“IT WAS NEVER Ours”: FORMALISED EVENT HOSTING RIGHTS AND LEVERAGE

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DEFINITIONS

Event Leverage:

- “[The] phenomenon of strategically planning for the maximization of both short and long-term event outcomes.” (O'Brien & Chalip, 2007: p. 296-7)

Event Rights:

- The authorisation from an owner to use elements of an owned asset e.g. naming rights, hosting rights, broadcast rights

Formalisation:

- The “extent to which an organisation uses rules and procedures to prescribe behaviour” (Fredrickson, 1986, p. 283)
It was never ours: Formalised event hosting rights and leverage

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**Abstract**

The awarding of event rights is an integral element of large-scale event hosting. While formalised regulations often act as a coordination mechanism to ensure events are implemented in accordance with strict parameters, how the formalised regulations of event rights owners influence the ability of host cities to leverage and benefit from events is unclear. Through 19 in-depth interviews, this study investigates how formalised regulations of the International Cricket Council (ICC) influenced how two host nations, Barbados and Jamaica, leveraged the 2007 ICC Cricket World Cup. Results revealed that the formalised environment limited the benefits to host countries, but leveraging was still possible. Some stakeholders pushed back against the restrictions to secure targeted benefits from the event. Significantly, these benefits continue to contribute to local economies 10 years after the event. A grounded theory model demonstrates how formalised regulations influence host destinations' efforts to leverage benefits from an event.
FROM IMPACT TO LEVERAGE

EVENT IMPACT
- Focus of early discussion
- Short-term
- Tangible
- Economic effects e.g. infrastructural development
- Traditional ex post impact-driven

EVENT LEGACY
- Progression of discussion
- Long-term
- Tangible & Intangible
- Wide-ranging effects e.g. social, tourism & cultural

EVENT LEVERAGE
- Short & long-term
- Tangible & Intangible
- Strategic
- Co-ordinated
- Integrated
- Strategic ex ante analytical approach
WHAT WE KNOW ABOUT LEVERAGING

What we know…

- Gradual change in event benefits *discourse*
- Perspective of one stakeholder dominates
- Focus on large-scale and mega-events: e.g. Olympics, Federation Internationale de Football Association (FIFA) World Cup
- Event leverage generally presented as useful and positive strategy
- Has been claimed to be successful with some events
WHAT WE DON’T KNOW ABOUT LEVERAGING

What we don’t know

• Impact of event leverage strategy on small-scale events
• The role of relationships in creating, leveraging and maintaining an event portfolio
• How the rules and regulations of event rights owners impact event leveraging in the host community
• How to effectively leverage small businesses as service providers to large-scale events
WHAT WE KNOW ABOUT FORMALISATION

What we know…

- A dimension of organisational structure, a basic tenet of organisational theory
- Organisational structure refers to the internal pattern of relationships, authority, and communication that characterise a particular organisation and enable its operation (Thompson, 1967)
- Formalisation offers structure, coordination and procedures. These are necessary for large-scale events that are engaged in a bidding process
WHAT WE KNOW ABOUT FORMALISATION

What we know…

• Despite the value of standardisation offered by formalisation, there can be negative impacts
• A main criticism is that formalisation hinders experimentation, innovation, constrains creativity, autonomy and exploration
• In some cases the lack of autonomy may alienate those who are tasked with implementation
WHAT WE DON’T KNOW ABOUT FORMALISATION

What we don’t know...

- How the rules and regulations of event rights owners impact event leveraging in the host community
- How hosting agreements may restrict a local destination from leveraging an event
- How to effectively leverage small businesses as service providers to large-scale events
WHAT WE KNOW ABOUT EVENT RIGHTS

What we know…

- The right for a city or nation to host an event
- Awarded after a formalised competitive bid process
- Large-scale events must be executed according to strict guidelines established by the event rights owner
- Host agreements often direct local organising committees (LOC) to focus on operational activities to successfully deliver the event
WHAT WE DON’T KNOW ABOUT EVENT RIGHTS

What we don’t know…

• How to collaborate to secure mutual benefits for both the event rights owner as well as the host destination
• How the rules and regulations of event rights owners impact event leveraging in the host community
• How to effectively leverage small businesses as service providers to large-scale events
SUMMARY OF WHAT WE DON’T KNOW

- How the rules and regulations of event rights owners impact event leveraging in the host community
- How to effectively leverage small businesses as service providers to large-scale events
- Impact of event leverage strategy on small-scale events
- The role of relationships in creating, leveraging and maintaining an event portfolio
- How hosting agreements may restrict a local destination from leveraging an event
- How to effectively leverage small businesses as service providers to large-scale events
- How to collaborate to secure mutual benefits for both the event rights owner as well as the host destination
RESEARCH AIM

The specific research aim of the study is to:

To examine how the formalised regulations of event rights owners influence the ability of host cities to leverage and benefit from events.
METHODOLOGY

- Postpositivism interpretive framework with a grounded theory approach to the research inquiry
- This allows for the incorporation of multiple views from participants who have all experienced the process under investigation
- Inductive approach- the building of theory from the ‘ground up’; that is grounded in the data generated from participants (Creswell, 2013)
- 19 Face-to-face semi-structured interviews conducted with key participants in Barbados and Jamaica.
THE STUDY

- **Research Purpose:** To examine how the rules and regulations of event rights owners impact event leveraging in the host community
- **Sample:** Nineteen key tourism stakeholders & former LOC members
- **Selection:** Purposive and snowballing

- **Data Collection Area:** Barbados and Jamaica
- **Data Collection:** Face-to-face semi-structured interviews; duration 45-120 minutes
KEY FINDINGS

- Host cities seek to leverage benefits from events
- Contracts constrain the extent to which stakeholders, such as residents and small businesses benefit
- Inappropriate & inadequate support to ensure successful event leverage, particularly in one case
- Barbados adopted a more strategic and proactive approach & successfully leveraged the event
- Jamaica did not and therefore the opportunities to leverage the event were diminished
- One host country devised ways to circumvent contractual obligations to ‘eke out’ benefits
- The lack of inclusion of local small businesses as a conduit for cultural authenticity limited the immediate leveraging of the event
IMPLICATIONS

- Corroborate and extend earlier research which suggest that authentic cultural experiences are largely created by small businesses
- The thinking that small businesses cannot handle the complexities of supplying services to large-scale events is refuted
- Event rights owners should consider **cultural/local sensitivities** when drafting contracts, if events are to be truly inclusive and sustainable
- Host cities need to exercise greater assertiveness when negotiating terms of hosting agreements, to ensure that they leverage meaningful benefits for the host community
CONCLUSIONS

- Articulated a perspective that was not previously captured in the literature and highlighted a “darker side” of event leveraging
- Extended the leveraging theory and model to include the effects of a tourism leveraging strategy
- Highlights the need for collaboration and communication when devising leveraging strategies
- Contracts are recognised as useful tools to develop and cement relational bonds
CONCLUSIONS

- If event rights owners are to maintain the relevance and value of their event brands they need to incorporate greater flexibility into the event hosting rules and regulations.
- If provided with the appropriate support - policy, funding, structure, business development mentorship/training - small businesses can handle the challenges of supplying large events.
LIMITATIONS

- Only two of the nine Caribbean host countries were investigated
- Limited data collection period- future studies could use a longitudinal approach
QUESTIONS FOR FURTHER DISCUSSION

1. In light of event rights ownership, how would you suggest that host cities leverage events?

2. What mechanisms would you suggest host cities implement, to leverage benefits from events staged in their destinations?

3. Should event rights owners be mandated to ensure that local idiosyncrasies are captured in the execution of the event? Explain your position.

4. What would you recommend host destinations do to optimize event benefits?
5. Should developing countries host major events?

6. Since LOCs are focused on event delivery, who should have responsibility for leveraging?

7. If events are to be truly sustainable and inclusive, what specific inclusions should event rights owners consider when drafting hosting agreements?
Thank you

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