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Event bids: Potentials for leverage

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Bidding to host a mega-event, such as the Olympics, World Cup football, or a world championship, has become a highly competitive ordeal. The bid process for such events, which regulates the bid competition, has become a multi-million dollar industry in itself. Cities (and nations) go to extraordinary lengths to win the right to host mega-events events, although it is not entirely clear why certain bids were successful, while others were not (Cornelissen, 2004; Westerbeek, Turner, & Ingerson, 2002).

Public funding for mega-events has come under increasing scrutiny, with the result that government agencies and organizing committees are finding it necessary to formulate and implement the strategies and tactics necessary to deliver the benefits that have been claimed. As a result, the appropriate paradigm for the study of mega-events is shifting from impact to leverage (Chalip, 2004). Sport event leveraging research is still in its embryonic stages, as it has only begun to receive significant attention from scholars, managers, and government officials. One reason that the leveraging paradigm has come to be of particular interest is that economic impact studies, which remain commonplace in the evaluation of events, have come under such trenchant criticism over the past fifteen years. Economic impact studies have been vulnerable to a number of methodological shortcomings (Mules & Faulkner, 1996), including misleading multipliers (Crompton, 2001), or failure to consider opportunity cost (Walo, Bull, & Breen, 1996). Often, these studies have been commissioned by political elites who sought exaggerated numbers to bolster public support for their event (Boyle, 1997; Sack & Johnson, 1996; Whitson & Macintosh, 1996). Aside from the many weaknesses of impact studies, Chalip (2004) pointed out that a key flaw is that they fail to identify the strategic causes of favorable and unfavorable impacts. He further demonstrated that a comprehensive set of strategies could be formulated to increase the economic benefits from events (Chalip & Leyns, 2002). While his work focused initially on economic leverage, more recent work has shown that economic leverage can be synergized with social, including environmental, event leverage (Chalip, 2006; O'Brien & Chalip, 2007).

Studies of leverage have so far focused on events that have been hosted, but have overlooked the potential uses of event bids. It currently costs several million dollars to bid for the summer Olympic Games, and costs continue to rise. In order for an event bid to be justifiable, leveraging strategies need to be applied to the bid, as well. In fact, many of the characteristics of event preparation that make events leverageable are also present during the bid. Consequently, the authors propose a conceptual framework for bid leveraging. Within this framework, three opportunities are identified, each leading to several strategic objectives. First, the bid is capable of providing media attention to the host nation/city. Second, the preparation of the bid requires networking between different stakeholders (governmental agencies, non-governmental agencies,

corporations), which could lead to stronger partnerships. Third, bid preparation enables learning for participating stakeholders. As illustration, bid cities receive considerable media attention providing the city with an opportunity for destination branding. In addition, the bid requirements and the attendant media attention provide the bid city (and nation) the opportunity to put pressing political issues on the political agenda (e.g., infra-structure, facilities, health issues, diversity issues). Further, the bid can provide valuable networking opportunities for local corporations, as well as for government. Additionally, the experience of past bid cities, particularly Sydney, demonstrate that the bid can enhance opportunities to create MICE (Meetings, Incentives, Conventions, Exhibitions) business for the bid city and its surrounding region. Finally, the bid generates new learning, which will be useful in bids for other events. For example, although Manchester failed to attract the Summer Olympics, the knowledge they gained during the bid played a pivotal role in their subsequently successful bids for the Commonwealth Games (hosted in 2002), and the World Swimming Championships (hosted in 2008).

The following means for each of these three opportunities are discussed: (1) capitalizing on relationships with reporters, (2) building bids into the place marketing communications strategy, (3) creating coalitions and advocacy groups, (4) fostering synergies among sponsors, (5) generating meetings among business people, (6) linking bid activities to trade/business shows, (7) building the event bid into MICE bids, (8) using bid activities to network with other event bodies, and (9) utilizing 'learning organization' tactics to anchor learning from the bid for future use.