.

**Figure 1 – Hidden Cost of Poor Quality**

Chauvel & Andre's (1985) main finding was that failure cost decreases dramatically with the size of company. They identify two possible causes for this – larger companies are better organised and the cost of failure is spread over larger sales. Anecdotal evidence suggests that small firms make up over 80% of the UK events industry, thus control of failure costs is an issue that event companies cannot ignore.

Hutchins (1992), Restuccio (1993) and Corradi (1994) liken quality costs to an iceberg, with some 90 % of costs hidden below the surface or lost in traditional accounting methods (Figure 1). Restuccio (1993, p. 257) claims that, 'these quality costs are sometimes referred to as 'the cost of doing business' when, in reality, they are the costs of doing things wrong.' Petty (1996) believes that hidden costs of poor quality may be between three and ten times visible costs.

Although there appears to be an excellent argument for undertaking quality costing, it should not be seen as a cure for all quality problems, or used in isolation. It should be used as part of the process of satisfying customer needs and expectations, with quality costing stated as one of the objectives of the quality improvement programme. It helps to identify the cost of poor quality activities within an organisation, tracks causes and effect and helps to identify solutions that become part of the improvement programme (Dale & Plunkett 1995). The primary objectives of quality cost evaluation are summarised in Table 1.

### Quality Costing in Services

The vast majority of published studies on quality costing concerns manufacturing with limited work having been carried out in service industries (Dale & Plunkett 1995). However, many authors would

**Table 1 – Objectives of Quality Costing**

- Quantify the size of the quality problem in management language.
- Identify major areas for cost reduction.
- Identify opportunities for increasing customer satisfaction and reducing threats to saleability.
- Expand the budget and cost controls.
- Stimulate improvement through publication of quality costs.
- Attract management attention to the need to commit to quality improvement.
- Benchmark current operations by providing an overall index of efficiency/effectiveness.
- To provide a basis for prioritisation of improvement projects.

accept that there are differences between manufacturing and services, and therefore differences will exist between the two when investigating quality costs. The main difference is that in service the customer meets employees at the bottom of the organisation, whereas in manufacturing the contact is with top levels of the company (Crosby 1986). In service organisations the customer is part of the process and affects the quality of the process (Hutchins 1992), a point particularly relevant to events where it is difficult to separate the customer from the event experience. Scanlon & Hagan (1983) highlight that one of the main differences is the customer base – most manufacturers operate from a backlog of work from a few key customers, whereas service companies operate from a larger customer base with repeat custom. Because of this, retaining customers is crucial to service organisation survival. Rosander (1985) draws attention to the fact that external failures – things going wrong for the customer – are more important in service organisations, i.e. errors in service cannot be reworked. Consequently, a service company may lose a customer due to service failure cannot be reworked. Consequently, a service company may lose a customer due to service failure without even knowing it. This latter point is of particular importance to events due to their predominantly temporary nature, short duration and the lack of opportunity to recover the situation at a later date.

Another major difference is that labour costs account for a significant proportion of operating costs in service companies (Asher 1988; IFA 1993; Youngdahl & Kellogg 1994), a notable difference as time cannot be reworked or reclaimed. Spenley (1992) identifies that it is more difficult to collect quality costs in service areas as there is not a

system in place to measure, compared to manufacturing where measurement systems are established for the products. Bendell et al. (1994) stress that the cost of failure has been traditionally overlooked, or implicit within accounting and quality systems, e.g. customer complaints, repeating work. Such costs are accepted as a normal part of the service system and are not challenged, indeed most are not even translated into financial terms.

Service based studies are summarised in Table 2. Industry based articles are limited, but include application in call centres (Oberst 1995), education (Cullar 1993; Weller 1996), retail logistics (Francis 1998) and laboratories (Stenecker 1974). It should be noted that, to date, no quality cost studies have been discovered within events.

### QUALITY COST MODELS

There are a number of models available for calculating quality costs, including the Prevention, Appraisal, Failure Model (BSI 1990), the Process Cost Model (BSI 1992) and PD ISO/TR 10014 Guide to the Economics of Quality (BSI, 1999).

#### BS 6143 Part 2: The Prevention, Appraisal and Failure (PAF) Model

The traditional approach to quality costing has been the Prevention, Appraisal and Failure (PAF) Model (BSI 1990). This involves the classification of quality costs under four main headings – prevention, appraisal, and failure (divided into internal and external failure). BS 6143: Part 2 (BSI 1990, p.3) defines these as:

**Table 2 – Academic Service Quality Cost Studies**

Sector/Specific Area	Studies
Administrative process	Bland et al. 1998
Airlines	Koller 1997
Banks	Aubrey & Zimbley 1983; Scanlon & Hagan 1983; Blieschke & Warner 1992; Restuccio 1993; Oberst 1995; Goodstadt & Marti 1990; Gryna & Gryna 1999
Financial services	Boaden & Dale 1992
Hospitals	Blades 1992; Koch & Higgs 1991; Koch 1992; Holliday 1994; Maycock & Shaw 1994; Miller & Graddy 1994; Sabugueiro 1994; Ross et al. 1996; Asadi & Baltz 1997; Clarke & Yarrow 1997; Broadhurst et al. 1998
Hotel/leisure	Heskett et al. 1990; Bohan & Horney 1991
Sales and marketing	Carr 1992, 1995; Fishbach 1993; Gupta & Campbell 1995
Transportation warehousing	Dale & Plunkett 1992
University	Beecroft 1994; Beecroft & Moore 1997

- *Prevention cost* – The cost of any action taken to investigate, prevent or reduce the risk of nonconformity or defect.
- *Appraisal cost* – The cost of evaluating the achievement of quality requirements including e.g. cost of verification and control performed at any stage of the quality loop.
- *Internal failure cost* – The costs arising within an organisation due to non-conformities or defects at any stage of the quality loop, such as costs of scrap, rework, retest, reinspection and redesign.
- *External failure cost* – The costs arising after delivery to a customer/user due to non-conformities or defects which may include the cost of claims against warranty, replacement and consequential losses and evaluation of penalties incurred.

Table 3 highlights examples of these costs to events. It could be argued that external failure costs include the negative impact of events, highlighted in event literature (See Hall 1992; Getz 1997; McDonnell et al. 1999).

The basic function of the model is to balance prevention and appraisal (i.e. quality control) costs against those of failure, in order to produce the highest quality at the least cost. Thus failures are accepted if the cost of their control is greater than the cost of the failure itself.

The PAF approach has been extensively discussed in publications by the leading authors in the quality control and quality management field, including Lundvall & Juran (1974), Crosby (1979), Caplen (1988), Gryna (1988, 1999), Feigenbaum (1991), Fox (1993), Bradshaw & Yarrow (1994), Mackowski (1994), Oakland (1993), and Dale & Plunkett (1995).

**BENEFITS & LIMITATIONS**

There are a number of accepted benefits to the PAF approach to categorising quality costs. Generally, it is easy to understand and may prompt a rational approach to collecting costs. More specifically, the categories are universally understood, the method conveys that different kinds of expenditure are relatively more desirable, and finally, it provides criteria to help decide whether costs are quality related (Dale & Plunkett 1995).

The PAF approach has been widely criticised by a number of leading authors (e.g. Plunkett & Dale 1988; Porter & Rayner 1992; Oakland 1993; Dale & Plunkett 1995; Johnson 1997; Moen 1998). They argue that it is impossible and unnecessary to categorise costs into the three categories of PAF – a criticism supported within BS 6143: Part 1. Further criticisms are:

- PAF focuses attention on cost reduction and does not seriously consider the positive contribution made to price and sales volume by improved quality
- It is also not broad enough to account for activities in non-manufacturing areas
- PAF defines quality activity elements that do not match well with cost information commonly available in accounting systems and therefore it is not appropriate for the most common uses of quality-related cost information
- Some failure costs cannot be quantified effectively, such as lost customer sales and goodwill and departmental activity may be emphasised, ignoring cross-functional processes
- Practical experience indicates that firms achieving notable reductions in quality costs do not appear to greatly increase prevention costs. Therefore the validity of PAF categories has changed – failure costs are eliminated according to Pareto, prevention costs have no optimum value.

**Table 3 – Examples of PAF Costs in Events**

Prevention	<ul style="list-style-type: none"> <li>• Training</li> <li>• Auditing</li> <li>• Quality improvement programme</li> </ul>
Appraisal	<ul style="list-style-type: none"> <li>• Inspection and testing</li> <li>• Event evaluation</li> <li>• Checking incoming materials and supplies.</li> </ul>
Internal Failure	<ul style="list-style-type: none"> <li>• Cancelled event</li> <li>• Downgrading programme</li> <li>• Trouble shooting</li> </ul>
External Failure	<ul style="list-style-type: none"> <li>• Environmental impacts</li> <li>• Loss of reputation</li> <li>• Destruction of property</li> <li>• Customer complaints</li> <li>• Refund claims</li> <li>• Loss of sales</li> <li>• Negative publicity</li> </ul>

- In the process cost model (BSI 1992), the British Standards Institution identify that PAF may be difficult and unsatisfactory as many of the costs can easily fit into any one of the three categories and allocation of costs into these categories tends to divert attention from the true purpose: the constant drive to lower costs.

**BS 6143: Part 1 – Process Cost Model**

The Process Cost Model (BSI 1992) addresses the major criticisms of the PAF model and, in addition, allows Business Process Re-engineering (BPR). Porter & Rayner (1992, p. 75) commented, 'Process cost modelling is more than just a simple tool to measure the financial gap between the actual performance and its potential performance. The emphasis on process must contribute to the quality improvement process itself.'

The Process Cost Model was initially developed by Ross (1977) as the IDEF computer-aided manufacturing integrated definition methodology and first used for quality costing by Marsh (1989) at ICL Kidsgrove, a manufacturer of printed circuit boards. It incorporates Crosby's categorisations of Price of Conformance and Price of Non-Conformance (Dale & Plunkett 1995). PONC are all expenses involved in doing things wrong. POC is what is necessary to spend to make things come out right (Crosby 1986). Crosby refers to 'price,' rather than 'cost' included within the process cost model, as he believes that neither POC nor PONC are inevitable (Crosby 1983). The general rule is, 'take everything that would not have to be done if everything were done right first time and count that as the price of nonconformance' (Crosby 1986, p. 86).

Within the Process Cost Model (BSI 1992, p. 3), POC and PONC categories are presented as:

- *Cost of Conformance (COC)* - the intrinsic cost of providing products or services to declared standards by a given, specified process in a fully effective manner.
- *Cost of Non-Conformance (CONC)* - the cost of wasted time, materials and capacity (resources) associated with a process in the receipt, production, despatch, and correction of unsatisfactory goods and services.

Thus, the Process Cost, or the overall aim of the model, is the total cost of conformance and cost of non-conformance for a particular process (BSI 1992). Table 4 highlights examples of COC and CONC for events

**BENEFITS & LIMITATIONS**

As stated previously, the Process Cost Model addresses the criticisms of the PAF model in terms of categorisation (Fox 1993) and, in addition, allows the TQM principle of 'continuous improvement' to be implemented via Business Process Re-engineering (BPR). Furthermore, the Process Cost Model focuses attention on the cost of doing things right, as well as the costs of getting them wrong. Consequently, it is a more positive approach, which results in improved efficiency as well as quality (Dale & Plunkett 1995). Quality problems and their causes can be determined more quickly with Process Costing than PAF (Hwang & Aspinwall 1996). Joyce (1995) concluded that the only valid categorisation of quality costs is using the process cost categories of COC and CONC. This model takes into account the total cost of the process and both categories are capable of improvement and reduction. Kehoe (1994) concluded that organisations committed to total quality are increasingly turning to the process cost approach, however, this latter point does not appear to be supported by an increase in research.

However, the Process Cost Model, like PAF, does have its critics. This method is useful for identifying costs within departments but it can in some cases fail to identify those costs which arise between departments. Process Costing accepts the concept of ownership (i.e. there is a process owner who is responsible for the process and all staff are said to own the costs of the process under their control). As a result, there can be difficulties in gaining accurate information as staff renege responsibility or it can lead to departments minimising their costs at the expense of another department. It is also believed that if managers and departmental staff are responsible for identifying the costs, this method is too complex. The latter criticism can be addressed by utilising the quality assurance manager if the organisation has one, or through employing the services of a specialist or management consultant (Dale & Plunkett 1995). Bradshaw & Yarrow (1994) claim that process costing has not received the same level of acceptance as PAF, as managers argue that it is more complex than is required. One drawback of the process cost model is that it requires a stable, well-defined process. This means that if the process is not clearly understood, it is difficult to identify relevant costs and instability can lead to the need for extensive revisions (Hollingsworth et al. 1999).

**Table 4 – Costs of Conformance & Costs of Non-Conformance for Events**

Costs of Conformance	Costs of Non-Conformance
<ul style="list-style-type: none"> <li>• Cost of resources to plan event correctly</li> <li>• Cost of planned training</li> <li>• Costs of recruitment</li> <li>• Costs of planned evaluations</li> <li>• Costs of supplier selection</li> <li>• Costs of developing policies &amp; procedures</li> </ul>	<ul style="list-style-type: none"> <li>• Cost of cancellations</li> <li>• Cost of special reports</li> <li>• Cost of ineffective training</li> <li>• Cost of wasted efforts</li> <li>• Cost of complaint investigation &amp; handling</li> <li>• Costs of failure to meet customer needs</li> </ul>

Musgrove & Fox (1991) and Fox (1993) identify strengths and weaknesses of the process cost model. One advantage is that costs do not need to be identified under the PAF categorisations. However, Fox believes that although this is not required, it is essential as it can identify potentially avoidable failure costs, which will ultimately result in lower failure and appraisal costs. Fox also believes that identifying costs across processes and departments will be more onerous than the traditional categorisations. Fox concludes that in terms of highlighting opportunities for improvement, the process cost model is a 'retrograde step.'

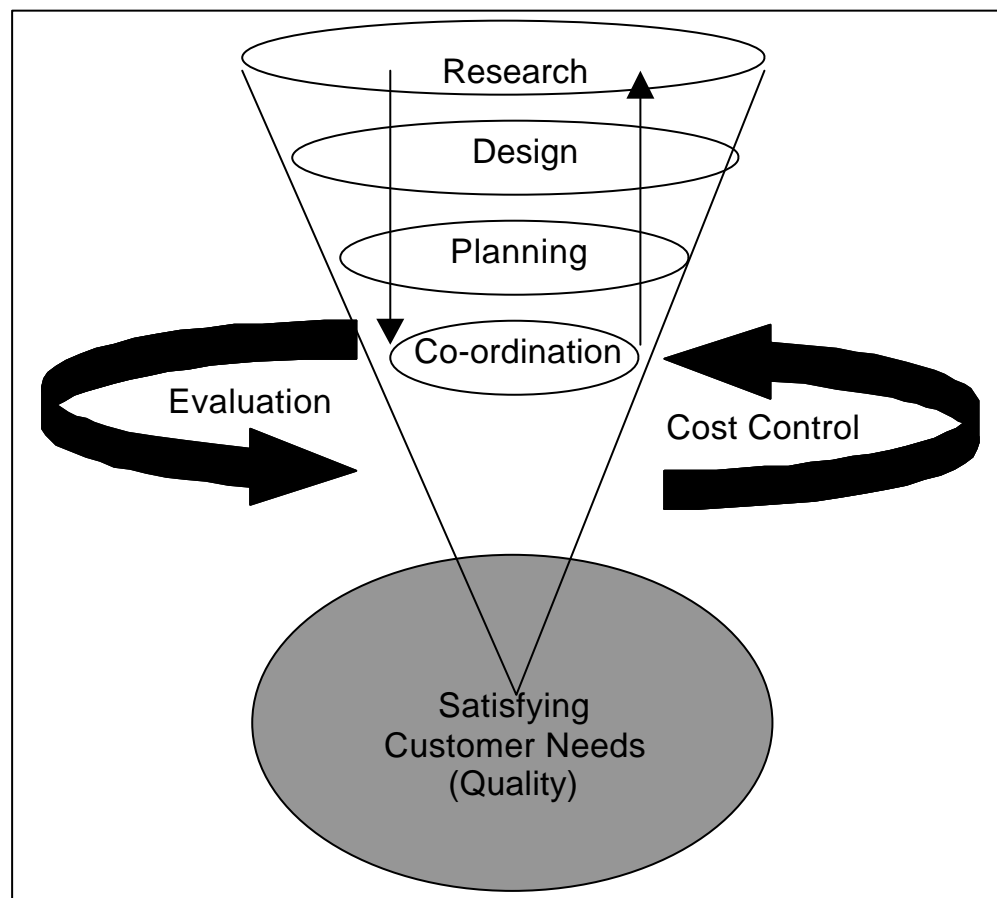
Porter & Rayner (1992) claim that neither PAF or Process Cost models effectively integrate quality costs and benefits of quality improvement, nor take into account that expenditure on prevention and improvement is a form of investment. Finally, Joyce (1995) identifies that as organisations become more interested in process improvement and more sophisticated in their understanding of quality-related costs, they will progress from using the PAF approach to the process cost approach.

#### **PD ISO/TR 10014: Guidelines on the Economics of Quality**

The latest quality costing development is guidelines published by the British Standards Institute, entitled PD ISO/TR 10014: 1998 (BSI 1999). This moves further in the direction of TQM (Schottmiller 1996) by integrating three areas, namely the identification, monitoring and reporting customer satisfaction, managing improvement, and identification and monitoring of process activities and associated costs (BSI 1999).

This latest innovation is particularly relevant to the management of events, where in many instances customer satisfaction is the measurement of success and the deciding factor whether a 'quality' event has been produced. Thus quality, and the cost of quality, is linked not only to customer satisfaction but also to every area of event management. Figure 2 illustrates this through developing the traditional event management process (see, for example, Getz 1997; Goldblatt 1997) with a customer focus. This process takes place within an environment of constant cost control and evaluation.

**Figure 2 – Customer Focussed Event Management Process**



Source: Adapted from Goldblatt (1997)

PD ISO/TR 10014 is currently a consultation document. According to BSI, the subject is still under development with no immediate possibility of an agreement for an International Standard, however, there is perceived to be an urgent need to develop guidance within the area (BSI 1999). The aim is to gather information and experience on use in practice, with a review after three years when it will be extended, converted into an International Standard or withdrawn.

PS ISO/TR 10014 (BSI 1999, p. 1) uses definitions given in ISO 8402, together with the following:

- *Cost of conformity* - 'Cost to fulfil all of the stated and implied needs of customers in the absence of failure of the existing process'
- *Cost of nonconformity* - 'Cost incurred due to failure of the existing process'

'Cost of conformity' is the same as 'cost of conformance' in the process cost approach, as it includes the costs of running a process. 'Cost of nonconformity' is the traditional failure costs. Defined in this way, greater opportunities may lie in reducing cost of conformity than in reducing cost of nonconformity. For example, great savings may be available from combining process steps or eliminating non-value-added steps (Schottmiller 1996). Examples of costs for events are highlighted in Table 5.

The organisation should achieve its primary purpose, whilst improving performance, by using the proposed methodology (Figure 3). The concepts apply to the organisation as a whole and selected processes within organisation, with performance measured using costs and customer satisfaction (BSI 1999).

PD ISO/TR 10014 suggests several approaches are available for classification of costs with the choice depending on organisational requirements, including PAF and process costing. On the other side of the model, it suggests that an organisation can measure customer satisfaction on a scale from dissatisfaction to delight. The decisive factor in economics of quality is customer loyalty. The overall principle of this method is that customers may be satisfied and still not repurchase, therefore the organisation should aim to achieve ongoing economic benefit through customer satisfaction, demonstrated through customer loyalty (BSI 1999).

Once data has been collected on quality costs and customer satisfaction, it can then be reviewed in order to identify areas for improvement to correct non-conformities, prevent non-conformities, develop continuous improvement, and identify opportunities for new products or processes. All opportunities for improvement are developed into written short/medium/long term plans to improve value overall. Figure 4 illustrates the use of a tree diagram to define priorities, based on the strategy of maintaining the balance between increasing customer satisfaction, and reducing costs.

**BENEFITS & LIMITATIONS**

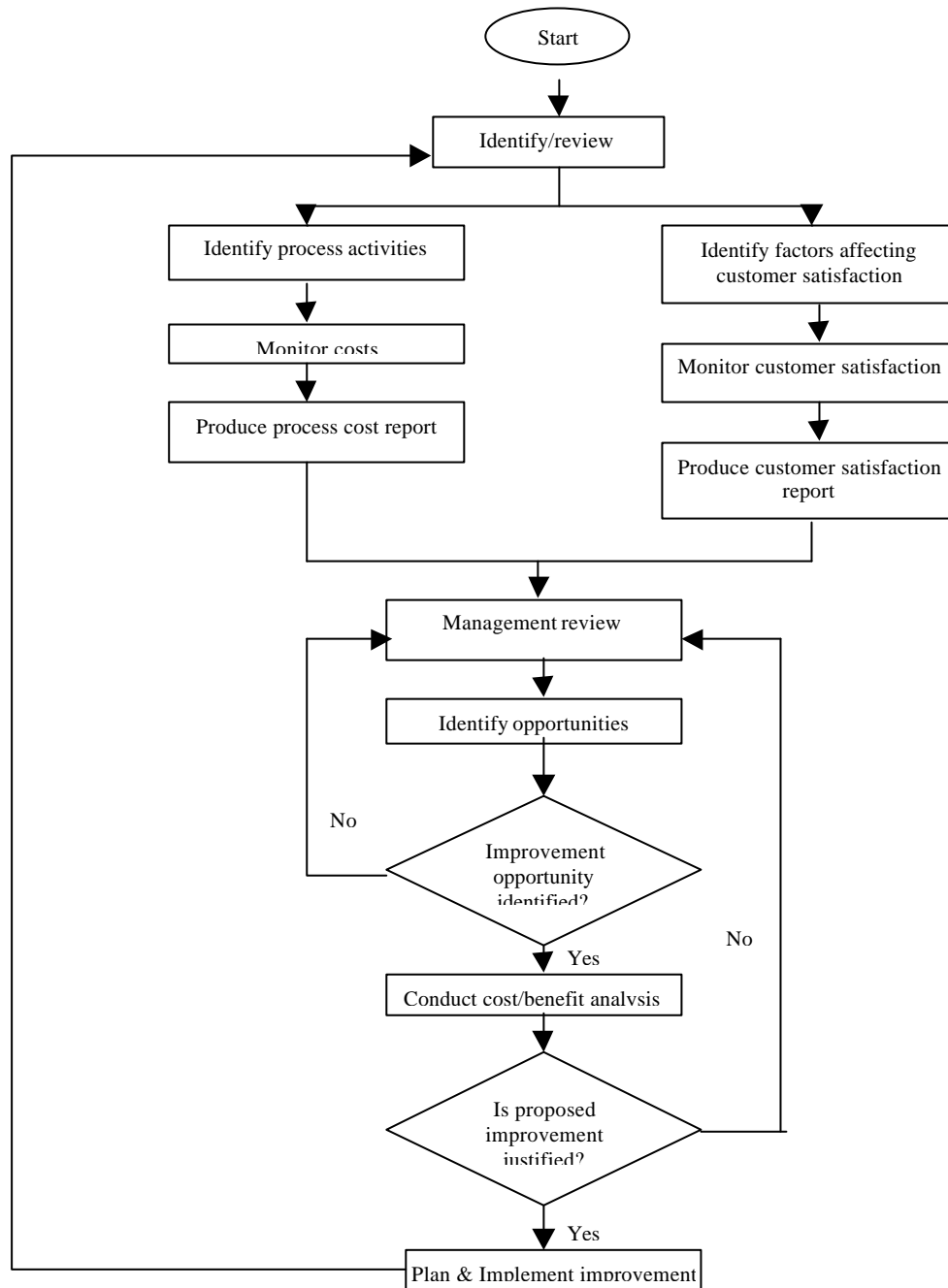
Schottmiller (1996) has been identified as the only author to discuss PD ISO/TR 10014, commenting on an early draft of the document. Due to the short time since launch, other publications have yet to be discovered (or indeed written). Therefore, comment can only be made based on impression, rather than application. PD ISO/TR 10014 would appear to be a valuable new addition to the ISO family, as it links customer satisfaction and cost, and is therefore in keeping with total quality philosophy. It provides an holistic approach to quality, addressing some of the concerns of previous approaches by incorporating customer views and cost, through suggesting analysis of both areas and suggesting a cost/benefit analysis to aid decision making. It suggests that users may make use of a choice of quality cost models, and therefore allows users to choose the most appropriate approach for their organisation.

Schottmiller (1996) identifies that there are risks to this approach, mainly that by attempting to measure all aspects, the result may be that none are measured effectively, especially with the wider classification. He believes that the value of this approach cannot be completely understood until experience increases in applying it. Through observation, it would also appear that the guidelines are extremely flexible (allowing users to choose whichever quality cost method suits them) and therefore caution must be applied when comparing results from various studies. The guidelines suggest measuring customer satisfaction, on a scale of dissatisfaction, satisfaction and delight. However, as Gummerson (1991) highlighted, by aiming to delight a customer, the customer will expect even more on their next encounter, which, in terms of cost, may mean

**Table 5 – Costs of Conformity & Costs of Non-Conformity for Events**

Costs of Conformity	Costs of Non-Conformity
<ul style="list-style-type: none"> <li>• Cost of resources to plan event</li> <li>• Operating costs for the event</li> <li>• Costs of recruitment e.g. volunteers</li> <li>• Costs of planned evaluations</li> </ul>	<ul style="list-style-type: none"> <li>• Cost of event cancellation</li> <li>• Cost of wasted efforts</li> <li>• Cost of complaints</li> <li>• Costs of failure to meet customer needs</li> </ul>

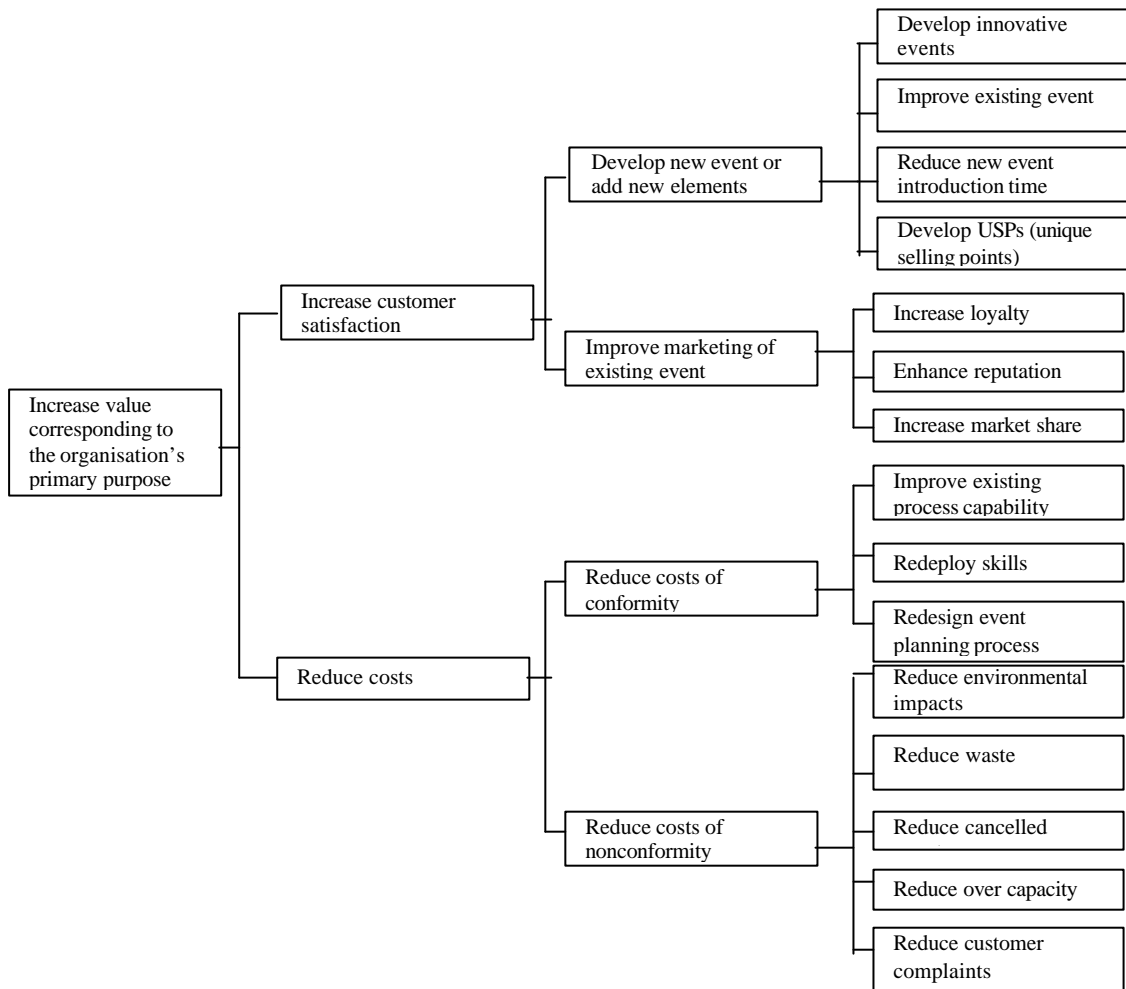
**Figure 3 - Methodology for Managing the Economics of Quality**



Source: Adapted from BSI (1999)



**Figure 4 - How to Improve the Economics of Quality for Events**



Source: Adapted from BSI (1999)

uneconomic business. Therefore, the key to successful "economics of quality" may be clearly identifying what a customer really requires, clearly stating what standards the organisation is working to and therefore measuring against these. By including the concept of delighting the customer in the guidelines, many organisations may be dissuaded from attempting to use the guidelines as relatively few organisations have the vision to adopt such a concept, and even fewer have been successful.

### Overall Benefits of Quality Costing

The advantages gained from implementation will depend on a number of aspects, including the type of organisation, philosophy and overall aims of the study (see Atkinson et al. 1991; Harrington 1991; Oakland 1993; Early 1995; Joyce 1995; Kehoe 1996; Bland et al. 1998; Houston & Keats 1998; Janssen 1998), however, there are a number of advantages that can be extracted from these studies that apply to most quality cost studies. These are summarised in Table 6.

Quality costs are generally expressed as raw data or ratios (i.e. a percentage of sales or turnover) that are compared to either actual (previous period, comparable unit) or "ideal" values. However, Dale & Plunkett (1995) and Parker (1995) argue that caution is required when comparing quality costs with other cost data, as the source, treatment and reporting methods need to be clarified in order to ensure that the data are comparable.

### CONCLUDING REMARKS

In order to succeed in the current environment of increased competition and regulation, reduced profit margins and a more demanding clientele, event companies must deliver a quality event in a cost-effective manner. This necessitates the monitoring and control of quality costs.

This paper has outlined various models for collecting quality costs, and highlighted that there are many benefits to be gained for organisations measuring quality costs. However, there are also challenges that may dissuade people from attempting quality cost studies. It has to be remembered that, with any tool or technique new to an organisation, researcher or practitioner, problems will always be experienced in the early stages whilst learning. By taking the problems at face value, even the most enthusiastic of quality advocates may be disheartened. However, they should not be taken out of context, as many authors go on to identify what they should have done to improve success (see Carr 1992; Oakland 1993; Atkinson et al. 1994; Dale & Plunkett 1995; Gupta & Campbell 1995; Parker 1995; Katz 1996; Goodridge 1997; Pekar 1997). These pointers can help researchers or practitioners to avoid the pitfalls and implement successful quality cost systems.

PAF is the traditional approach, however, it has been widely criticised, mainly due to problems with categorisation. The Process Cost Model also enables the effect of process changes to be objectively assessed. Such changes are usually suggested by the staff directly involved in the process and are designed to improve quality, reliability or efficiency. PD ISO/TR 10014 would appear to address earlier criticisms of both PAF and Process Cost models, as it specifically takes customer satisfaction into consideration, yet allows managers the freedom to use whichever of the quality cost models is deemed most suitable to the company. It is still too early to say whether this new development will be embraced by quality professionals, however, at first glance it would appear to be a logical, pragmatic approach. The system gives a new perspective upon quality costing and as such it has far reaching implications in terms of customer satisfaction, competitiveness, profitability and - ultimately - survival. It would therefore appear that its use is a necessity rather

**Table 6 - Benefits of Quality Costing**

- Attention is focussed on high expenditure and potential cost reduction opportunities.
- Continuous improvement can be analysed and evaluated.
- Quality improvement performance can be monitored
- Budgets/quality levels for improvement set.
- Measurement of performance is possible which provides a basis for comparison and is the first step towards control.
- Potential fraudulent activities are uncovered, and embarrassing after-sales costs.
- Business decisions can be made based on objective data, rather than emotions.
- Quality becomes a measurable and manageable process.
- It demonstrates the linkage between the performance measures of the shop floor and the performance measures of top management.
- Everyone involved develops genuine insights into how the business works.
- Financial/non-financial performance measures are identified.
- The timing and sequence of quality improvements can be determined.
- It provides the data for motivating staff and management toward quality efforts.

than a luxury. However, it is also worth reiterating that there are practical difficulties with implementing a quality costing system due to its complexity, therefore it is likely that organisations with a dedicated quality manager are in a better position to adopt such an approach.

It should be noted that the benefits described would only be achieved if the system were introduced with the understanding and agreement of the staff involved. Many organisations view such systems as being primarily cost saving devices and use them as methods of 'penny pinching'. Staff co-operation will be required to enable quality costing to be effectively carried out. If the motives of the exercise are seen to be suspect, the data will not be legitimate and this valuable opportunity for process improvement will have been wasted. The negative attitude of many organisations regarding quality systems is often caused by a fear that they are a source of expenditure rather than savings. This is a misconception as the costs associated with the development of a quality costing system are invariably recouped by reduction in process costs.

Research is continuing within the events industry. It is envisaged that the work will be developed to establish the level of quality costs and use within various sectors and also through into operational processes. Only through extensive research into quality costing within the various sectors and processes of events will quality costing be validated as a valuable management tool for objectively measuring quality and assisting organisations in the drive for continuous improvement.

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## EVENT AND SPONSORSHIP EVALUATION - A PRACTITIONER'S PERSPECTIVE ON THE LATEST TRENDS

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### **ABSTRACT**

This paper focusses on evaluating events from the perspective of the domestic and global media coverage they receive. Media and sponsorship research are critical to the evaluation of any event. However, this form of event evaluation is little understood, despite its various applications being used around the globe as a critical tool to track, measure and police global events, whilst also protecting vital sponsor interests. Sponsor interests are absolutely critical because the harsh reality is that most events around the world would not exist without the financial support of corporate or government sponsors. The paper gives an overview of some of the latest global trends in event and sponsorship evaluation from a media perspective,

whilst also presenting various actual case studies to highlight how event evaluation is actually used in the global marketplace. Topics discussed include:

- International Television Distribution Lists for Global Events - What are they good for?
- Global Events: The New Professional Age - A Case Study of the UEFA Champions League and its Evaluation and Commercial Auditing program which prevents Ambush Marketing, protect sponsors and ultimately increases its rights fees
- Event Evaluation: Immediate Feedback can deliver Immediate Results - A Case Study of the Murphy's Irish Open Golf Tournament.

## THE 'FIT' BETWEEN EVENT AND SPONSOR

Ian McDonnell

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### ABSTRACT

This paper reports the result of research into the concept of the congruence (or 'fit') between an event and its sponsors.

Some events seem to have sponsorship partners whose brand image is totally congruent with the event. An example would be Nutri-Grain/Uncle Toby's with the two forms of 'Iron Man' surfing competitions. One event that appears at first glance to be totally incongruent is the recently announced Pura Milk Cup – the sponsorship of the inter-state cricket competition by Pura milk.

A Delphi study of all the presenters at 1999 Sponsorship 2000 Conference (the leading Australian practitioners of either sponsorship or event management) aims to establish:

- a definition of 'fit'
- the constituent elements of 'fit'
- examples of good 'fit' and why
- examples of poor 'fit' and why
- procedure for ensuring 'fit' in sponsorship negotiations.

The results of this research should make a contribution to the nascent body of knowledge of event sponsorship.



# **EVENT CASE STUDIES**

## BREAKFAST AT THE CAPE: EVENT PLANNING AT A UNIQUE PLACE AND TIME

**Graham Brown**

*Dr. Graham Brown gained a PhD from Texas A & M University and has been actively involved in education, training and research for hospitality and tourism industries in England, the USA and, for the past ten years, in Australia. He is an Associate Professor in the School of Tourism and Hospitality Management at Southern Cross University. He has worked actively with community groups in NSW and was a member of the Tourism Management Committee for Byron Shire for three years. He has also served as a Ministerial appointee on the Cape Byron Trust since 1996 and was recently elected to the position of Deputy Chairman. An increasingly important area of research interest concerns the planning of events and the tourism marketing opportunities they present for host cities. These issues have been examined extensively in the context of the Sydney 2000 Olympics and a book on this subject will be published by Cassell in 2001.*

### ABSTRACT

At 5.50 am on January 1, 2000 as the sun rose on the most easterly point of mainland Australia, a special breakfast was held at Cape Byron. It was organised by the Cape Byron Trust which has responsibility for managing the reserve which attracts over 400,000 visitors each year and has featured prominently in the media as one of Australia's iconic locations to participate in activities to mark the new millennium.

The event was organised to achieve objectives which relate directly to the mission of the Trust. However, considerable problems were encountered due to constraints imposed by the physical setting and by uncertainty associated with the timing of the event. A marketing approach was adopted and issues associated with ticketing featured prominently due to the complexity associated with pricing and distribution encountered in the planning of the event.

The paper will make reference to the literature devoted to event logistics. This will be discussed in the context of the application of relevant concepts to locations such as the Cape. An overview of the location and the Trust's management practices will be provided.

An examination of how the Sunrise Breakfast at the Cape was organised provides an opportunity to consider a range of event planning issues. They include:

- product/program initiatives, designed to enhance a sense of distinctiveness and the desire to create a sense of exclusivity whilst promoting local involvement
- transportation, with special arrangements required to provide access to and from the site
- the implications of inflated costs for staffing, food and entertainment
- Y2K contingencies

- safety and security, with uncertainty about visitor numbers and crowd behaviour, particularly at the dangerous cliff top locations
- unforeseen factors, such as the strike by NSW teachers which affected participation levels by school children in a competition to promote the event.

The summary discusses the way lessons from the organisation of an event of this kind can be of value to ongoing management practices and relations with relevant publics.

### INTRODUCTION

*'At 5am 100 people boarded buses for an exclusive, \$250-a-head champagne breakfast under the Cape Byron lighthouse, which stands atop Australia's most easterly point. A string quartet provided the appropriate classical background music as the fortunate few witnessed the first sun of the new millennium rise over the Pacific.'* O'Rourke, 2000.

The Sunrise Breakfast held at Cape Byron on January 1, 2000 was a special event. It certainly conformed to the definition provided by Getz (1991) as it was a 'onetime' event that provided a social experience 'outside the normal range of choices' (p.44). As a concept, it had existed for over three years before it was formally decided, in February 1999, to hold the event. The decision was a pragmatic response to a combination of external pressures, rather than a desire to take advantage of a unique opportunity, provided by the dawn of the new millennium, to promote tourism to the area. This reason is in contrast to the motivations attributed to event organisers by authors who believe that special events increasingly represent attempts to create 'tourist attractions' (Getz, 1989) or that they are opportunities to 'raise the profile' of destinations (Jago and Shaw, 1998). Ritchie's (1984), widely quoted, definition of hallmark events claimed that they are 'developed primarily to enhance the awareness, appeal and profitability of

a tourism destination' (p.2). The distinctive nature of the Sunrise Breakfast was reflected in the multiple objectives the event sought to achieve. These included a desire to minimise the risk of injury to visitors to the Cape on New Year's Eve and to raise revenue for capital projects on the Reserve.

Most of the organisation for the Breakfast occurred between October and December 1999 and, during this time, considerable uncertainty existed about the level of demand for an event of this kind at this location. This uncertainty was compounded by a range of variables, due to the timing of the event, that made planning and promotion responsive, constantly evolving, exercises. Olsen and Timothy (1999) have observed that 'little research has been undertaken to examine the occurrences like this one that happen once in a lifetime, or in this case, in a thousand years. This characteristic differentiates these from other events and is worthy of additional research attention' (p.391).

This paper provides a case study to illustrate the complexity of planning an event to celebrate the new millennium. As Hall (1992) has observed, 'the quality of the planning process will be dependent on the objectives which the event is designed to meet, the agreement of stakeholders to the achievement of those objectives, and the broader participation of the host community in planning for the event' (p.12). The influence of environmental factors will be discussed focussing on the way they affected marketing decisions. Particular attention is directed toward lessons about pricing and the communication of objectives for non-profit organisations, such as the Cape Byron Trust, which was responsible for managing the event. A further dimension concerns the political sensitivity of the event whereby support was sought from a diverse range of constituents. The results of a survey completed by people who attended the Breakfast will be described before discussing the relevance of these findings for the management of other events.

## MILLENNIUM EVENTS

It was expected that the dawn of the new millennium would witness spectacular festivities around the world in response to a popular desire to celebrate the unique event in a special way. Many destinations saw this as an opportunity to develop a program of special events and to boost tourism. One of the largest millennium programs of any country was established in Britain with the equivalent of around \$A10 billion being spent by the Millennium Commission, the Heritage Lottery Fund and the Sports Lottery Fund on projects throughout the UK (Smith and Jenner, 1999). The Blair government used the millennium to rejuvenate the country under the banner of 'cool Britannia' (Cumming, 1999) with London promoted as 'the Millennium City' and the construction of the Millennium Dome as the centrepiece of the capital's celebrations.

Many of the promotional campaigns launched during 1999 featured destinations that possess some association with the year 2000 such as Fiji where resorts were able to claim that their guests would be the first to experience the new millennium. Locations linked to the life of Christ also had a distinct advantage and Galilee, where Jesus changed water into wine, launched a new wine. Galilee 2000 was promoted as 'the authentic Galilee wine for use in Millennium functions and banquet celebrations, and it will be a unique gift for tourists visiting Israel to commemorate the Millennium' (Intournet quoted in Olsen and Timothy, 1999). In contradiction to the claim made by the tour company, Olsen and Timothy (1999), making reference to the work of authors such as Boorstin (1987) and Rojek (1998), portrayed many of the proposed events as inauthentic. They claimed that destinations were attempting to 'commodify time and space in an effort to transform this ephemeral, spontaneous occurrence into an exaggerated and contrived pseudo-event' (Olsen and Timothy, 1999, p.391).

The position in Britain, and other countries that invested heavily in millennium projects, has been contrasted with the situation in Australia. Activities linked to the millennium received little support from the Howard government because 2001 was considered to be the official start of the new millennium; a date that will coincide with celebrations to mark the centenary of Australia's federation. Australia has also invested heavily in the Sydney Olympic Games which will be the highlight of the year 2000 (Cumming, 1999). However, it was clear that a lower profile would not deter many celebrations in communities throughout the country and Sydney was identified as an international 'hot spot' by a consortium of television companies (Smith and Jenner, 1999). Byron Bay was tipped to be 'the second largest party zone outside Sydney' (Ross, 1999b, p.1).

Byron Bay is situated on the far-north coast of New South Wales and has a population of approximately 10,000. Many local people are politically active and embrace an affinity for coastal living and a desire to preserve the local environment (Dutton et al., 1994). It is a tourist destination of national and international significance that exhibits a number of contradictions. Considerable growth in the number of tourists has occurred in the face of local opposition and planning measures to restrict the form of development. The town has also become a magnet for New Year's Eve celebrations despite problems of overcrowding and vandalism in 1994 that received national media coverage.

Since 1994, stringent controls have been in place with visitors to Byron Bay required to purchase a pass to gain access to the town on New Year's Eve. The *Last Night, First Light* committee have used organised festivities as an important tool to manage the type of activities that occur. The Draft Plan of Management for the Cape Byron Reserve made direct reference to the significance of its

relationship to the town. 'The specialness of Cape Byron is heightened by its coexistence with the Byron Bay community. Protecting the relationship between the two very different places is the subtle but vital challenge in the management of the Reserve' (Cape Byron Trust, 1999, p.4).

### **CAPE BYRON RESERVE**

The Cape Byron Reserve is three kilometres from the town of Byron Bay. It covers 130 hectares and includes the most eastern point of the Australian mainland. Plant communities on the Reserve are of national significance and it has been an important place for Aboriginal people for thousands of years. The lighthouse stands out as a visual pinnacle and symbolises the important role played by the Reserve in the European settlement of the region (Cape Byron Trust, 1999).

The Cape rises 100 metres above the sea and provides 360 degree views of the ocean and hinterland. The coastline is visible from Ballina to the Queensland border while the Mount Warning caldera and the Border Ranges National Park can be seen to the west. It represents a unique setting for a wide range of recreational activities and is regarded as one of the best land-based sites for whale watching in the world. It has become a major tourist destination with almost one-third of the approximately 400,000 annual visitors coming from overseas (Brown, 1998). The need to protect natural and cultural resources while providing a diverse range of recreation opportunities presents complex management issues.

The Reserve became a State Recreation Area and part of the NSW National Parks and Wildlife Service estate in 1997. However the area is distinguished from that of most other National Parks and Wildlife Service areas. It is administered by the Cape Byron Trust, a non-profit body that is responsible for the care, control and management of the Reserve. Originally established in 1989 as a Crown Reserve Trust, it is empowered by the provisions of the National Parks and Wildlife Act (Section 47GA) with Trustees appointed by the NSW Minister for the Environment. Six of the current Trustees are community representatives with a diverse range of backgrounds offering expertise in business management, environmental planning, tourism and education. Three Trustees are ex-officio members who represent the National Parks and Wildlife Service, the Department of Land and Water Conservation and the Arakwal Aboriginal Corporation.

The overall approach towards management of the Reserve is embodied in the goals of the Plan of Management:

1. To ensure the conservation and maintenance of the environment and heritage of the Reserve in perpetuity.

2. To promote an understanding of the cultural and environmental significance of the Reserve and its surroundings.
3. To provide for the recreational needs of visitors.
4. To manage the Reserve on a self-funding basis.
5. To foster a co-ordinated approach to the management of the reserve.
6. To develop strategies that will achieve the above aims at the least cost. (Cape Byron Trust, 1991, p.4).

It is the responsibility of the Reserve Manager to implement the Plan of Management and to act as a point of contact between the community and the Trust. The Manager is assisted by fifteen staff including a Ranger, Field Officers, Habitat Restoration Officers, a Boating Safety Officer, an Environmental Education Officer and an Accountant. Under the direction of the Environmental Education Officer, a highly effective volunteer programme was established in 1996. Over thirty volunteers are currently used to support operational programs throughout the Reserve.

A major achievement of the Trust has been to raise a significant proportion of the revenue required to manage the Reserve through income generating activities. The income sources include parking fees, holiday rentals and license fees from commercial operators. Currently, 90% of recurrent costs are met from these sources, relying on public funding only for capital improvements. A long-term objective is to be totally self-funded.

### **Events at the Cape**

Events at the Cape have been used infrequently as a means of furthering the objectives of the Trust. A notable exception was a concert held in January 1997 at the Pass. The slope of the grass in this part of the Reserve creates a natural amphitheatre and suggestions had been made that it was ideally suited to activities of this kind. Later in the same year, an exhibition, developed by the South Australian Maritime Museum, was housed in a marquee outside one of the lighthouse cottages. It offered an interactive marine experience for children and attracted 6, 400 visitors between August 6 and October 16. It was designed to help promote the Cape as an environmental education resource and enhance community interest in marine conservation. It raised \$6700 partly because a contribution of nearly 400 volunteer hours kept the level of staffing costs to a minimum.

The Cape is widely known for the annual Whale Watch Program which has traditionally culminated with a weekend of activities. Displays, seminars, guided tours and entertainment, centred on the lighthouse precinct, have been organised to 'encourage appreciation of land-based whale watching and marine conservation' (Rigby, 1996, p.2). About 10,000 people visit the Cape during the weekend and Tourism New South Wales has organised familiarisation visits by journalists to

coincide with the event. One notable feature is the breakfast that has been organised each year to mark the launch of the Whale Watch Program. About fifty people, including local and State politicians, are invited to attend and it has been used as a Public Relations exercise to raise the profile of the Trust and highlight its work at the Cape.

## SUNRISE 2000

It had been widely accepted that the New Year's Eve celebrations in Byron Bay on December 31, 1999 would be on a scale that would pose considerable problems for the town. For the Trust, this brought the prospect that large crowds would move from the town to the cliff tops of the Cape, during the night, to witness the sunrise. These ideas were reinforced by requests, made to the Trust as early as 1996, by professional event organisers 'to capitalise on Byron's good fortune at the turn of the century' with the Cape 'well placed to be the central focus of any such festivities' (Teschner, 1996).

Crowd management, safety issues and the minimisation of risk became the principal concerns of the Trust. After considering a range of options including closing the site completely, it was decided to organise an event to coincide with the sunrise on January 1, 2000. Also, rather than handing responsibility to an outside organisation, it was agreed that the event should be under the direct control of the Trust. This was partly due to the belief that the event could be managed in a way to provide opportunities for the Trust and partly to ensure that the impact of the event did not conflict with the values of the Reserve.

It was decided that the most suitable type of event would be a special breakfast, timed to coincide with the first sunrise of the new millennium. The maximum number of guests that could be accommodated, in a marquee erected at the site, was between 150 and 200 people. It was designed to be a unique celebration that suitably recognised the significance of the site, in a way that would help protect the Reserve, while enhancing visitor safety. It also provided an opportunity:

- for local suppliers to showcase the region's cuisine
- to raise revenue for a proposed walking track.

Decisions about the Breakfast were made throughout 1999, but detailed planning only occurred from early October. The event was organised almost entirely by the Manager of the Reserve on a part-time basis. Some input was provided by Trustees, and the Environmental Education Officer was responsible for co-ordinating a competition for school children that was designed to further community involvement. Planning for the event was divided into seven areas:

- Media Strategy
- Marketing and Sales

- Community Involvement
- Security and Staffing
- Safety and Contingencies
- Logistics, Equipment and Services
- Budget.

One of the first tasks for the Manager was to prepare a media strategy that responded to the level of interest that had been expressed in the Cape as a location for broadcasts associated with the Millennium. It was widely reported that national and international television networks such as CNN, had reserved accommodation in the town. A detailed document was prepared that reflected concerns that media organisations would be competing for space at the Cape. In addition to potential environmental impacts, it was feared that certain messages presented by the media might conflict with the desired image for the Reserve. Mechanisms to control numbers, select appropriate organisations and have some editorial influence on output were incorporated in the strategy document.

The Manager acted as the Trust's representative on the Byron Shire Media Task Force and a meeting took place between this group and an international media contingent on October 20, 1999. Interestingly, the Task Force requested a fee from the media representatives and expressed the view that any coverage that raised the profile of the town as a tourist destination would not be consistent with the needs of the area. It was suggested that 'Byron Bay was a special case because publicity generated by the broadcast was not a reason in itself to let the film crew in' (Ross, 1999a, p.5). Subsequent to this meeting few requests from the media about Millennium activities at the Cape were received by the Trust.

Confusion about the scale and nature of media interest was only one example of the uncertainty that prevailed throughout 1999. It was clear that event organisers would face difficulties in securing staff and performers and that many of their costs would be inflated. There was an expectation of high demand to attend millennium events but, also, there were early indications that the level of bookings at many venues was disappointing. This may have been due to the widespread adoption of premium pricing policies. Considerable attention was given to high profile locations such as the Opera House in Sydney where tickets for a New Year's Eve concert were priced at \$2000 and at \$750 to attend a party outside the Opera House. Local newspapers reported that, in Byron Bay, prices for accommodation were much higher than normal rates and twice as high as what had been charged over New Year in the previous year (Ross, 1999b). In addition, the implications of the Y2K bug had to be taken into consideration. Surprisingly, other factors such as issues associated with the Olympic Games and a strike by school teachers in NSW also proved to have an impact on plans for the Breakfast.

## The Breakfast

The Breakfast was designed to provide an opportunity to be at a special place at a significant point in time; so the benefits of being at the Cape at the turn of the millennium could be experienced. Achieving this outcome was made possible by supplying a ticket to give access to Byron Bay, transporting guests from the town to the Cape and offering a breakfast menu comprising regional cuisine. Entertainment in form of a singer and a string quartet would be provided and the winning entries of a competition for local school children would be read during the Breakfast. The competition asked children to capture, in writing, the spirit of Cape Byron at the dawn of the new millennium. The Breakfast program was organised so guests could witness the sunrise. A professional photographer was employed to capture the scene and supply framed photographs to each guest as a souvenir of the occasion.

## Attendance

It was decided to restrict the number at the Breakfast to 170 guests, by selling 100 tickets and offering 70 complimentary seats. Four complimentary places were offered as prizes to winners of the two age categories in the school writing competition. Twenty places were given to raffle ticket winners and a further forty-six places to invited guests. One person was contracted to sell the raffle tickets throughout the region in an attempt to generate interest in the event and to provide a wide section of the community with a chance to attend the Breakfast. Clearly printed on raffle tickets was the message *An investment in the conservation and care of Cape Byron reserve – Australia's most easterly point*. A lottery was also being used by the National Park Service to select the sixty people who would be allowed to spend New Year's Eve on Mount Warning.

## Pricing

Cost recovery was an important objective, especially at a time when a 'seasonal allowance' had to be included in all budget calculations. However, the event was also regarded as an opportunity to raise revenue that could be used to defray other costs such as that incurred to employ additional security staff at other parts of the Reserve. By charging a premium price, in a way that was consistent with most other millennium events, it was also hoped to raise money for an extension to the Cape Byron walking track; a proposal that had received considerable community support. Therefore, it was decided to charge \$250 per ticket to meet these objectives. The tickets were sold from November 1, 1999 through the Trust office at the Cape. The cost of raffle tickets was set at \$2 each.

## Promotion

The tactics used to promote the Breakfast changed dramatically in response to the level of ticket sales.

At the end of October, a local Press Release emphasised the uniqueness of the Breakfast and the opportunity it offered to welcome the dawn of the new millennium at the most easterly point of Australia. However, most of the headlines of the subsequent newspaper coverage focussed on the cost of the event. An interview, giving details about the Breakfast, was broadcast on ABC regional radio at the beginning of November.

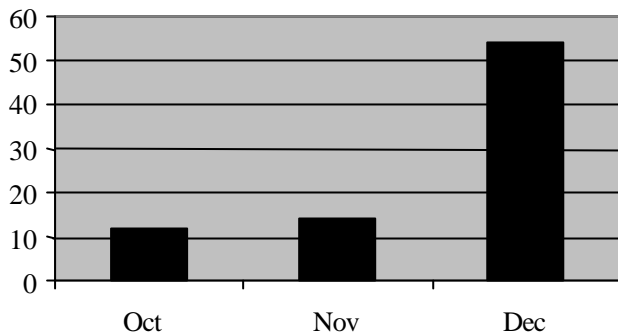
A poor response from residents of the region made it necessary to promote the event more widely and it was decided to target tourists who would be in Byron Bay over the holiday period. A direct mail approach was employed by asking Property Management Agents and accommodation providers to send information to people who had booked to stay with them over New Year. These letters were sent in late November and early December. A final strategy involved contacting the editors of Food and Wine sections in national newspapers and magazines. The information provided to them emphasised the regional cuisine theme of the event.

## Outcomes

Only twenty-five tickets were sold between November 1 and November 12 (Figure 1). This was a surprise and a considerable disappointment as it had been expected that all tickets would be sold within a few days. In fact, consideration had been given to employing someone just to answer phone enquiries. This situation was in contrast to the high level of demand for raffle tickets with income from sales exceeding \$4500. It was apparent that most local people wanted to enter the raffle but few were prepared to pay \$250 to purchase a ticket for the event. A letter printed in a local newspaper portrayed the event as a 'SOCOG-esq elitist get together at the Lighthouse' (Bail, 1999). It was unfortunate that the initial Press Release about the Breakfast had coincided with highly critical media coverage of the scandal associated with the plan to sell premium-priced packages for the Sydney Olympic Games. Another unfortunate coincidence was that letters were sent to local schools, seeking support for the 'spirit of the Cape' competition, at a time when industrial action was being taken by teachers in NSW. Some of the teachers chose not to encourage participation in the competition. However, thirty-eight entries were received and the overall objectives of the initiative were achieved.

Very few tickets were sold between mid November and mid December and it was decided to draw an additional ten raffle ticket winners. Also, at this time, less control was maintained over the number of complimentary tickets that were being allocated. Initially, a number of people had said they were unable to attend the Breakfast and this created the perception among some of the Trustees that there was scope to respond favourably to requests for free tickets from people regarded as important constituents. This created a number of problems. Firstly, considerable demand to purchase tickets emerged at the last minute. Forty-five tickets were

**Figure 1.**  
**Ticket sales**



purchased in the three days before the event and further requests could not be met due to the capacity of the marquee. It would seem that the strategy of writing to tourists had been successful but that they had not tried to purchase tickets until they arrived in the town. The overall effect was that only seventy-eight of the 170 people who attended the Breakfast had paid for tickets.

Despite the difficulties concerning ticket sales, costs associated with the event (Table 1) were covered and \$4000 was raised for the walking track. The Breakfast provided a valuable opportunity for local businesses to supply equipment (the marquee, lighting etc.) and to showcase the quality of regional produce (fruit, bread, jams, flowers etc.). Many of the contingency measures that had been taken proved to be unnecessary. For instance, the petrol generator, provided as a backup in case of the loss of electricity due to Y2K problems, was not needed. However, a speaker lead had not been provided by the supplier of the PA equipment so it was not possible to use a microphone, as had been intended. Nothing else detracted from the experience of being at the Cape on New Year's Day 2000 - except the weather. Strong winds and rain tested the strength of the marquee during the Breakfast but the skies cleared momentarily at sunrise. It is also noteworthy that the extra security measures that had been employed helped ensure that no injuries or other incidents occurred on any part of the Reserve.

It was considered important to seek feedback from the people who attended the Breakfast so the Trust could learn any lessons relevant to the organisation of future events. Questionnaires were sent to everyone who attended the Breakfast. Thirty-two were completed and returned representing a response rate of nineteen percent. Fourteen of the questions asked respondents the extent to which they agreed with a series of statements about different features of the Breakfast and its organisation. It was found that the statement concerning the use of profits from the event to help

protect the Cape received the strongest support, with an average score of 4.7, out of 5 (Table 2). Slightly fewer agreed that proceeds should be used to enhance visitor enjoyment at the Cape, although this item still received strong support (4.2). Most people strongly agreed that the Cape provided an excellent setting for the Breakfast (4.6), that the quality of the food was very good (3.8) and that the music enhanced enjoyment of the event (3.6). Respondents disagreed with only three of the items, indicating that there was least satisfaction with the price of tickets (2.2), the service of the food (2.3) and the photograph (2.7).

Responses to the open-ended questions provided detail that supported these findings. Fourteen people nominated witnessing the sunrise as the most enjoyable aspect of the event. A further ten people referred to the special character of the occasion and nine mentioned the appeal of the location and its suitability for the celebration. The quality of the food was mentioned as the most enjoyable aspect by seven people. One feature dominated responses to the question about the least enjoyable aspect of the event. Many people were unhappy about the way the food was served, providing examples of the amount of time they spent waiting in line. Problems with the bus and seating arrangements, while a distant second and third, were also noteworthy in this category. The commemorative photograph was criticised by fourteen people with most saying that it should have been in colour, rather than in black and white. Nine people made direct reference to the cost of the event, saying it should have been more affordable and seven people said that table service should be offered at a future event. Many respondents took the opportunity to give additional comments and, once again, the need for table service was prominent with thirteen references. Seven people said the event would have been better with a Master of Ceremonies.

## DISCUSSION

There are similarities between the characteristics of the Sunrise Breakfast and those of other millennium events. For example, the Royal Botanic Gardens in Sydney organised a Millennium Dinner with tickets priced at \$1,000. Negative media coverage referred to the price of tickets and the fact that only 200 out of 500 tickets were sold. However, the event still raised funds that helped cover security, cleaning and other costs incurred in the gardens which attracted 120,000 visitors, without incident, on New Year's Eve (Trustrum, 2000).

The survey responses demonstrate that most people enjoyed the Breakfast and believed it to have been a memorable experience. They did, however, make constructive comments and it is clear that table service should have been provided. This was one of the main reasons why many people felt that the price of tickets was too high. This will come as

**Table 1. Cape Byron Sunrise Breakfast Expenses**

Catering	8,800
Plant hire	3,600
Entertainment	2,000
Bus hire	900
Photographer	1,500
Promotion and printing	<u>1,000</u>
<b>Total</b>	<b><u>17,800</u></b>

**Table 2. Survey Findings**

	<b>Mean score</b>
I am happy for profits from the event to be used for activities that help protect the Cape	4.7
The Cape provided an excellent setting for the Breakfast	4.6
I am happy for profits from the event to be used for Activities that enhance visitor enjoyment at the Cape	4.2
The quality of the food was very good	3.8
Arrangements for the event were clearly explained in the information that was sent to me	3.8
The musical entertainment added to my enjoyment of the event	3.6
The marquee served as an appropriate venue	3.6
The table settings were attractive	3.6
Transport to the cape was well organised	3.2
The number of people attending the Breakfast was appropriate	3.2
The overall organisation of the event was very good	3.2
The photograph is an attractive souvenir of the event	2.7
The standard of food service was very good	2.3
The price of tickets represented good value for money	2.2

no surprise to those familiar with the way consumers make inferences about quality based on price. This situation was compounded at the Breakfast where non-paying guests were in the majority. This was not the intended guest mix and, ideally, controls should have been in place to prevent this situation from occurring. The problem could have been avoided if better information about the demand for tickets had been received. An obvious lesson is that a reply coupon should have been enclosed with the letters sent to tourists. The inclusion of an incentive, encouraging purchase by a certain date, may have motivated those who wanted to buy tickets to have done so before arriving in Byron Bay.

Although the Breakfast demonstrates the complexity of pricing, there was very strong support for the notion that events of this kind should be used to raise funds. This is a significant finding as it demonstrates that people are willing to pay a premium price if the proceeds are to be used for what is regarded as a worthy cause. Clearly, protection of the Cape is considered to be such a cause. However, it is questionable whether support of this kind is adequate to justify holding events at the Cape, and it is useful to consider the extent to which event outcomes are consistent with the goals of the Plan of Management. Although the Breakfast made a small profit, the financial return was negligible and staff costs were not included in the profit and loss analysis. It is very unlikely that income from events would make a substantial contribution towards the Trust becoming self-funding. The profile of the Cape, as a setting for events, may have been raised by publicity about the Breakfast and educational outcomes may have been derived from the competition for school children but the impacts are likely to have been negligible and largely event-specific. Very little increased understanding of the core environmental and cultural values of the Cape is likely to have occurred. The organisation of the Breakfast may also have worked against a desire for coordinated management, and opportunity costs were incurred. It was inevitable that, at certain times, planning of the event took precedence with resources diverted from other activities.

There are further lessons about timing and resources. Not enough staff were available to assist with last-minute preparations. It was because people were too 'stretched' during this critical period that it was not possible to make all the necessary equipment checks and the omission of the speaker lead was not noticed. It would have been difficult to call on volunteers on New Year's Eve but this would have provided a source of much needed additional human resources. Those who were employed by service providers needed to gain access to the site, to transport some of their equipment and to make final preparations throughout the night. Considerable extra logistical problems were created by the uniqueness of the place and the time.



If similar events are held in the future, it may be advisable for the Trust to consider employing a professional event organiser. This would clearly impose additional costs and may require the Trust to relinquish certain controls to someone who has less understanding of the unique characteristics of the location and the local environment. However, an ability to apply relevant expertise, to focus exclusively on the event and to respond to changing circumstances in a consistent way would bring considerable benefits.

Finally, although it may be appealing to have multiple objectives, some of the complexity, caused by the need to communicate different messages to different groups could be resolved by organising two events. There is scope to offer an exclusive, premium-priced event to raise funds for the Trust as well as a lower cost event that is designed to be more accessible to a broader range of community members and political constituents. Holding both a small-scale breakfast, to coincide with the sunrise, and a larger lunchtime event may present fewer logistical challenges. The establishment of distinctive, yet complementary, events for different target audiences would also reduce the level of confusion for organisers and make it easier to deliver experiences that more closely match consumer expectations.

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## MILESTONE OR MILLSTONE? COMMEMORATING THE PORTUGUESE HANDOVER OF MACAU – IMPLICATIONS FOR EVENT MANAGEMENT

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### ABSTRACT

This paper presents a case study of the organisation, management, and staging of the Macau Handover Event held in December 1999, which marked the return of the territory to Chinese sovereignty after 400 years of Portuguese rule. The purpose of the study is to examine the political, economic, and social implications of the event for tourism planning, which became the responsibility, on succession, of the Government of the Special Administrative Region (SAR) of Macau. It is argued that this responsibility carries with it the obligation to not only evaluate the national significance of the Event to determine how it will be commemorated after the Handover, but also to consider how the colonial legacy which contributed to the Event, will be presented in the future.

The study focuses on the political and socio-cultural implications of the design, organisation and management of the Handover Ceremony itself, in order to identify those features which might be incorporated into the planning of a commemorative event. The research process involved an analysis of the socio-cultural perspectives of the main protagonists: the Chinese, Portuguese, and Macanese communities, as represented by the organisers appointed to the task of providing a celebration of unity in diversity. While the research seeks to identify the role and contribution of the Portuguese and Macanese in future events, a major variable is how the majority Macau Chinese perceive the Handover Event in terms of their distinctive cultural identity. The study therefore draws on observations and interviews conducted with this, the most important sector of the community, who will influence those decisions which are made with regard to commemorating the event.

The terms 'milestone' and 'millstone' are used to distinguish between those views held by all sectors of the community comprising individuals who may

be at variance as to how they evaluate the Portuguese legacy and how it should be presented in a commemorative event. Even among the Portuguese and Macanese, there is a dichotomy between those who consider the legacy to be a significant and enduring testament to national pride and achievement, and those who feel their national identity is encumbered by the associations with former colonial administrations. For the Chinese community, it is especially important to examine the degree to which the colonial legacy is regarded in the same terms. A qualitative approach is used so that the distinction between the application of the terms can be qualified by justification from the respondents from each sector who were interviewed.

It is hoped this research will contribute to the knowledge base on event management especially with regard to devising frameworks and models for the analysis of similar hallmark events. While there is much attention paid to the economic analysis of national celebrations in terms of tourism planning, especially for domestic tourism, the study argues for more research on the socio-cultural implications of the design, organisation and management involved in staging national commemorative events which draw international tourists to the destination.

### INTRODUCTION

Some events, especially those labelled as hallmark, may be regarded by initiators, organisers and participants as milestones – symbolic markers in the historical, social, economic or political development of a community, society, or nation against which other events are evaluated in terms of their significance and prestige. Elevated to benchmark status for creating standards that other organisers seek to follow, such events may be unique in time and place and revered for their unrivalled contribution to posterity. Some events

however, attempting to commemorate the original occasion at which feelings of pride, hope, and achievement ran high, are unable to meet the standards set in the milestone and become a millstone – a burden of responsibility doomed to failure despite much effort expended on trying to replicate the seminal phenomenon. The burden however, is not easily cast aside as expectations continue to grow in the hope that replication may occur if only a paradigm can be found from the right type of research conducted on the phenomenon. That such a task is an impossible one is unacceptable to the professional practitioners charged with recreating the elements, which made up the original successful event. Even where the majority of stakeholders have begun to count the costs as a burden, it is difficult to present arguments to convince the organisers to abandon the practice of staging an event from which few derive any benefit whatsoever. What is often at stake is ostensibly the prestige of the organisers and their sponsors who will hold out as long as the investment is forthcoming. Invariably, these are the parties who conduct the evaluation of an event and who will strive to emphasise positive outcomes especially those which can be represented (or misrepresented) in economic terms. It is apparently rare for surveys to evaluate social impacts and costs against the benefits of revenue derived from visitors attending the events.

In the light of the above comments, the case described in this paper is presented for critical analysis by professionals and students of event management as an example of a special hallmark

event of political significance. Hopefully the analysis will result not in recommendations for the abandonment of the notion of a commemorative hallmark event, but specific ideas for research methodologies and planning strategies which will help to make a repeat of this special hallmark event a success.

An instrument to be used in the analysis of the event has been derived from the conceptual framework devised by Getz (2000:3) who points out in Level Two of this framework that a divergence of knowledge and skills arises with specialisation: 'It is not just the type of event that gives rise to different skills and knowledge, but the setting in which events are produced, sponsored, assisted, coordinated, or managed.' The authors of this paper believe the setting for the event described here is not unique but perhaps overlooked in many countries, which have celebrated, and continue to celebrate independence from colonial rule. Of special interest to the authors is how the patrimony of the colonial legacy can contribute to sustainable tourism through its tangible resource base for the continued development of visitor attractions and events.

The framework in Table 1 is intended as a basis for the analysis of the event and the eliciting of recommendations for research and planning approaches and methodologies which can be applied in this and other contexts where the commemoration of a hallmark event with political implications is proposed.

**Table 1. Conceptual framework for analysis of the event**

<b>Type of Event and Unique Program:</b>	<b>Commemoration of Handover Event</b>
<p>Conceptual Areas for Research and Planning</p> <ul style="list-style-type: none"> <li>• Political Implications of the Event</li> <li>• Impact and Performance Evaluation of the Event</li> <li>• Purpose of Commemoration</li> <li>• Type of Event and Program</li> <li>• Target Markets</li> <li>• Event Organisers: Selection and Coordination</li> <li>• Physical Setting: Existing or New Venues and Buildings</li> <li>• Special Venue Requirements</li> <li>• Cultural Significance</li> <li>• Economic Significance</li> <li>• Educational Significance</li> <li>• Special Services and Supplies</li> <li>• Forces and Trends</li> <li>• Budgeting, Controls, Risk Management</li> <li>• Marketing and Communications</li> <li>• Human Resources Management</li> <li>• Experience Management</li> <li>• Programming and Scheduling</li> </ul>	<p>Research and Planning: Approaches and Methodologies to be used</p>

Following a brief description of the event, this paper reports on a research approach and methodology chosen to focus on four conceptual areas – with a special interest in determining the extent to which the colonial legacy should be represented in a commemorative event.

**THE CASE:  
HALLMARK EVENT CELEBRATING THE  
HANDOVER OF MACAU TO CHINESE  
SOVEREIGNTY BY THE PORTUGUESE  
ADMINISTRATION**

**Background**

The hallmark event which is the subject of this case study, marked the end of more than four hundred years of foreign rule by the first and last colonial power in Asia, Portugal, over the territory of Macau – now designated as a Special Administrative Region (SAR) of China. It was preceded by a similar event in 1997 when the territory of Hong Kong was returned to Chinese sovereignty from British rule. Both events are of special significance as milestones in the development of the People's Republic of China and its unified status as a political power on the world stage. For the ruling Communist Party however, the colonial legacies left by both Portugal and Britain, although not stated in explicit terms, are arguably regarded as millstones which can not be entirely cast off until the agreement for a fifty year period of transition is fulfilled. For the Portuguese government also, the Macau Handover Event represented a milestone in the history of a nation, which still avidly celebrates the pioneering zeal of its voyages of discovery and looks back with pride on its record of colonisation. However, there are those who would prefer to look forward to more commendable achievements than continue to celebrate a past which has the negative associations of colonialist oppression and racial subjugation.

Ideally, before attempting a critical analysis of the Handover Event with the aim of planning a commemoration, students of event management should familiarise themselves with the history of Macau as well as the political relations between Portugal and China from past to present.

**Organisation and Management of the Event**

The Handover Event mainly consisted of official ceremonies, costing not less than US\$35 million, presided over by the respective leaders of the outgoing and incoming administrations of the territory of Macau: General Vasco Rocha Vieira appointed by the Government of Portugal as the last Governor of Macau, was replaced by a new 'Chief Executive', Edmund Ho-Hau-wa, a Chinese businessman born in Macau. The occasion was marked by the presence of the respective leaders of the governments which had agreed on the terms for the 'handover of sovereignty', Jiang Zemin the President of the People's Republic of China and

Jorge Sampaio the President of Portugal, who both signed documents legally transferring authority for the administration of the new Macau SAR. The signing ceremony, the highlight of the Event witnessed by delegates from 100 nations and international organisations, was held in a purpose-built but temporary structure named the Handover Ceremony Pavilion adjoining another newly constructed edifice – the Macau Cultural Centre which was intended for the ceremony but found not to have sufficient seating capacity. The actual swearing in of the new Chief Executive was conducted in a totally refurbished entertainment complex about twenty minutes walk from the temporary building used for the Handover Ceremony. Temporary pavilions were erected for dining and car parking. The construction of buildings for the venue involved therefore a considerable portion of the budget for the event, though three were designed as only temporary structures.

The main event of the Handover was for invited guests only, with the whole site within a one-mile radius totally sealed off from the local public and visitors. Residents living in the area were warned not even to look out of their windows. The 'Director of the Transfer Ceremony Security Office' announced that, 'To prevent any confusion by security forces stationed in strategic places, who could mistake video cameras and photo equipment for weapons, we urge residents not to approach windows'. In fact from 2pm on December 18, until December 20, 1999, the day of the Handover, all commercial activities were suspended within the two security zones and vehicles were prohibited from entering the site. Residents however, were able to watch the proceedings on five huge video screens set up at popular meeting points around the territory. Various organisations provided entertainment to complement the television broadcast of the ceremony, with a large crowd congregating in the main square known as the Largo do Senado.

Before the actual ceremonies began, dignitaries were treated to a spectacular 90-minute show followed by a cocktail reception on the banks of the Pearl River and a sumptuous three-course banquet. The dinner was organised by a consortium of four selected hotels with a catering team consisting of 850 people. Three huge ovens capable of cooking 2,500 meals simultaneously were airfreighted especially from Germany, while the kitchen had to have 22 food preparation stations and a separate tent to be used for starters and desserts.

It was not until the official Handover ceremonies were completed, in the early hours of Monday, December 20, that the public celebration began with a grand parade named 'March Towards a Beautiful Tomorrow Parade' through the streets, complete with flag bearers, dragon and lion dances, cultural performers – including folk dancers flown in from Portugal, and vintage cars. Floats sponsored by companies and organisations from

the private and public sectors displaying the future prospect of economic and social development were also popular attractions. These floats were on display for a week following the event and provided many photo opportunities for residents and visitors alike.

The highlight of the events of the first day celebrating the return of sovereignty was the entry of a garrison of the People's Liberation Army composed of elite soldiers recruited to maintain a military defence presence in the territory. In contrast to the muted reception given to the garrison, which moved in to be stationed in Hong Kong, the Macau garrison was greeted with adulation and feelings of relief. This was partly due to the perception that the crime wave which had terrorised Macau society prior to the handover would be eradicated by the threat of swift and uncompromising punishment by the new administration supported by the PLA garrison. However, the feeling of national pride was no doubt manifested in the first sight for many Macau citizens of the military might of the national Chinese army.

The second day of the Handover Event was marked by cultural and sporting displays and activities held in the local stadium titled, 'Rejoice Macau'. Participants were drawn from different regions of China and the spectacle was enhanced by collaborations involving dancers and musicians, lion and dragon dance groups who performed innovative choreographed versions of classic rituals evoking the mood of power, pride, and prestige felt by an audience of thousands – the largest ever hosted in the territory. The authors anticipate that this spectacle is the one most likely to be staged again in any commemorative event. It would undoubtedly be an event which would draw international as well as domestic tourists to share in the experience. It was in fact an event staged for the people by the people – all dignitaries and VIPs having left by noon of the previous day.

In the Appendix at the end of this paper, Item 1, is a detailed description of the five days of activities and events celebrating the Handover. A special book published on the Handover Event included in the References contains the special program for the performance held in the Macau Cultural Centre.

### **APPLICATION OF CONCEPTUAL FRAMEWORK**

From the Conceptual Areas for Research and Planning, the authors focused on the Political Implications of the Event, Cultural Significance, Impact and Performance Evaluation, and Purpose of Commemoration. As mentioned earlier, of major interest is the extent to which the colonial legacy should be represented in a proposed commemorative event.

The research approach and methodology chosen involved observing behaviour and recording the interviews conducted during and after the Handover Event. Getz (1997:334) has advocated the use of observational research as a necessary substitute for visitor and market surveys and argues it should be part of all evaluation strategies. Some of the advantages which observations have over surveys he suggests are: this type of research allows for more participation on the part of staff and volunteers who can contribute their unique perspectives on the event, the customers, and the impacts; problems, preferences and attitudes can often best be detected through observation of customer behaviour; the quality of the experience can really only be determined by how people behave and respond to different circumstances including the provision and control of services which make up the event product; the intangible aspects of the event such as atmosphere and ambience can best be evaluated from direct observation and participants' comments.

Also recorded are comments from future organisers and stakeholders likely to be involved in staging a possible commemorative event. For the latter, unobtrusive measures (Webb et al. 1966) were employed. One of the advantages of employing unobtrusive measures is the practice of not only monitoring pre-selected issues but adapting quickly to new ones identified in the observational process (Seaton 1997:27). This approach seemed most appropriate since one of the major purposes is to find out how the main protagonists involved in the event feel about the inclusion of the colonial legacy of the former foreign ruler in a commemorative event celebrating independence. This is a particularly sensitive issue to raise during the actual Handover Event itself and calls for tact and discretion. The political and socio-cultural implications of the design, organisation, and management of the Handover Event were raised during the interviews with an attempt to identify those aspects of the colonial legacy which might be regarded as milestones to be incorporated into the planning of a commemorative event, and those aspects which are felt to be millstones and should be excluded. The use of the terms milestone and millstone are therefore intended to distinguish between the views held by organisers, stakeholders, and the community on the extent to which they consider the legacy to be a significant and enduring testament to their unique local identity, or an affront to their concept of national identity restored and consolidated by the handover to true sovereignty.

A research team was formed consisting of seventeen members who participated in the event as volunteer helpers, working with event managers, performing such duties as escorting invited dignitaries to official ceremonies, serving at information desks and booths, taking up positions along various routes to control crowd movements, and a variety of other tasks. Each team member was asked to use any opportunity to interview ten

people during the event asking questions to determine what they felt about the organisation of the event and whether they think it should be commemorated in the future. The questions, although open, are quite specific:

1. For you, which activities during the Handover Event were the most significant and memorable?
2. Do you think there was an appropriate balance between those activities representing Chinese, Portuguese, and Macanese culture? Please explain your answer.
3. Do you think the Handover Event should be commemorated in the future? Please give your reasons.
4. Do you think the Portuguese legacy should be celebrated in future Handover Commemorative Events? Please give reasons.
5. What do you think could be done to make a Handover Commemorative Event an attraction for international tourism?
6. Please give any other comments you think might be useful to help decide whether the Handover Event should be commemorated.

A summary of some of the responses to the questions on the survey is presented in Item 2 in the Appendix. The purpose of the study was to gauge the feelings of the respondents during the event itself and identify key points and issues, which would be of interest to commemorative event planners and stakeholders. The authors contend that the latter should employ the services of consultants to help conduct further research and advise on the planning and management of a commemorative event. It is hoped this initiative might benefit from the data presented here.

### KEY POINTS AND ISSUES IDENTIFIED

1. For the significant and memorable activities during the Handover Event frequent references were made to the entry of the PLA garrison into Macau, echoing the sentiment that this symbolised the restoration of Chinese national pride, as well as the hope that a peaceful, safe, and secure social environment can be maintained. The involvement of the garrison in a commemorative event would need to be carefully planned however.
2. Appropriate balance of cultural representation: Many respondents commented that the Macanese (mixed Portuguese-Asian community) were poorly represented. This is an issue which needs to be addressed in terms of the future status and role of this 'ethnic minority' in Macau society. The Macanese are a human component of the colonial legacy and could enhance the unique cultural attractiveness of a commemorative event.
3. Whether the Handover Event should be commemorated in the future. The majority of

of the respondents were in favour of such an event. The positioning of Macau as a unique destination for cultural and heritage tourism would be a strategic aim in staging a commemoration. An occasion for celebrating the diversity of Chinese culture and the role of the nation in world events was emphasised.

4. Contribution of the Portuguese legacy in a commemorative event. A contentious issue which requires expertise in event research, planning, and management. It would involve consultation at local and national levels promoting dialogue with the public and private organisations as well as the community itself. It also has implications for other mixed-culture communities in the region e.g. Goa, Diu, Damao (India), Malaka (Malaysia), East Timor, as well as the Chinese and Macanese overseas communities in Europe, North and South America, Australia and the Pacific. The general consensus revealed in this exploratory research was that Macau has inherited a unique form of Portuguese colonialism, which could be celebrated without recrimination or reproach.
5. What can be done to make a Commemorative Event an attraction for international tourism. A variety of ideas were proposed in response to this question some of which are featured in the Appendix. These ideas should be of particular interest to the organisers of a possible commemorative event for Macau and other destinations in the region.

Data also included in the Appendix as Item 3 are the responses to the questions given to a sample of students from the University of Aveiro in Portugal, 17 of whom returned their comments. The authors felt that some input from a potential future tourist market for a commemorative event should be sought in order to identify expectations and interests for ethnic tourism and special interest tourism. The responses also help to give some insight into the perceptions held by the younger generation of Portuguese of their country's legacy abroad and the future potential development of its ex-colonies. The data is divided into those responses which are in favour of a commemoration and those against. 76.5% supported the notion of a commemorative event, 82.5% thought the Portuguese legacy should be celebrated in future commemorative events – the most important reason being to perpetuate the link between Chinese and Portuguese culture.

### CONCLUSIONS

This paper has presented a conceptual framework for the analysis of a hallmark political event with the intention of eliciting recommendations from experienced event planners and managers for research approaches and methodologies which could be used to determine the feasibility and appropriateness of a commemorative event. The results of exploratory research using the

combination of observation and survey to obtain data on the evaluation of the planning and management process, the cultural significance, and ideas for future events is presented.

Hall (1992:85), citing a lack of research on the political dimensions of hallmark events, argues that, 'research into the political impacts of hallmark events has only recently received limited attention.....There are substantial methodological difficulties in conducting political studies because of the ideological nature and political implications of such research'. Research approaches and methodologies for hallmark commemorative events of this type need to be devised from conceptual frameworks such as the one proposed here. Identifying the variables which must be analysed depends on knowledge and experience gained through the study and practice of event management in other political settings. Hall, quoting Humphreys and Walmsley (1991), contends that the results of research on political dimensions of hallmark events may indicate how the social impacts of events affect host communities and increase the understanding of related decision and policy-making processes. In Hall's opinion, 'little attention is paid to consideration of the winners and losers of the political process or the forces that lead to an event being hosted' (Hall 1992:89).

The Macau Handover Event celebrated a political milestone in the progress of two nations which contributed to the creation and development of an unique society which, according to the agreement signed by both governments, will continue to enjoy and celebrate this uniqueness beyond 2000 - in principle for the next half of the new century. Changes will inevitably occur however, and impact on a society which at present is a juxtaposition of two distinct cultures, albeit tolerating each other as they have done for the past four hundred and fifty years. However, before during and after the Handover, there has been an exodus of Portuguese expatriates which diminishes the contribution of the more positive attributes of colonialism - knowledge and experience of Western culture which is important for targeting those tourist markets likely to appreciate the ambience of Macau. There are dangers implicit in the perpetuation of colonial legacies without attention being given to how they are perceived by the community who are the real hosts of events, proponents as well as guardians of heritage and culture, and the essence of the experience which makes participation of visitors worthwhile.

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## APPENDIX

**Item 1: Events held during the Handover****Day One**

- 12.15 pm President Jorge Sampaio presided over the inauguration ceremony of the new Portuguese Consulate, formerly a hospital and later the building housing the Monetary Authority
- 6.00 pm Performance for invited guests at the Macau Cultural Centre

**Day Two**

- 11.30 pm President Jiang Zemin and Premier Zhu Rongji arrived at Macau International Airport
- 4.30 pm General Vasco Rocha Vieira left Governor's Residence
- 5.00 pm Portuguese flag lowering ceremony held at Governor's Palace
- 6.00 pm Schoolchildren and local groups staged a series of cultural events for VIP 3,000 guests at new reclaimed land near Handover venue
- 7.30 pm Waterfront cocktail party for VIPs held outside Handover venue
- 9.00 pm Handover Banquet held at Macau Cultural Centre
- 11.47 pm President Sampaio's speech
- 11.57 pm Portuguese flag lowered
- Midnight Chinese flag raised

**Day Three**

- 00.04 am President Jiang Zemin's speech
- 1.30 am President Sampaio, former Governor Rocha Vieira, Portuguese Prime Minister Antonio Guterres left for Lisbon from Macau Airport.
- 1.45 am Inauguration of MSAR Government.  
Chief Executive of MSAR, Edmund Ho-Hau-wah's speech
- 10.00 am Handover party for VIPs at the Macau Forum  
Premier Zhu Rongji left Macau  
President Jiang Zemin left Macau
- Noon PLA garrison marched into Macau
- 12.30 pm 'March Towards a Beautiful Tomorrow' Parade

**Day Four**

- 2.30 pm Festival 'Rejoice Macau' held in Macau Stadium
- 2.45 pm Inauguration of the Macau Commission Building of China Ministry of Foreign Affairs
- 4.00 pm Reception hosted by Chief Executive

**Day Five**

- 8.00 pm Theatrical Festival 'Ode to Macau's Return to the Motherland' at Macau Cultural Centre

**Note**

It should be noted that celebrations were occurring at the same time in other cities in China particularly in the neighbouring city of Zhuhai. Compatriots in Guanzhou, Shanghai, and Beijing also enthusiastically participated in organised events on the theme of 'returning to the motherland' perhaps presaging for many, the fervently hoped-for celebration of reunification with Taiwan. The fact that the Chinese Government declared that the Macau Handover should be commemorated as a national holiday adds weight to the significance of the occasion for the planning of future events.



## Item 2: Summary of Responses from Survey

### 1. For you, which activities during the Handover Event were the most significant and memorable?

\_\_ I was most impressed by the entry of the Chinese Army into Macau. I felt pride on seeing them and hope they will make our city a safer place now.

\_\_ The lowering of the Portuguese flag and the raising of the flag of China was most memorable for me. I feel I belong to my own country now.

\_\_ I really enjoyed the parade through the streets. I helped to decorate one of the wagons that displayed our company logo.

\_\_ The dancing and performances in the stadium were fantastic. I would like to watch it all over again next year I hope.

\_\_ The Handover Ceremony. Although I could only watch it on TV, it was still very impressive.

\_\_ I participated as an usher on the day of the handover ceremony. I was happy to be in the group responsible for the cultural show and the signing ceremony. I have never seen so many famous and historical persons in my life.

\_\_ A Portuguese said he could not suppress a feeling of emotion which he said was like 'confusion'. He has lived in Macau for more than 10 years but seeing his flag lowered, he felt sad. He did not feel like celebrating like some of the locals.

### 2. Do you think there was an appropriate balance between those activities representing Chinese, Portuguese, and Macanese culture? Please explain your answer.

\_\_ There was a balance between Chinese and Portuguese cultural events but not much for the Macanese.

\_\_ All the activities held on the Handover site seemed to be Portuguese. The Chinese activities only began after the Handover ceremonies were finished.

\_\_ Obviously activities representing Chinese culture dominated. But that is normal.

\_\_ Only the Portuguese 'folk dances' seemed to be representing their culture.

\_\_ Most of the hotels and restaurants were serving Portuguese or Macanese food during the Handover.

\_\_ The Chinese were more 'spontaneous' in their celebration. Perhaps it is in the Portuguese culture to be more serious. So there was a lot of serious.

\_\_ An Australian told me he would have to watch all the events before he could comment on this but so far it seemed to be mostly Portuguese.

\_\_ She thought there should have been more Chinese events because Chinese all over the world were watching

\_\_ After the Handover the Portuguese will be history forever, so it's understandable most activities should be Chinese.

\_\_ There was no real balance because most of the activities were for VIPs only, not for local people and the general public.

\_\_ The Firework display was neutral. Nobody can tell if it's Chinese, Portuguese, or Macanese. In fact it might be American.

\_\_ There was a balance in the televised events - the Chinese channel presented the Chinese culture, The Portuguese channel presented the Portuguese culture. Even CNN was there, so it was OK.

### 3. Do you think the Handover Event should be commemorated in the future? Please give your reasons.

\_\_ Yes, she thought that it is good to commemorate the Handover Event in the future because it is very important to the Chinese. It represents a 'reunion' with the mother country. It gives a chance to local Chinese to celebrate their unity with other Chinese.

\_\_ Unless the social situation changes to better, it's not worth commemorating the event.

\_\_ It's more than just an event. It's a festival. We should have the chance to celebrate again.

\_\_ It's a historical event which should only happen once. I will commemorate it in my heart.

\_\_ As a maid, she thought the Handover Event had to be commemorated in the future; not only because it is a big historical event, but so she could have a day off.

\_\_ It's good to commemorate what Macau has been in the past.

\_\_ It's a reminder that we were ruled by a foreign country and we are free now.

\_\_ People can remember the authority of 'two nations' on that day at the same time.

\_\_ Some of them think that it is important to the history of Macau, China and even the world. One said it is like Independence Day in other countries.

\_\_ All over the world, celebrations are held to commemorate individual independence days. Macau's case is no exception.

\_\_ It should be commemorated in the future in order to attract more tourists to come back and observe the changes after the Handover.

\_\_ The Handover Event should be commemorated in the future, but careful planning and preparation are very important to a successful activity of this kind.

**4. Do you think the Portuguese legacy should be celebrated in future Handover Commemorative Events? Please give your reasons.**

- If the Portuguese legacy is to be commemorated in the future, it is a way to educate the new Chinese generation that Macau was once ruled by a foreign nation and this should not happen again.
- Being a day when Macau got rid of foreigners, it is worth commemorating in the future.
- The Portuguese legacy is a fact that no one can deny. Portuguese culture is an important attribute that makes Macau special.
- The Portuguese legacy is one of the selling points to promote this tiny city
- No. This is a new era that belongs to the Chinese. We have to look forward rather than looking back. The only way to improve ourselves is to forget the past and plan for the future. The Portuguese legacy belongs to the past - it should be forgotten.
- It will be a good way to tell the world that there is more than one culture in China.
- In order to impress tourists, it is important to show them every aspect of our culture.
- We were just one of Portugal's colonies, but with our own symbols and style. It is worth commemorating this.
- Portugal did not make much contribution to Macau. There's nothing to celebrate except the fact that they left.
- I don't know what there is to celebrate. I can not find what they left for us to celebrate.
- Because we are now a Macau Special Administrative Region, I don't think it will be celebrated.
- Without Portugal we would not have a Macau today. We should remember that.
- Honestly speaking, without their contribution, effort and influence, Macau would not be so developed and attractive to outsiders and be regarded as a city of culture. The evolution of music, art, dance, language, culture, and the publication of books, poems and articles of the Portuguese have exerted a great impact on the life of the locals, especially in the aspects of lifestyle, religion, customs and behaviour. This western influence has opened the minds of the locals and this will mean they will remind the next generation that Macau owes much to the Portuguese.
- India would not celebrate its British legacy on its National Day.
- He said that the Portuguese legacy could be celebrated in activities held by the private sectors but should not be celebrated in activities organised by the SAR government. It is not appropriate to include the Portuguese legacy in official activities.
- The Portuguese legacy should be celebrated constantly. It's a tourist attraction and brings in money.
- The Portuguese legacy should be preserved in some specific commemorative museum for people to know more about the relationship between the Portuguese and the Chinese.

**5. What do you think could be done to make a Handover Commemorative Event an attraction for International Tourism?**

**6. Please give any other comments you think might be useful to help decide whether the Handover Event should be commemorated.**

- There should be exhibitions and activities representing the two cultures.
- People on the streets wearing Chinese and Portuguese clothes together.
- Special firework display to mark the event. Combine the International Firework Competition with the commemoration.
- A commemorative event should highlight the success of the smooth transfer of power to remind the world that the issue of Macau was solved through friendly relations and with dignity.
- The Handover Ceremony building should be converted to a museum and special exhibitions should be staged inside on that day. Perhaps there could be a re-enactment of the ceremony by local schoolchildren.
- Travel agencies and tour operators can devise some promotional packages with themes related to the handover. package can include visits to Portuguese buildings, churches, and the museums.
- Repeat the celebrations held in the Stadium. International tourists would be interested in that.
- Have another parade through the streets, but make it more festive - like the one in Brazil
- It's not necessary to make it a big celebration - it should be simple and informal.
- Most of the activities staged during the Handover have a limited appeal for international tourists. More events need to be added to make it an attraction worth coming to see.
- The Handover Event was a milestone in the history of Macau. It is absolutely necessary to promote it as a tourist attraction. Where else in the world can you experience such a unique heritage?
- Invite more famous singers from Portugal and its colonies to perform alongside Chinese singers. It can be a musical celebration with songs of freedom and hope.
- There should be a carnival which lasts for two days. No traffic on the streets should be allowed.
- The PLA should put on some kind of performance and use it as a day to entertain the local people and tourists
- Hotels and restaurants can offer big discounts to local people and tourists. Organise special banquets this time for the local people - businesses and charity organisations.
- It should be sponsored by the private sector and not be run by the government. I think local companies can invest in a celebration that could bring a profit not a loss to the community.
- Hong Kong residents can celebrate with Macau residents. All jetfoil tickets should be offered for free on commemoration day to attract Hong Kong people to come over. The casinos should be closed on that day to make sure only the right people come to celebrate and its not just another excuse to gamble.

### Item 3: Responses from Portuguese Students

#### 1. Do you think the Handover Event should be commemorated in the future?

Yes	No
<ul style="list-style-type: none"> <li>• Because the celebration will be about an historical period of the region linked to the presence of the Portuguese culture (34.6%)</li> <li>• The event may be used as a way of promoting different cultures and the understanding between different people (20.6%)</li> <li>• The event may be used to approximate and strengthen the relationship between Portugal and China (17.7%)</li> <li>• Tourism – it will become a tourism event (10.9%)</li> <li>• The event should be used to underline the understanding between different cultures and to be a hallmark (8.5%)</li> </ul>	<ul style="list-style-type: none"> <li>• Macau does not seem very interested in preserving its links to Portugal (52.8%)</li> <li>• It was the last 'Pearl of the Empire' and should not be celebrated because that will remind us that the ceremony represents the end of an important (and productive) phase of Portuguese history (25.0%)</li> <li>• Macau has decided to put an end to its relationship with Portugal. So why should Portugal be interested in celebrating this date? (11.1%)</li> <li>• This event will bring no profit at all to Portugal</li> </ul>

#### 2. Do you think the Portuguese legacy should be celebrated in future Handover Commemorative Events?

Yes	No
<ul style="list-style-type: none"> <li>• It represents an important phase of Portuguese history (36.1%)</li> <li>• It's one of the possible ways of preserving our heritage and our culture (31.4%)</li> <li>• It will allow established links between the Portuguese and the Chinese to continue (24.2%)</li> <li>• Tourism: It will make tourism better and richer (8.3%)</li> </ul>	<ul style="list-style-type: none"> <li>• According to the Chinese, Portugal does not leave that much in Macau (67.0%)</li> <li>• Portugal is no longer tied to Macau (33.0%)</li> </ul>

#### 3. What do you think could be done to make the Handover Commemorative Event an attraction for international tourism

- They will need to improve the offer of cultural and recreational events (28.3%)
- Better promotion, emphasising the link between the Chinese and Portuguese cultures (23.5%)
- A homepage should be launched on the Internet (11.1%)
- Creation of special packages for the young generation that does not know that much about the history of Macau (11.1%)
- To strengthen the political stability of the region which is critical for tourism (6.7%)
- The event should be celebrated every year (6.7%)
- Protocols of cooperation between Portugal and Macau should be instituted in the future (3.3%)
- The Macau authorities should create a special week devoted to the Portuguese presence in the region (3.3%)
- It is the Chinese who should decide what they want to do in the future (2.0%)
- Tourism supply has to be improved in the future (2.0%)
- Nothing should be done (2.0%)

## NIMBIN MARDI GRASS FESTIVAL: THE IMPACTS

Margaret Tiyce and Kay Dimmock

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### ABSTRACT

The Mardi Grass Festival is an annual political rally against the illegality of cannabis (Help End Marijuana Prohibition) as well as a celebration and demonstration of alternative lifestyle choices. Held at the time of the cannabis harvest, the festival runs for three days over the long weekend in May.

A survey of those attending the festival was conducted in 1997 and again in 1999 to examine certain aspects of managing the festival. The surveys collected information on demographics and expenditure as well as both visitor and resident perceptions. Also, interviews with event organisers and other information collected from business, media and other sources provided considerable insight into the impacts of the festival on the local and regional community.

A comparison is made of the economic benefits realised in the local Nimbin economy from the two festivals, by event organisers and participants, and local and regional retailers and suppliers. Issues such as leakage of festival benefits out of Nimbin are considered as a result of the study.

From social and cultural perspectives, Mardi Grass generates substantial interest. The festival is an avenue for developing non traditional creative and artistic expression. Values and beliefs that underpin alternative lifestyle approaches are reinforced. Similarly, it generates interest and even greater awareness of the political issues that motivate the event. The controversial substance of the celebration attracts the inquisitive who may be only seeking non committal entertainment value. Further, it reminds of the tensions created within communities by a desire to protest against particular freedoms.

The role of management in minimising negative impacts on a range of environments was central to this study. This includes the impact of festival visitors on other local infrastructure. Similarly, marketing and management opportunities and recommendations are made as a result of the findings.

### INTRODUCTION

Small rural communities across Australia are increasingly being encouraged to develop festivals and events as an adjunct to community development and economic prosperity. Festivals and events which attract tourism, can be particularly beneficial both economically and culturally. However, festivals and events can bring undesirable social change to communities and the way of life of their residents. It is critical that the impacts of festivals and events be managed effectively so that benefits accrue not only to select stakeholders, but to all of the host community.

The purpose of this paper is to investigate the social impacts of the Nimbin Mardi Grass festival. This exploratory study investigates the perceptions and attitudes of festival stakeholders in order to understand the social impacts of the festival on the host community.

The objectives of the study are to:

- identify stakeholder perceptions of the positive and negative impacts of the festival
- identify variations in the perceptions of stakeholders
- explore issues that may be influencing stakeholder attitudes
- review the implications for planning and management of the festival.

### THE SOCIAL IMPACTS OF FESTIVALS AND EVENTS

Community festivals and events that attract large numbers of tourists can have substantial impacts on communities (Getz 1991). Changes in collective and individual value systems, behaviour patterns, community structures, lifestyle and quality of life can result (Hall 1993; Milman & Pizam 1988). These impacts result from a complex process of interchange between tourists and host communities spurring a complex and often contradictory range of community responses. This process is driven by the impact tourism has on residents' personal lives and on their community (Langford 1994; Mathieson & Wall 1982).

Positive social impacts of festivals and events may include an increase in social services and improvements in infrastructure and recreational facilities and amenity (Getz 1991; Hall 1993). Education, cultural development and conservation are also positive benefits that may be stimulated by festivals and events. Other positive benefits include increased investment, employment, training, business opportunities and confidence by local business people. This may provide increases in income and the standard of living (Getz 1997; Goldblatt 1997; Mableson 1995).

Improved destination image and a sense of community pride in the destination may also evolve from hosting festivals and events (Mableson 1995; McDonnell, Allen & O'Toole 1999). As well, the interaction between tourists and local residents can provide opportunities for positive interaction, exchange of skills and ideologies, and enhanced understanding between different cultures (Hall 1993, Smith 1989).

The negative impacts tourism can have on the social structure of communities have been well documented (Hall 1993; Pizam 1978; Long & Perdue 1990). Changes in the traditional ways of life of residents, challenges to their values and morals, and reshaping of the image of the location can cause social instability and even displacement (Travis 1994). Festivals and events that attract large numbers of tourists can have significant effects on host communities.

Inconvenience and congestion are generally perceived as the greatest issues for local residents (Hall 1993; Brown & Giles 1994). Traffic congestion, restricted parking, crowding in shopping areas or other community places impact negatively on local residents (Fredline & Faulkner 1998). Those living and working in areas close to festivals or events and those in small communities unable to escape are the most negatively affected (Murphy 1985). Litter and noise pollution may also affect local residents, as may criminal activity such as vandalism, theft and property damage. Loss of outdoor amenity and recreational opportunities, environmental degradation and pollution are other well documented negative impacts (Long & Perdue 1990).

Alcoholism and drug addiction are other reported social impacts, which can manifest through the demonstration effect they can have on residents, particularly the youth (Murphy 1985; Hall 1993). Traditions, lifestyles, languages, values, morals and culture may be negatively eroded by tourism (Pizam & Milman 1996). This may lead to a perceived loss of identity, traditional ways of life and control over destiny (Hall 1993).

A changing community image, shaped by tourist demand, may result in local residents feeling like second class citizens in their own community. Local authorities and businesses may reinforce this perception by giving priority to infrastructure and

services for tourists and tourism related ventures at the expense of the needs of locals (Hall 1993; Pizam 1978).

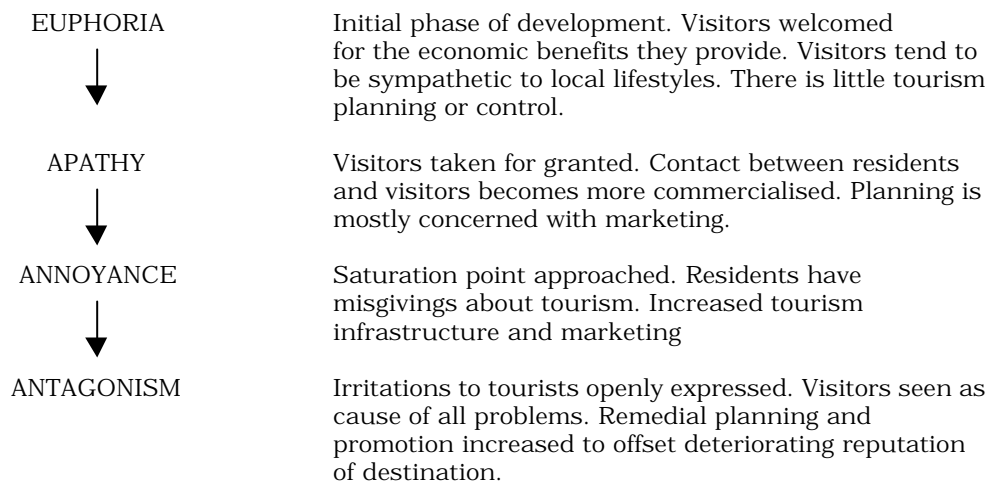
The intensity of social impacts experienced by a host community is believed to be related to the:

- length of residence
- number of visitors
- spatial distribution
- distribution of benefits
- racial, cultural and political differences
- respect visitors show for local resources, sensitivities and values
- strength of local character and identity
- level of participation in tourism policy formation (Hall 1993; Butler 1975).

While community attitudes can vary greatly from one destination to another, Murphy (1985) suggests that community attitudes are determined not only by the nature of the local community and the type of contact between the host and guest, but also the tolerance threshold of residents. Communities are believed to have a tolerance threshold or social carrying capacity. The social carrying capacity is the point in the growth of visitation where local residents perceive an unacceptable level of social disbenefit from further development (D'Amore 1983). Above this level the social costs of increased tourism begin to outweigh the benefits. This concept recognises that tourism's social resources, the hospitality of a host community, are finite and since exceeding this threshold produces an unfriendly attitude towards tourists, the viability of the festival or event and tourist dependent industry will decline (Mathieson & Wall 1982; Murphy 1985).

Doxey (1975) recognised that as tourism develops in a community it has a cumulative effect on the social interactions between residents and tourists (Figure 1.). Doxey suggested that, as impacts from tourism increased, residents passed through a continuum from initially embracing tourism to increasingly becoming irritated by its presence in the community. In Doxey's framework, resident attitudes to tourism development and the resulting strategies adopted by residents, are directly related to the stage of tourism development within a host community (Doxey 1975; Butler 1980; Getz 1983). According to Doxey, resident resistance to increasing tourism development is based on the fear of losing community identity (1975).

Getz (1991) and Walle (1994) use the product lifecycle to discuss the development of festivals and events. Similarly, Butler's (1980) tourist area lifecycle model suggests that tourism related change becomes more apparent and negative impacts, especially sociocultural impacts, intensify as a destination grows and matures. Like Doxey, Butler (1980) implies resident attitudes towards tourism deteriorate as tourism's negative social impacts on the community intensify.

**Figure 1 Doxey's Causation Theory of Visitor Resident Irritants**

(adapted from Doxey 1975)

Furthermore, as tourism develops, a community becomes more diversified in its reactions with increasingly polarised groups and responses developing (Dogan 1989). Dogan explains that this polarisation of views intensifies because tourism changes the power distribution, intensifying the conflicts between different interests in the community. The groups that are negatively effected become hostile and resentful. Local manipulation of power to favour tourism over basic rural industries may prove divisive, splitting a community into hostile political factions. Moreover, endorsement of tourism by authorities, while driven by altruistic notions of economic and social benefit, may only aggravate an already ostracised community (Dogan 1989; Smith 1989).

The community's developing attitudes to tourism, however, are more dynamic and complex than these unidirectional models depict (Langford & Howard 1994; Mathieson & Wall 1982; Belisle & Hoy 1980). Communities are not homogeneous groups with shared values, goals or attitudes. At any time, a wide range of opinions and attitudes towards tourism will exist in a community (Ap & Crompton 1993; Nell 1998; Davis, Allen & Cosenza 1988).

Butler (1980) cites a framework by Bjorkland and Philbrick that provides more insight into the dynamics of community reactions to tourism development. Recognising that community reactions exist on a continuum, they note that reactions may be *favourable and aggressive* in support of tourism activity; *favourable with slight acceptance* and support of tourism activity; *unfavourable but silent acceptance* of tourism activity; and *unfavourable, aggressive* opposition to tourist activity. The general public may be passive if they derive personal benefit, are not directly affected or they see no way of reversing the process.

Business people are likely to be favourable and aggressive and neighbourhood protection groups are likely to be aggressive and unfavourable.

Dogan (1989) suggested a similar model citing resident strategies of *adoption, boundary maintenance, retreatism* and *resistance*. Adoption of tourism, involves enthusiastic acceptance and promotion of tourism culture, where as *resistance* occurred when resentment, hostility and aggression were focused towards tourists and tourism resources.

Ap and Crompton (1993) further identified a continuum of four strategies residents adopt to deal with tourism, these being *embracement, tolerance, adjustment and withdrawal*. Because of the low level of conflict in their study, Ap and Crompton did not identify a resident strategy of aggressive opposition or resistance to tourism.

Greater promotion of the benefits of tourism to residents is commonly espoused as the key to greater community acceptance and, indeed, to overcoming community hostility towards tourism (Davis, Allen & Cosenza 1988; Brayley, Sheldon & Var 1990). Such an approach, however, also ignores the complexity of residents attitudes and attempts to minimise the important social disbenefits of tourism.

### **THE EVOLUTION OF NIMBIN AND THE MARDI GRASS FESTIVAL**

Nimbin is a small rural village located in northern New South Wales, Australia. Since the arrival of white settlers in the 1800s, Nimbin's economy was based on agriculture, predominantly dairying and bananas. In the 1960s a major shift away from

agriculture began to emerge in the economic base of many rural Australian communities. Nimbin was an early casualty, with the once strong dairy industry of the area shifting into steep decline. Many farmers left the area and businesses in the town centre closed (Dunstan 1994).

For a group of students seeking a conducive environment to hold a major youth festival, Nimbin was ideal (Dunstan 1994). The Aquarius Festival was held in the village in 1973. It was a major youth music and arts folk festival, and a celebration of alternatives to traditional lifestyles (Dunstan, cited in Dutton, Derrett, Dimmock, Luckie, Boyd & Knox, 1997). Many participants stayed on in Nimbin buying businesses and properties, and bringing with them different social values, attitudes and behaviours. A process of acculturation followed, where contact between two cultures results in an exchange of ideas and products with the stronger culture dominating and changing the weaker culture into a mirror image (Nunez in Smith 1977). This previously isolated traditional farming community was rapidly altered by the cultural differences of a young, urban, politically motivated and anti-establishment culture. A feeling of displacement from the village came early for many long time farmers and residents. As traditional families continued to leave the area, increasing numbers of new settlers were drawn to Nimbin's alternative hippie lifestyle. Integral to this lifestyle was the use of cannabis.

In this social climate, the first Mardi Grass Festival was held in 1989. Many antiestablishment festivals of the 1960s and 1970s have provided the impetus for modern cultural, music and arts festivals and events (Getz, 1991; Walle 1993). The Mardi Grass festival was a further evolution of the individual and collective needs and ideologies expressed by the Aquarius festival.

The annual Mardi Grass festival is a celebration of the values and lifestyle of Nimbin's alternative hippie culture, but it is also primarily a political law reform rally aimed at changing legislation prohibiting cannabis use. While in Australia the use of cannabis is illegal, this issue is being increasingly debated within the community (Altmann 2000). Mardi Grass challenges this illegality in a forum designed to inform the community, and celebrate the unique culture and identity of Nimbin.

The prolific artistic spirit of the area fuels a political and cultural celebration and protest. A wide range of cannabis related displays and activities span the three days of the festival. Based on traditional harvest festivals, elements include arts, crafts, music, spirituality, recreational activities, alternative foods and dress. Activities include the Harvest Ball, Hemp Olympix, Pot Poetry Breakfast and the Kombi Konvoy. These activities culminate in a Cannabis Law Reform Parade and Rally through the main street of the village, featuring the Big Joint and Gunja Faeries.

Nimbin and the Mardi Grass Festival have become the definitive iconic expressions of the 1960s hippie counterculture movement in Australia. Now a major tourist attraction, the Mardi Grass festival attracts approximately 10,000 visitors annually and contributes over \$350,000 to the local economy (Dimmock, Tiyce & Derrett, in press). In a village of approximately 600 people, this represents a substantial impact on community resources and the local economy.

Now a popular tourist attraction, increasing numbers of tourists visit Nimbin each year. Tourists are inquisitive about Nimbin, its alternative lifestyle, highly artistic culture, unique streetscape and surrounding rainforests (Derrett, Dimmock & Tiyce, unpub.). Some tourists are attracted by opportunities to do things that are inconceivable in the context of their usual lifestyles (Crompton 1979). Increasingly also, tourists come to Nimbin because of its tolerance of the use of illicit drugs (Balderstone 2000 pers. comm.).

The Mardi Grass festival and the related tourism is having a positive impact on the revitalisation of the commercial sector of the village. Over 95 percent of local businesses now obtain the majority of their revenue from tourists (Higgins 1993). This activity has not been confined to legitimate commercial establishments, with a strong trade in illegal drugs, predominantly cannabis, now evident on the streets of the village.

In May 2000 Mardi Grass celebrates its eleventh year. The event continues to openly advocate the liberalisation of cannabis consumption, much to the irritation of some residents who do not share the same values and ideologies. For a continuing number of conservative long term residents, disruption to their village and their established way of life has led to anger and increasing out migration. While the Mardi Grass has provided a mechanism for economic development in the village, it has also brought into focus a range of ongoing and increasingly serious social problems.

Increasing conflict within the community, the overt desire to liberate the community's lifestyle choices and the high concentration of visitation, all demand a closer investigation of community attitudes to the Mardi Grass to improve the management of the festival and its impacts on the community.

## METHODS

This exploratory study investigates the social impacts of the Nimbin Mardi Grass festival. The study investigates the perceptions of stakeholders in the Nimbin Mardi Grass festival in order to understand the social impacts of the festival on the local community. Eighty representatives from stakeholder groups and the Nimbin community attended a community forum in the Nimbin community hall on 1st March 2000. Public forums give all stakeholders an opportunity to openly

discuss issues, attitudes and opinions and may be effective in revealing undisclosed issues and agendas (Getz ; Clark cited in Sarkissian, Perlgut & Ballard 1986).

Attendees participated in open discussions and workshops about their attitudes to the festival, its impact on the local community and other stakeholder issues. Follow-up interviews were conducted with representatives from stakeholder groups. These were designed to provide greater detailed explanation of stakeholder perceptions and to clarify the nature of impacts and other relevant issues (Ticehurst & Veal 1999). The follow up interviews comprised nine open-ended questions, where participants were asked about their perceptions of the positive and negative features of the festival and its impact on the community. Stakeholder groups included representatives from the Nimbin Ratepayers Association, Nimbin Chamber of Commerce, Agriculture and Industry (A & I) Society, Lismore City Council, local police, health authorities, local business people, Mardi Grass organisers and local residents.

### **STAKEHOLDER PERCEPTIONS OF THE SOCIAL IMPACTS OF MARDI GRASS**

Stakeholder perceptions of the impacts of the Mardi Grass festival on the local community are polarised and highly emotive. In the mature stage of the lifecycle, the festival is perceived at one extreme as bringing nothing but negative impacts to the village and community, to being a highly positive event that provides a great deal of benefit to the village and community. Only those directly involved in the festival's organisation believed there were no negative impacts on residents that needed to be addressed.

Supporters claim Nimbin is 'at the forefront of political change' driving social justice and the decriminalisation of cannabis and, therefore, worth the minor intrusion it has on the local community. Conservative community members have difficulty understanding that section of the community that challenges the legal system. They see such a move as 'morally and socially wrong', and one that 'might be OK in the city but not in our town'. They are adamant that the cost to local residents is too high.

Mardi Grass supporters are of the view that the event brings social benefits to the village. Supportive residents claim Mardi Grass brings new visitors to the village who have an opportunity to experience and learn about art, craft and alternative lifestyles, and spend much needed money in the village. Some believe the event brings the community together and is 'a happy time for Nimbin'. Supportive local business people perceive positive benefits for the community through the revitalisation of the commercial sector and employment and training.

However, congestion and inconvenience are major issues for some residents, not only during Mardi Grass, but at other times as well. The festival is held in the village centre and main street. The small main street is not only the location of the town's small commercial area but is a major thoroughfare to towns and villages in the surrounding region. Vehicular access to the main street and areas beyond is very difficult during the festival and impossible for the duration of the street rally when the towns centre swells to approximately 10,000 people. Emergency access and provisions for disabled and elderly residents appear inadequate, fuelling concern from some residents.

Those residing in the immediate vicinity of Nimbin's main centre appear most effected by the event. Vandalism, theft, property damage, noise, litter, alcoholism and illegal camping are commonly reported by residents. With limited infrastructure to accommodate visitors or direct them away from the village centre, visitors party in the streets, camp on residents front lawns and generally consume the social amenity of the town with little thought for local resources, sensitivities or values. Fear and intimidation are common elements, especially for the elderly or unsympathetic. Safety is inevitably a major issue for local residents where crime levels are high (Ross 1992).

While event organisers argue for the use of the village showground, the A & I Society who oppose the festival are unwilling to provide access to this land. They realise one of the most effective instruments for control is the control of land use (Krippendorf 1987). There is also an overt decision by some retailers not to trade during Mardi Grass. Such aggressive opposition is believed to come only from those who will not directly benefit from tourism (Mathieson & Wall 1982; Ap & Crompton 1993). However the strength of opposition to the festival is such that members of the local Chamber of Commerce refuse to trade during the festival.

Many residents perceive Mardi Grass as an event that brings tourists all year round because of the image it presents. They don't want to be associated with such an ideology and are frustrated by the increasing popularity of Nimbin to a particular visitor market. Opposing community groups believe it is time the event was relocated to a larger centre, supposedly where it would attract greater political attention, but also evidently to remove it from their own backyard (Sarkissian, Perlgut & Ballard 1986).

A significant issue for the Chamber of Commerce and the Ratepayers Association is the support festival organisers have received from authorities. They perceive a lack of police vigilance during Mardi Grass, resulting in an increase in crime and unnecessary negative impacts on residents, at the indulgence of visitors and festival supporters. The local Lismore City Council also actively supports the festival and organisers, because of the



economic and social value the event is perceived to have for the community.

Participants were unanimous in the view that the costs and benefits of Mardi Grass are not distributed fairly throughout the community. Many believed the real economic benefits from the festival were channelled to those involved in the illicit drug trade with few economic benefits flowing on to the bulk of the community.

Calls were made by the Chamber of Commerce, Ratepayers Association and local health workers for Mardi Grass organisers to assume greater responsibility, and become more proactive, in addressing the escalating drug and health problems in the town. The connection between the Mardi Grass, tourism and the drug problems in the village have concentrated and intensified resident anger. That local youth are now being exposed to and adopting this drug culture is of great concern to most community members. The young may be particularly susceptible to demonstration effects; feeling limited by local opportunities they may readily adopt the behaviour and lifestyle of tourists (Murphy 1985).

Many stakeholders called for a greater voice in the planning and management of the festival. However, opposition groups (notably the chamber of Commerce, A & I Society and Ratepayers Association) were not confident about being given an opportunity to voice concerns or make positive improvements to the festival because of the differing values and ideologies of the festivals organisers.

Stakeholders supporting the festival suggested Mardi Grass needs a more educative, informative and cleaner image that broadens the scope of the cannabis issue from illegality of consumption to greater education and awareness of medicinal benefits, development of commercial hemp fibre and harm minimisation forums. Supporters called for the scope of the festival to be broadened to incorporate celebrating alternative lifestyles and traditional ways of life.

## DISCUSSION

While many differing attitudes to the Mardi Grass and tourism are present in the Nimbin community, there is little doubt that some community stakeholders are strongly opposed to the festival and the resulting tourism in Nimbin. Their attitudes can be explained by Doxey's (1975) Causation Theory of Resident Irritation.

Initially, even though Nimbin was in a state of economic decline, it is doubtful whether residents ever felt a state of *euphoria* about the influx of hippies to the village. Perhaps this was because local residents were not financially equipped to take advantage of the economic opportunities and because they did not share the customs, lifestyles

or values of the new settlers. While visitors did highly value the natural environment and lifestyle opportunities of the area, their lifestyles were very different to that of local residents. That many visitors stayed on in the village, while long time families had to move off their land, accelerated the irritation felt by many local residents.

Doxey's second stage, *apathy*, explains the development of more commercialised relationships between the host community and visitors. In Nimbin, new settlers became part of the social fabric and tourism became a normal feature of village life. The development of the Mardi Grass festival extended the range of activities for visitors and residents, while residents became accustomed to tourism seduced by the promise of economic and social benefits. Regional tour operators included Nimbin in their itinerary, bringing visitors from the popular coastal backpacker destinations of Byron Bay and the Gold Coast. The work of local art and craftspeople was encouraged and the Mardi Grass began attracting increasing numbers of visitors.

As the success of the Mardi Grass festival brought increasing numbers of visitors to the village, some sectors of the community began to experience *annoyance* as congestion and the changing character of the community began to change residents' way of life. For many local residents the perceived costs began to outweigh the benefits. Interestingly, as Doxey predicts, planners and policy makers are attempting to find solutions to the increasing social tension in Nimbin rather than advocating limits to growth. Perhaps driven by the imperative of economic benefit, they may have more positive attitudes towards festivals, events and tourism than others in the community. Alternatively the social impacts may not be perceived to be as important for those not personally impacted.

While there is much evidence that some Nimbin residents are in Doxey's *annoyance* stage, there is also ample evidence from this study that many more are now experiencing *antagonism* towards events such as Mardi Grass and the tourists it brings. Open hostility is evident as some residents perceive Mardi Grass to bring little but social and economic problems to the area. Many locals blame the Mardi Grass for the changes to their village, its image, services and the disruption to their lifestyle. The high concentration of visitors in a small precinct, the needs of the locals over ridden by the needs of visitors and the enormous amount of social change that has occurred in the village have been shown in previous studies to elicit hostility from local residents (Pizam 1978; Langford 1994; Ross 1992). In Nimbin, however, resident anger appears to be channelled predominantly at Mardi Grass organisers rather than at tourists.

The level of antagonism expressed by many stakeholders is intense, perhaps because the impacts are both dimensional and structural (Murphy 1985). In Nimbin, changes such as

congestion, traffic obstruction, noise pollution, violence, theft and drunkenness can be addressed through more effective planning and management. However, the changes brought about through tourism are also structural. The very nature of the society has been changed by a foreign and to many, repugnant ideology and politic. Such changes can be extremely difficult to remedy, with displacement and out-migration often the only recourse for those effected (Murphy 1985).

Not all stakeholders expressed antagonism towards the Mardi Grass. As already noted, many were supportive of the festival and event organisers expressing emotions that align closely with Doxey's stage of *euphoria*. Other stakeholders appeared to be entering the annoyance stage, calling for negative impacts to be addressed. This tends to confirm Dogan's (1989) view. As Mardi Grass has developed and tourism increased, the community has become more diversified in its reaction with community members becoming more polarised in their attitudes. This may well be because tourism has changed the power distribution in favour of those new settlers who advocate the use of illegal drugs. Not only have the traditional members of the community become hostile and resentful (Dogan 1989), they also contend with feelings of inadequate social justice and displacement from a community in which they believe they have traditional ownership.

Using the frameworks of Bjorkland and Philbrick (cited by Butler 1980), Dogan (1989) and Ap and Crompton (1993) resident attitudes expressed in this study can be categorised as :

- *Embracement* – event organisers, local tourism authorities, some local businesses, sympathetic local residents and tourists were aggressively in favour of continuing the Nimbin Mardi Grass festival.
- *Tolerance* – a small number of residents were in favour of the festival with slight acceptance and support.
- *Adjusted* – again only a small number of residents expressed unfavourable attitudes, slight acceptance. The local police force appeared to be utilising this strategy.
- *Withdrawal/Resistance* – a large section of the community expressed unfavourable and aggressive attitudes towards the festival in the village. While Ap and Crompton (1993) did not suggest a resident strategy of aggressive opposition or resistance, in this study it was evident that both withdrawal and resistance/aggressive opposition may be very similar strategies. Those members of the community that were aggressively opposed to the Mardi Grass expressed their hostility by actively withdrawing their resources and services from all aspects of the festival. They could not leave the village because of the need to protect their resources and their village.

It should be noted that public forums tend to attract those with strong views (Clark cited in Sarkissian, Perlcut & Ballard 1986; Ticehurst & Veal 1999). It is not surprising then that the strategies most evident in this study are those of *embracement* and *withdrawal/resistance*. The public forum may well have drawn those stakeholders with the most polarised attitudes. While polarised extremes can evolve along a continuum of social interaction, further research involving a more representative section of the festival's stakeholders may provide a better measure of the extent of such feelings in the community.

Greater promotion of the benefits of tourism to festivals and events is commonly expoused as the key to greater community acceptance and, indeed, to overcoming community hostility towards festivals and events (McDonnell, Allen & O'Toole 1999; Davis, Allen & Cosenza 1988). Indeed, Nimbin remains today a small, economically poor, rural village with high levels of unemployment and poverty. However, even after independent studies highlighted the real and potential economic benefits of the festival (Dimmock, Tiyce & Derrett, in press) many residents remained unimpressed. Of more interest to residents is the effect it will have on their daily lives (Crompton & McKay 1994). For many stakeholders, the negative social impacts of the Mardi Grass appear to be of far greater concern than the economic benefits.

## IMPLICATIONS FOR PLANNING AND MANAGEMENT

While the Mardi Grass is informally managed, predominantly by community volunteers, effective planning and management is critical. Particularly, the challenge is to minimise negative impacts and maximise positive impacts to ensure community objectives are achieved and there is minimal disruption to the local community's way of life. As a result, additional strategies will need to become part of the event organisers' responsibilities. Awareness of impacts and appropriate intervention through good planning procedures are necessary (McDonnell, Allen & O'Toole 1999).

Initially it appears a great deal could be done to address the negative impacts of the festival. Guiding tourists away from residential areas and placing capacity limits on festival attendance are two ways of addressing the social impacts on residents. A strategy of dispersion of events and activities often alleviates congestion (Getz 1997; Goldblatt 1997). Access provisions need to be addressed and special arrangements made to better accommodate the needs of locals. Better crowd management and security procedures may be implemented to alleviate crime and consumption problems.

Further minimisation of social discontent in Nimbin, however, requires broader community

involvement in the festival and its rewards (Ross 1992; Murphy 1985). Indeed, stakeholders must be willing partners in the hosting of festivals and events, especially where tourism is a major component (Allen, Long, Perdue & Kieselbach 1988; Langford 1994). Festival and event planning should be based on overall development goals identified by residents so that residents maintain their lifestyle and fulfil their own aspirations.

Mardi Grass organisers hold weekly meetings before and after the festival to discuss strategies for improvement. It is imperative that more community residents are encouraged to attend and have a greater influence on the planning and management of the festival. However, the development of real cooperation will require greater communication between stakeholders (especially those with conflicting views) and will need to address the related issues of community health, and respect for traditional values and lifestyles.

Examining stakeholder perceptions of impacts, priorities and festival related issues is an important first step in developing a community festival that is both economically viable and socially acceptable. The sustainability of the festival depends on monitoring and addressing stakeholder needs and concerns (Goldblatt 1997; Getz 1997). While this study has uncovered a great many issues that need to be addressed by festival organisers and stakeholders, further research and consultation is necessary to understand the level of impacts on the community and to identify appropriate strategies.

## CONCLUSION

Festivals and events that attract substantial numbers of tourists can have significant social impacts on host communities. The purpose of this paper was to examine the social impacts of the Nimbin Mardi Grass Festival on the local community. The study investigated the perceptions and attitudes of festival stakeholders, utilising a public forum followed by in-depth interviews.

The study showed that the festival's social impacts were related to the high concentration of visitors in close proximity to residents' homes, the inconvenience experienced by residents and the lack of positive benefits received by residents. Moreover, residents' perceptions of social impacts were neither objective nor homogeneous. The social and cultural distance between traditional long-term residents and the more recent settlers has created a disparate community with very different morals, values, behaviours and ways of life. These are reflected in the highly polarised perceptions stakeholders have of the impacts of the festival on the Nimbin community.

Although substantial differences between stakeholders exist, it is critical that the impacts of the festival and tourism to the village are fully analysed and addressed. Education and promotion

of tourism benefits to local residents will not alone ameliorate negative resident attitudes. While idealistic, it is imperative that festival organisers adopt a participatory approach to the planning and management of the festival so that all residents in the community have a say in guiding not only the future direction of the festival or event, but also the future development of their community.

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## **FARMERS' MARKETS AS SPECIAL EVENTS: A CASE STUDY OF AVENEL FARMERS' MARKET**

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### **ABSTRACT**

Farmers' markets occur when local producers gather on a regular basis to sell a variety of fresh fruit, vegetables and other farm products directly to consumers. Although such markets have existed around the world for centuries, many disappeared with the emergence of supermarkets. However, there has been a recent resurgence in interest in these types of markets from both the suppliers (farmers) and consumers (locals and tourists).

From a tourism perspective, farmers' markets have the potential to generate regular, repeat visits from high spending visitors who are seeking quality foods which may be exotic or more unusual than the fresh produce found in their local shops. A growing trend is the incorporation of such markets in the broader context of regional events and festivals. The annual Melbourne Food & Wine Festival 'explores and celebrates Melbourne's passions for fine food, the arts and culture' (MF&WF1999), and a regional expression of this festival is a series of events held throughout Victoria aimed at highlighting and promoting local produce.

The Avenel Farmers' Market in the Shire of Strathbogie, Victoria, is an annual event held during this festival period. As the number of stallholders has more than doubled in the three years of operation, the organisers and the local shire were keen to determine the future demand from farmers to operate stalls at the market and its potential to become a more frequent event.

From the supply side, many farmers have recognised the benefit of selling their produce at markets where the more discerning customers and food connoisseurs may purchase their products. From the demand side, customers have begun to recognise the quality and variety that can be found at regional farm produce markets, where the produce is freshly harvested and the opportunity exists to buy 'fresh, natural food, with flavour'.

The present project surveyed over 1,000 landholders (with land of 1.5 hectares and above) in the Shire of Strathbogie, and determined the willingness and ability of the landholders to participate in the Avenel Farmers' Market. Landholders were asked if they had previously participated in the market, their plans to participate in the future and the produce they grow or plan to grow. The implications of the findings are discussed in relation to the marketing and other aspects of management of the farmers' market, and in relation to the potential of the market to develop as a regional tourism event.

### **INTRODUCTION**

In Australia the federal and state government authorities have begun to focus on rural tourism development as a priority in tourism. Each state has developed a tourism strategy designed to entice visitors away from gateway cities and into the countryside. In Victoria, the government authority, Tourism Victoria, designed a 'Jig Saw Plan' that initially attracted visitors to Melbourne and then encouraged them to lengthen their stay by visiting

regional and rural Victoria. The Victorian jig saw is divided into thirteen product regions with each of these regions marketed according to their unique iconic landscape and tourism content. It was estimated that in 1993-94, \$19 billion was attributed to domestic overnight tourism in Australia, with predictions of 'strong growth expected over the next decade, [and] excellent opportunities for growth in rural tourism' (Rural Tourism Program 1998:4). There is obvious scope for increasing and developing the rural tourism profile and for dispersing tourism expenditure to regional areas. However, a key issue for government authorities is how to 'manage and package this tourism potential' (Rural Tourism Program 1998:5). One of the ways suggested in this paper is by encouraging the growth of rural tourism through the development and expansion of a community event such as a farmers' market.

## RURAL AND AGRICULTURAL TOURISM

Any region is multi-dimensional in nature with the historical makeup of a region, together with its political, administrative, socio/cultural and environmental structure creating a complex weave which gives the region its individual character (Murphy and Dore 2000). As a result of this diversity in regions, it has been suggested that research in tourism development has tended to gravitate toward larger, more established tourism sectors and shied away from rural tourism research that is characterised by a rather dispersed and fragmented marketplace. Much of the previous rural tourism research has been focused on the 'attitudes of locals and residents on development related issues' (Kastenholz et al. 1999:353) whereas the current research considers the potential of rural tourism development by focusing on a particular agricultural rural event. Rural tourism involves:

'activities, attractions and destinations which draw people outside our capital cities and into rural Australia. Its clean air, open spaces, character-filled towns and warm hospitality, are all very attractive to domestic and international tourists. It can provide enormous benefits to regional areas through additional sources of income, employment opportunities, improved infrastructure, interaction with people from different backgrounds as well as by preserving our heritage and history' (Rural Tourism Program 1998).

The above description is an idyllic view of rural tourism, as the realities are often very different. With a lack of infrastructure, transportation, amenities, and, at times, a declining agricultural base, diminishing population and changing land use patterns, many regional areas are unable to provide the 'picture-perfect' experience described above. In addition, as Bramwell (1991: 538) has commented, the concept of the countryside is often 'idealised and romanticised and infused with a

nostalgia which is unduly conservative and with a symbolism which is trivial'.

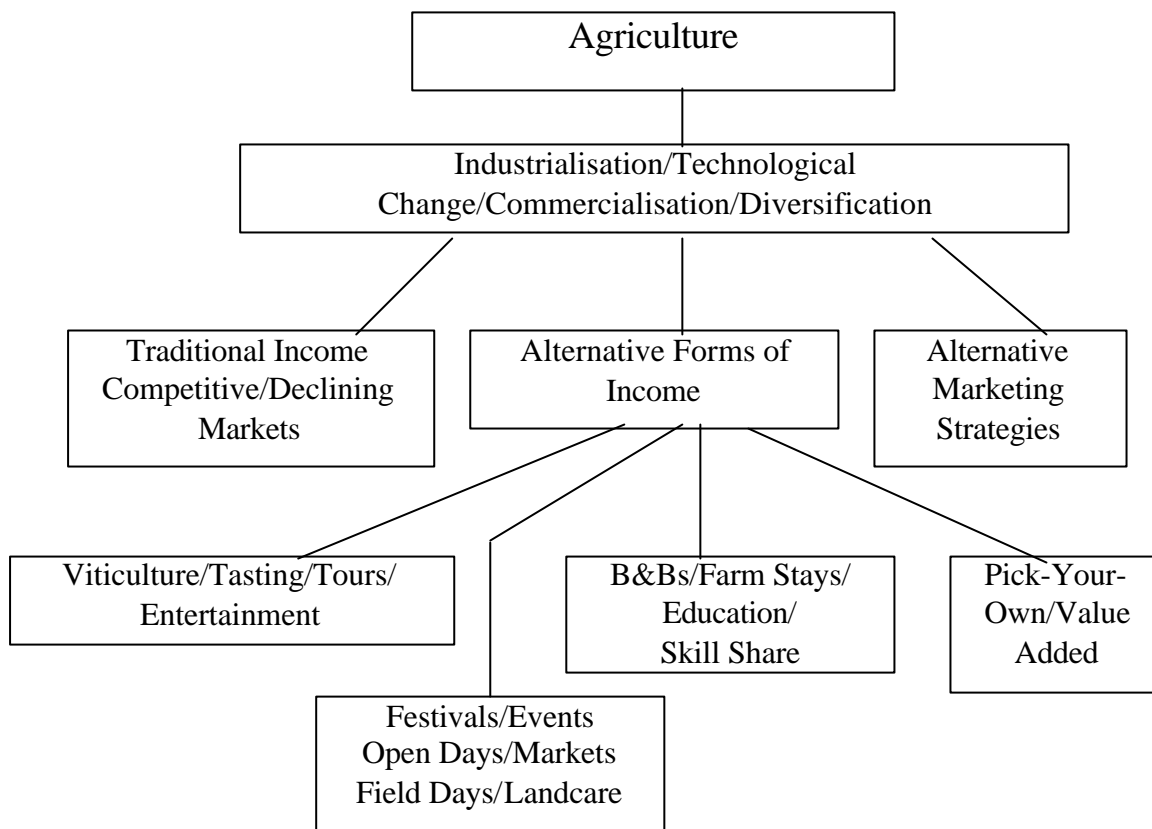
The present research focuses on one form of rural tourism, i.e., agricultural tourism. Agricultural tourism has traditionally been described as:

'an enterprise that produces and/or processes plants or animals and which also strives to attract visitors to enjoy the agricultural attributes of the operation and its site, and/or to purchase agricultural products produced or obtained by the enterprise' (Cox and Fox 1991:18).

Therefore, agricultural tourism includes festivals and country fairs, pick-your-own fruit farms, roadside stands, farmers' markets, farmers' villages, farm stays and farm visits.

Figure 1 highlights the position of agritourism within the agricultural industry. The model differs from earlier models of agritourism such as Cox and Fox (1991) who had, as their initial starting point, the development of agriculturally based tourism activities. Instead, this model acknowledges the alternatives available to a farmer other than tourism related activities.

The role of agriculture in the local economy and its relationship to rural tourism development is an important one. For some regions, the tourism profile is largely dependent upon the local agricultural product with examples in Victoria including the Gourmet Trails in the Yarra Valley, High Country and Gippsland. Also in Victoria, the Melbourne Food & Wine Festival provides a four week program of culinary experiences ranging from breakfasts, dinners, cooking competitions, tastings, master classes and demonstrations. It also provides visitors with a choice of special events, such as grape grazing experiences, wine tastings, picnic races and unique 'degustations featuring Victorian produce' (Melbourne Food and Wine Festival 1999: 2) such as locally produced cheese, fish and beef products. One special event featuring local or regional produce is the 'World's Longest Lunch' (Melbourne Food and Wine Festival 1999). There were 10 'longest lunches' scheduled in regional locations throughout Victoria in 1999 and in 2000 there will be 15 (Melbourne Food and Wine Festival 2000). Also as part of the Melbourne Food and Wine Festival, is 'A Day in the Country' which provides a selection of winemaker's luncheons, unique and rare wine tastings, picnic and entertainment events and an opportunity to visit, taste and purchase a selection of regionally produced products. In 2000 there are more than ten such events spread across regional Victoria. One such event is the Goulburn Valley Vintage Festival, which incorporates the Avenel Farmers' Market. This festival occurs in the Shire of Strathbogie approximately 90 minutes drive north of Melbourne and is the focus of the case study in

**Figure 1: Agritourism Model**

this paper. Therefore, in this paper, the present research considers a farmers' market as an agricultural rural event where the purchasing of the agricultural produce occurs off-site.

#### **DEFINITION OF A FARMERS' MARKET**

For the purposes of this paper, a farmers' market is defined as, a market where the products and/or services are sold directly to the consumer by the producer (or farmer) (Marr and Gast 1995; Farmers' Market Federation of New York 1999). Similarly, the expression used by Tronstad and Leones to describe a farmers' market is 'direct farm (or range) marketing' (1995: 11). Marr and Gast (1995:11) note that some markets limit sales to only 'homegrown items, produced by the seller'. Specific products often include fruits, vegetables, eggs, honey, flowers and other home-produced items and, in some markets, crafts and related items. To this can be added a range of value-added products such as jams, pickles, chutneys and home processed goods.

A farmers' market can be viewed as being an 'old institution being revived to fit new times' (Sommer and Wing 1980:10) as in the past, most cities had public markets where farmers sold directly to local residents, whereas, in recent years, there has been a move from a

'system of direct exchange between produce and consumer, to a system of exchange

involving a complicated marketing channel composed of many types of market intermediaries performing many varied functions' (Bennett, 1974: 1).

Sommer and Wing (1980:10) suggest that the decline of farmers' markets in western economies 'happened because of the growth of cities and suburbs, improved food transportation, and increased popularity of chain stores'. However, there has recently been a resurgence of interest in farmers' markets according to Adams (1999:113) with:

'over 3000 regular seasonal and all-year markets across America, operating from supermarket car parks, in closed-off suburban streets, along river banks and in purpose-built pole-frame barns'.

Throughout Australia, there is also growing evidence of the increasing popularity of similarly styled markets of various sizes including Melbourne's Queen Victoria Market and the Sydney Growers' Market operating at Pymont. In addition, regional areas of Australia regularly host Agricultural Field Days where products related to the growing and harvesting of agricultural produce are exhibited and sold. Table 1 illustrates the size of the Field Days in terms of visitors and numbers of exhibitors and demonstrates the level of interest in these agriculturally-based events.

Farmers' markets operate within the context of an agricultural and/or a horticultural environment. They are the direct result of farmers choosing to participate in a locally organised business environment. The product can be viewed as being a by-product of the traditional farming activity or a surplus product brought to an external market environment. Although farm produce can include both an agricultural and horticultural product, the common perception is that farmers' markets are primarily focused on horticultural produce. Horticulture is the art or science of cultivating gardens and includes such products as fruit and vegetables, whilst agriculture is the science or occupation of cultivating land and rearing crops and livestock (Makins 1992) and includes such products as cereal cropping, tree plantations, and animal farming. However, Marr and Gast (1995:15) suggest that farmers' markets offer:

'a market outlet for horticultural crops sold by persons supplementing their incomes via excess garden produce or farmers who have diversified their farm operations to include horticultural crops'.

In addition they note that some pick-your-own operations sell excess fruit and vegetables at farmers' markets.

To further elucidate and clarify the realm or domain of farmers' markets, it is proposed that farmers' markets can be viewed as existing on a variety of continua. It is suggested that farmers' markets can be characterised in at least five different ways:

- the number of stalls offered, i.e., small number of stalls versus large number of stalls
- the extent of protection from the elements, i.e., open-air markets versus indoor (or enclosed) markets
- the location of the market, i.e., city centres and urban fringes versus small regional towns and villages
- the time of year of operation, i.e., year-long markets versus seasonal markets
- the frequency of operation, i.e., frequently held (e.g., twice a week) versus infrequently held (e.g., once a year).

Blake (1994: 1) suggests that a farmers' market is, 'both an event and a point of sale. As an event, it provides a focal point for a community, an opportunity for direct exchange between growers and consumers, and a place for socialising. As a point of sale, according to conventional wisdom, it offers better quality produce at lower prices because farmers can market directly to consumers'.

Indeed, as suggested above, a farmers' market is often part of an agricultural event or a community festival. As community festivals are an important means of attracting day-trippers and weekenders, regional events help to improve the image of the destination area, therefore generating an increase in general purpose tourism (Getz 1991).

### Benefits of Farmers' Markets

From the individual farmer's perspective, becoming involved in a farmers' market has the following advantages:

- Cash sales, immediate payment and more control over prices (Young 1995)
- The farmer can specialise in production and not be involved with marketing activities as this is done perhaps by individuals who are hired to oversee the organisation, rules and regulations and promotion for all growers (Tronstad 1995)
- Opportunity to sell odd-sized or oversized products that would be rejected in the wholesale market (Tronstad 1995);
- Using a farmers' market means a farmer can avoid having to allow customers on to their land (Tronstad 1995);
- 'The entire fresh product industry benefits from an increase in consumer awareness of the quality of fresh fruits and vegetables' (Sommer and Wing 1980:12).

**Table 1: Agricultural Field Days in Victoria during 2000**

Location	Date	No. of Exhibitors	No. of Expected Visitors
Seymour	February	500	40,000
Dooen, Wimmera	Feb/March	600-800	25-30,000
Warrnambool	March	500	15,000
Warragul	March	800	70,000
Wangaratta	March/April	120	-
Yarra Valley	April	400	30,000
Goulburn Valley	April	-	10,000
Bairnsdale	April	200	6,000
Geelong	April	450	30,000
Melbourne	June	200	23,000
Hamilton	August	500	20,000
Elmore	October	550	42,000
Wandin/Silvan	October	200	7,000

Source: The Weekly Times (2000) pp. 39-41 and 72-76.



- Can be appropriate for small farmers who only grow a small amount of produce (Tronstad 1995);
- As the type of people who supply produce to farmers' markets may be mostly part-time, retired or hobby gardeners, it provides a means to supplement their incomes (Marr and Gast 1995).

Sommer and Wing (1980: 12) suggest that 'for the sellers as well as the customers, the markets are an incremental rather than a primary market'. They suggest that,

'the existence of markets has encouraged several small growers to expand their operations and to alter their planting schedules so that they will have many varieties of items ripening throughout the growing season'.

From a customer's perspective, visiting a farmers' market has the following advantages:

- Prices are competitive compared with prices offered by other outlets (but are still higher than wholesale to benefit the farmer). Sommer and Wing (1980: 11) state that, in the US, fruit and vegetables at farmers' markets are 'more than a third less expensive than the same items at the supermarket'
- Some farmers' markets such as Sonoma California operate so that all produce brought in must be sold by the end of the day which results in good bargains for customers at the end of the day (Sommer and Wing 1980)
- Farmers' markets often create a pleasant atmosphere to spend some leisure time. Tronstad (1995) quotes the chief executive director of Farmers' Markets Ontario, who suggests that 'people come for the freshness and stay for the fun'
- There is a variety of produce for sale, i.e., a number of varieties of a single produce item, such as six types of tomato, peaches or grape (Sommer and Wing 1980)
- Produce from farmers' markets has been shown to be preferable to produce from grocery stores (Sommer, Stumpf and Bennett, 1982).

Marr and Gast (1995) summarise the many benefits to the consumers of visiting a farmers' market by suggesting that customers enjoy receiving fresh, high quality products and the opportunity to directly interact with the producer. They suggest that 'the appeal of the market is greatest if the vendors are local producers' (1995: 11).

## BACKGROUND TO SURVEY

The Avenel Farmers' Market is an annual event that showcases agricultural produce, wine, cuisine and selected value-added produce created within the Shire of Strathbogie, Victoria, approximately 90 minutes drive north of Melbourne. It is in its third

year of operation. The market is part of the Melbourne Food and Wine Festival and in 2000 was run in conjunction with one of 15 'World's Longest Lunches' and a vintage festival, incorporating three wineries within the Shire.

The market operates from 10am until 5pm on a Saturday in March. In previous years the cost of the market has been subsidised by the Shire (in 1998 it cost \$25 for siteholders and was free to 'community activity' siteholders). However, in 2000 the cost of a site varied from \$25 to \$50. Each siteholder is provided with a trestle table and is expected to bring their own table cloths, decorations and shade umbrella. In its first year of operation the market had 17 siteholders selling locally produced goods to 300 visitors. In its second year the number of siteholders increased to 40 and visitors to 800. In 2000 there were 44 siteholders and 1000 visitors to the market. Therefore, each year the market has grown substantially, from 17 siteholders when it first began in 1998 to 44 siteholders in 2000.

## METHODOLOGY

There were three main aims of the present survey:

- to determine the level of interest among local farmers' for participation in the annual Avenel Farmers' Market
- to determine the range of agricultural and horticultural products which the region produces and in so doing, to establish a seasonal calendar of locally produced goods
- to identify other existing farm tourism activities in the region.

A questionnaire containing 35 questions was devised for distribution to property owners of land of 1.5 hectares and above within the Shire of Strathbogie, Victoria. Of the 35 questions, 28 were closed questions and seven were open-ended. Using a database supplied by the Shire, a total of 2751 property owners were identified. After a closer examination it was found that a number of entries in the database were duplicated and therefore the total number of property owners to be surveyed was reduced to 2000. The questionnaire, along with an introductory letter explaining the purpose of the survey, was sent to property owners in the Shire. Included in the mail-out package was a leaflet advertising the next Farmers' Market in March 2000 and a copy of a recent magazine article outlining the concept of farmers' markets in Australia and overseas (Adams, 1999).

## RESULTS

Of the 2000 questionnaires distributed, only 129 (7%) were returned. No follow-up was undertaken after the questionnaire had been distributed which, in hindsight, would have been prudent. As the response rate was low the following results should be viewed as indicative rather than conclusive.

In the following results the response rate varied as some respondents answered some questions and not others. Of the 127 respondents who answered the question about what is produced on their land, 91 (72%) produced some form of produce on their land, while 36 (28%) indicated they did not produce any products at all. Fifty-seven of these respondents (63%) were classed as agricultural producers, 30 (33%) as horticultural producers, 3 (3%) as other, and 1 (1%) as producing both agricultural and horticultural products (Table 2). Agricultural produce was defined as cereal cropping, tree plantations, and animal farming. Horticultural produce was defined as fruit and vegetables. 'Other' included such products as furniture, oil paintings, agistment facilities and yarn manufacture.

Property owners were asked to indicate which produce they currently harvest in which season (Table 3). A separation of agricultural and horticultural products would be essential to differentiate products for potential sale at a farmers' market as produce such as lucerne and pasture hay is not usually sold at such markets. More specific identification of vegetable types would also be essential. Of the 20 respondents to this question, 8 (40%) indicated they could harvest enough produce in one or more seasons to sell commercially. Five (25%) indicated Autumn as being a season for harvesting enough commercial produce, 2 (10%) indicated Spring, 3 (15%) indicated Summer and 2 (10%) indicated Winter as the best time for harvesting commercial produce.

Only 7 of the respondents surveyed indicated they had participated as a siteholder previously at the Avenel Farmers' Market. However, 19 (15%) respondents indicated they would be interested in participating as a siteholder in the future, and 78 (61%) respondents indicated they plan to visit the market in the future. So, although the sample size of respondents was small, results show there is a reasonable interest in future participation.

Table 4 indicates how frequently the respondents thought the market should occur. The sample size for the question is too small to be an accurate reflection of potential of participation but rather the results may indicate that siteholder participation may be influenced by the availability of seasonal crops. For example, only 5 of the respondents were in support of increasing the frequency of the market to once a month. However, 8 respondents were in favour of holding the market every six months and 8 for every three months. Therefore, some support was given for holding the market quarterly or six monthly. Clearly, further research should be undertaken before increasing the market's frequency.

Property owners were asked if any farm tourism activities were currently conducted on their properties. The activities listed were Bed and Breakfast, Picnics, Farm stays, Other activities and

More than One Activity. Examples of the responses given in the 'Other' category are listed in Table 5.

## DISCUSSION

Whilst the sample size of the survey was small, some valuable information was gained. There is a large horticultural profile within the Shire of Strathbogie, which offers opportunities for further development. The survey provided valuable information on the type of produce available within the Shire and the potential for incorporating this at future markets. The diversity of tourism activities currently being conducted on farms in the region provides an opportunity for developing a range of agricultural tourism packages, perhaps including attendance of the Avenel Farmers' Market.

The key issues in establishing and operating an effective farmers' market appear to be the existence of a ready and reliable source of produce available, consideration of the frequency with which it is held, based on the availability of produce, and consideration of the facilities provided.

Consideration should also be given as to who organises the farmers' market and who promotes it, e.g., a cooperative or an organising committee (if so, what is the benefit of doing so for the committee?). In the UK, growers are charged a membership fee by the organising committee for the entire season or pay on a one-time basis, as space is available. Promotional expenses of farmers' markets are spread between the growers so per unit advertising costs are generally kept low. Issues that are dealt with by the committee are zoning, licenses, health permits, and sanitary requirements (Tronstad 1995). These are similar to issues that should be considered in the continued development of the Avenel Farmers' Market.

## FURTHER RESEARCH

Further research was conducted at the Avenel Farmers' Market in March 2000, the results of which will be the subject of a further research paper. Two survey questionnaires were used, one of siteholders and one for visitors. The siteholders were asked questions relating to their experience at the market, their ideas for improving the market and their intention to participate again in 2001. The survey also identified new forms of produce, value-added products and the siteholder's preparedness to contribute to a joint marketing campaign. The research will help to determine the extent to which, when establishing a farmers' market, the organisers should determine:

- possible organisation needed of the vendors or sellers
- operational procedures for the market (Marr and Gast 1995).

**Table 2: Produce Grown in the Shire of Strathbogie**

Type of Produce Grown	Frequency	Valid %
Agriculture	57	45
Horticulture	30	24
Other	3	2
Both Agriculture and Horticulture	1	1
No produce grown on land	36	28
Total	127	100

**Table 3: Seasonal Harvest Chart**

Spring	Summer	Autumn	Winter
*Organic vegetables	*Organic vegetables	*Organic vegetables	*Organic vegetables
*Vegetables	*Vegetables	*Vegetables	*Vegetables
Grapes	Grapes	Grapes	Grapes
Mushrooms	Mushrooms	Mushrooms	Mushrooms
Pumpkins	Pumpkins	Pumpkins	Kale
Wine grapes	Olives	Olives	Olives
Baby corn	Baby corn	Baby corn	
Yabbies	Yabbies	Yabbies	
Garden plants	Garden plants	Garden plants	
Herbs	Herbs	Herbs	
Thyme	Berries	Berries	
Broadbeans	Tomatoes	Tomatoes	
Rosemary	Oats	Oats	
Almonds	Almonds		
Pasture hay	Leeks		
Lucerne	Hazelnuts		

\* More specific identification of types of vegetable and organic vegetables was not given.

**Table 4: Proposed Frequency of Markets**

Frequency	Number of responses	%
Every six months	8	35
Every three months	8	35
Every two months	1	4
Once a month	5	22
Once a fortnight	1	4
Total	23	100%

**Table 5: Farm Activities Listed by Respondents**

Vineyard Tours and Tastings	Wine and Food days
Almond Sales	Birdwatching
Aboriginal Art Sales	Bio-diversity and Seed Propagation
Spiritual Retreats	Technical Farm Tours
Door Sales	Shooting
Rotary Dairy Operation Viewing	Information Field Days
Worm Farm	Educational Landcare
Factory Outlet - Wool garments and yarn	Herb Farm
Equestrian Pupil Accommodation and Tuition	Willing Workers on Organic Farms (WWOOF)
Stallion inspections and mare owner visits	Educational Exchange Students - Short farm stays

A profile of visitors to the 2000 market determined the geographical distance people travelled, how they learned of the market, their opinion of the market, an evaluation of the promotion of the market, identification of ways to improve future markets and identified what products were in demand. The survey of the visitors also explored the packaging potential of the market and supporting activities, determined what other activities visitors undertook when in the region, what their expenditure was and if they plan to repeat their visit in the future. The visitor survey also determined the extent to which the following reasons were important in their decision to visit the farmers' markets:

- to sample and purchase produce
- to socialise with family and friends
- to learn about food and food production
- to meet the local producer.

## CONCLUSION

As the Avenel Farmers' Market is a relatively young event (only three years old) the opportunity exists to develop and enhance its potential as a lucrative regional tourism event. The market should continue to be promoted in conjunction with the other regional events occurring at the same time, i.e., the World's Longest Lunch and the Goulburn Vintage Festival. However, the market would also benefit from promotion via other Victorian regional events such as festivals that have gardens, heritage, or country music as their main themes. Agricultural tourism packages, which incorporate a visit to the farmers' market, could also be developed. Such packages could incorporate tours of farms and wineries and involve agriculturally based tourism activities.

At present, food and wine tourism is currently receiving significant attention from federal and state governments. For example, Tourism Victoria's recently developed the *Food and Wine Tourism Development Plan 1998-2001* that recognises the strong association between food and wine in Victoria. In the Development Plan it is noted that Victoria is known as the 'food bowl of Australia' with its excellent supply of cheese, lamb, venison, fruit, trout and yabbies. Therefore, as well as the opportunity of developing food and wine packages incorporating the Avenel Farmers' Market, there is also the opportunity to become involved in Tourism Victoria's network of regional food and wine trails, their *Food and Wine Lovers Getaway* brochure and their *Calendar of Food and Wine Events*.

Farmers' markets have the potential to encourage more tourists to regional Australia. A visit to a farmer's markets could be promoted as a 'lifestyle' experience where the visit is part of a broader regional tourism experience with links to wine, arts and crafts, and the environment. Farmers' markets also have a strong educational component. One of the benefits of learning about farm produce is that

it makes it easier for a visitor to know what to buy and provides a greater understanding and appreciation of how food is produced. Farmers' markets therefore give individuals the opportunity to reconnect to their source of food, and encourage them to visit the source of production, that is, regional Australia. However, the key tasks needed to continue to enhance the benefits of farmers' markets are to determine the markets for agricultural tourism focused on food and wine and to encourage the development of agricultural tourism product through research, education, advice and facilitation.

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