

# Tourism during olympic games



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The reason for choosing this topic is more of a personal interest of seeing further developments taking place in London as being a resident myself. It would be a privilege to add my dissertation piece to current literature available on Sporting events and furthermore critically conduct my secondary research and analysis of the findings.

**Chapter One: Introduction**

Sporting events like the Olympics are endeavours that create and develop growth of tourism and awareness of the host city or country. The earliest documented example of sport and ‘tourism is that of the Olympic Games which date from 776 BC’ (Zauhar in Weed, 2004). The tourism aspect of the games was emphasized by political aims. It was often advocated that both sport and tourism would bring different people and cultures closer together and the key aim of the ancient games was to ‘bring a strong sense of cultural unity to a politically divided country’ (Davis, 1997). As London won the bid for hosting the Olympic Games in 2012 over Madrid, Moscow, New York, Paris and Singapore, the Queen herself congratulated the London Olympics committee for working hard in preparing and executing the bid. Prime Minister Tony Blair along with the Londoners in Trafalgar square and East End called the win “a momentous day” for Britain. He further went onto <https://assignbuster.com/tourism-during-olympic-games/>

say that “ many reckon [that London] is the greatest City in the world and the Olympics [would] help it keep it that way” (BBC, 2005).

This research will explore the ways in which the London Olympics committee can learn from the successes and failures of previous host countries in managing the tourism around the event. The questions arise in to whether London can become the ‘ City of the world’ and whether the Olympics can help in reaching that goal.

The Prime Minister Tony Blair, Culture Secretary Tessa Jowell and London 2012 Chairman Lord Coe met with the leaders of major tourism and leisure groups at Downing Street (BBC, 2005). The meeting discussed raising the standards of accommodation, access for disabled visitors and to make sure that the workers who looked after the tourists would be adequately trained (ibid). Leaders from the Hilton group, Center Parcs and others were told quick action could lead to a 25% growth in tourism. In the past host countries have experienced growth tourism in years before the Olympic Games and also after the Games. Ms Jowell said: “ It can grow to £100bn by 2012 with action on skills, quality and investment. But [it] must start now” (BBC, 2005).

Since the historic games in Athens, it was only during the three decade that the Olympics have transformed into a profit making endeavour. The first privately owned Olympic Games were held in Los Angeles which made a profit of \$215 million (Millar, 1992). This was the first game since 1986 that did not utilize the publics’ money. The 1984 games openly embraced corporate donors and sold everything and anything. The LAOOC (Los Angeles

Olympics Organising Committee) sold the games to Coca Cola, Anheuser-Butch as well as thirty other firms for a combination of \$216 million, surpassing the projected \$116 million which consultants estimated the Games would fetch (ibid).

Revenue from the Olympics has always been a motivator for countries to continuously rival other countries for the desire to be the host country. However other than the money, a sense of strong image is immediately portrayed to the world. The Olympics as an image maker for the host country gives free media coverage of the host's tourism.

The questions asked to the next host London is that can they learn from previous Olympic mistakes and successes to make London “ the best city in the world”?

### **Aims and Objectives**

“ the Olympic games celebrate universal human ideals and demonstrate a commitment to culture, education and the environment-providing sponsors with powerful opportunities to reach consumers in a multitude of ways” (IOC, 2004).

This study aims to explore through current literature the way by which London can become successful in hosting the Olympics 2012 by examining examples of best practice. It aims to analyse the successes and failures of Olympic host destinations in reference with their positive impacts upon the tourism industry. The research aims to pinpoint recommendations into how London can become the ‘ greatest city in the world’ and how the branding of being the host of 2012 Olympics can help portray that image.

To answer the research question the following research objectives will be considered:

- To examine the impacts of hosting the Olympics on the destination image
- To identify the specific market segments that the Olympics will attract and propose recommendations for promoting London 2012.
- To see what the development agencies promotion plans are for the Olympics image.
- To analyse successful Olympic methods used to promote the destination image through the Olympics.
- To identify best practice in leveraging the Olympics for tourism.

## **Methodology**

### **Case Studies**

This method was chosen to help analyse how London 2012 could learn from the successes and failures of the previous Olympic host case studies.

Although the case studies will have their limitations and approaches, the research will need to utilise its strengths and where there are weaknesses in the cases, make sure that they do not affect this research.

The research will gather important, critical and analytical references on the Olympics, destination marketing, image development and branding. From these basic references, these elements will be compared and contrasted to the Olympics in general and particularly focusing on the London 2012.

Hopefully through the methodology a list of strengths and weaknesses of hosting the Olympics should surface. Furthermore, should weaknesses appear an explanation of how the Olympics can benefit London as a major

tourist destination will help contribute in maximising London's opportunity cost.

This dissertation will provide an overview on the current literature of the Olympics, destination branding, marketing and image marketing. The methodology will only use secondary research in reviewing case studies on previous destinations that hosted the Olympics.

### **Structure**

The main body of this research will consist of six chapters. Chapter one will take a look at the overall research, mentioning what the research will consist of, putting the research into context and explaining method that could be used. The second chapter, the literature review will provide an overview of authors in the areas of events management, marketing with the emphasis on destination branding and events. Chapter three will analyse the case studies which will identify the successes and failures of previous destinations which will hopefully identify a gap in the market to what London could provide and capitalise on. Chapter four will examine to what London is doing now for hosting the Olympics and what they could do with the help of the case studies analysis. Chapter five will focus on the recommendations in how London can become the 'greatest city in the world' with the help from hosting the Olympics. Finally, chapter six, the conclusion, will re-examine the objectives and how they have been met, and suggest further areas for future research.

### **Chapter Two: Literature Review**

The purpose of a literature review, as name suggests, explains or briefly describes the academic work that has been reported about the field of <https://assignbuster.com/tourism-during-olympic-games/>

research. The purpose of the review is to look at how the Olympic 2012 could benefit London's image as a major tourist destination. The main focus of this review will be based on the influence of sporting events on destinations.

### **Branding**

Brand is vital to success. It ' is an asset of differentiating promise that links a product to its consumers' (Anres). When people think of brands they think of Coca Cola, Nokia, Sony, Odeon and Starbucks etc. Brands represent a strong and enduring asset which boosts the companies' success (Kotler, 2006). A brand is a promise which is supported by key brand management principles which are positioning, communicating and operations. Positioning determines what the brand promises such as Red Bull gives you the promise of more energy. Communicating is also about creating the promise into the customers mind while operations spell out how that promise will be delivered.

The Olympics itself is a brand. The Olympics spirit has timelessly communicated sportsmanship, friendship, competition, or just simply " Going for Gold". Olympics are the most single major sport event that can lead an ever increasing awareness and participation of a range of different sports at any one time. The logo for London 2012 according to Lord Coe (BBC, 2007) is not a logo but a brand that is said to take London forward. The challenge with brands is that it could be difficult to put the overall message the brand is trying to depict. Lord Coe mentioned that the reason why the logo is designed in that way is what was tried to be shown in Singapore, a way to reach out and engage young people. Not only is the brand for the 2012

Olympics there to engage people in sport but also there to be ‘inspired and make a positive change in [Londoners’] lives’ (Blair, 2007).

## **Aspects of Branding**

### **Image**

Among the many fundamentals that brand projects towards the public is image. The study of destination imaging is a relatively recent addition to the field of tourism research. Several studies have illustrated that destination image; do indeed influence tourist behaviour (Hunt, 1975; Pearce 1982). In essence, destinations with strong positive images are more likely to be considered or chosen in the travel decision process (Goodrich, 1978; Woodside & Lysonski, 1989).

The formation of image has been described by Renolds (1965) as the development of mental construct based upon a few impressions chosen from a flood of information. The information available to the consumer includes promotional literature (travel brochures, posters), the opinion of others (family, friends, travel agent) and the general media (newspapers, magazines, radio, television, books, movies etc).

Moreover, Gunn (1988) has used these various sources of information and used the role it has on destination image formation in his model of seven phases of travel experience. These are:

1. Accumulation of mental images about the vacation,
2. Modification of those images by further information
3. Decision to take a vacation trip
4. To travel to that destination



5. Participation at that destination
6. Return home
7. Modification of the images based on the vacation experience

Gunn labels the destination formed in phase one as organic image. This is due to the information which is sourced from non-touristic and non-commercial sources such as the general media (newspapers), education and opinions of family and friends. It is only after phase two where information sources such as travel brochures, guides and agents are used. The organic image therefore is altered by the additional information. From a broad field of resources and information is the destination image portrayed. The World Tourism Organisation (1980) and Kotler (1987) both view that this is due to the link between a country's tourist image and its national image.

The process of the destination image formation highlights two important points. Firstly it suggests individuals can have an image of a destination even when they have never visited it or even been exposed to more commercial forms of information. Secondly, since there are changes in the destination image before and after the visitation, it is desirable to separate those images of those individuals who have already visited the destination and those who have not visited.

### **Destination Branding**

With the importance of image formation in reference to how image helps branding, it is important to note how a certain destination is created to become a destination brand.

Destination branding is a competitive sport amongst different destinations who adopt brand techniques in effort to craft and differentiate an identity which emphasises the uniqueness of their product. Destination branding looks at developing an emotional relationship with the consumer through highly focused communication campaigns (Pritchard, 1998).

The World Tourism Organisation (WTO) suggests that the twenty-first century will see the emergence of tourism destinations as fashion accessories. Indeed as style symbols, destinations can offer similar consumer benefits to highly branded lifestyles. The choice of holiday destination is a significant life style indicator for today's inspirational consumers and the places where they choose to spend their hard earned income increasingly having to have an emotional appeal, highly conversational capital and even celebrity value (Morgan et al, 2002).

A special event like the Olympics that provides the consumer with the leisure and social opportunity beyond everyday experience and often reasons to attract tourists which help to raise the profile, image or awareness of a region (Jago & Shaw, 1998).

### **Brand Positioning**

Brand positioning is imperative as this projects how a destination will satisfy consumer needs. A destination brand manifests as an image in the mind of the consumer, which may be quite different to the self-image intended in the brand identity (Ashworth & Goodall 1990). The images of the destination understood by consumers play a significant role in their travel purchase decisions. As a result, an understanding of the images held of the destination

by consumers is important, to determine whether there is similarity between the desired brand image and that which resides in the minds of consumers. The concepts of brand identity, brand positioning and brand image are distinctive components of the construction of a brand. These are presented in Figure 1.

‘ A brand position is the part of the brand identity and value proposition that is to be actively communicated to the target audience and that demonstrates an advantage over competing brands’ (Aaker, 1996).

Communication in this case is very important and for a country holding the Olympics it is very important that a number of communication campaigns are done as this would be the key to differentiate the country. The Olympics is a sport that creates an emotional relationship of a destination to potential visitors through the way the destination is marketed. One such destination is Australia. The Sydney Olympic Games in sporting, marketing, operations management, facility management with the combination of the ongoing aggressive marketing branding of the country as a whole, has created Australia to be known symbolizing to Australia’s economy (Morse, 2001; Tibbott, 2001). The use of the Sydney Olympics as a marketing tool has helped Australia estimate that with the hosting of the Games the acceleration of Australia’s marketing has accelerated by ten years providing an extra A\$6. 1 billion in foreign exchange earnings between 1997 and 2004 (Haynes, 2001). More information on the Sydney Olympics will be given in the next chapter.

**Destination Marketing**

‘ Branding is possibly the most powerful marketing tool available to destination marketers who, are faced with increasing product parity, substitutability and competition’ (Morgan & Pritchard 2002). Uniqueness in this day and age is the claim from most destinations if not all who state they have superb hotels, resorts and attractions down to the ‘ friendliest people and customer focused tourism industry and service’. It is very difficult to differentiate destinations as most destinations offer the similar products such as the destinations that just offer the ‘ sun, sea and sand’ factor. Uniqueness from a destination comes from differentiating from the competitors.

According to Macrae, Parkinson and Sheerman (1995) branding in marketing terms symbolises a combination of ‘ product characteristics and added values, both functional and non functional which is linked to brand awareness’. As branding touches the emotional realm of consumers, they begin to make ‘ lifestyle statements’ as they are not only buying a brand but the emotional relationship (Sheth, Mittal and Newman, 1999; Urdde, 1999). Emotion and loyalty is one of the key differentiators that marketers try and portray for the appeal of brands (Westwood et al., 1999). It is the consumers’ ‘ perceptions, [their] beliefs, [their] feelings [that make] brands important ‘(Lury, 1998) on the other hand, Hallberg (1995) disagrees that emotion is not enough, the answer is in the developing of a strong brand ‘ which holds some unique associations for the consumer.’

## **Branding Tools**

There are many brand tools/elements which are useful for destinations to have while promoting their destination, especially during the Olympic Games. These brand elements are:

1. Brand names
2. Logos and symbols
3. Characters or mascots
4. Slogan and jingle
5. Packaging and signage

‘ It takes many years to establish a brand image, name recognition and develop strong awareness of a destination or product’ (Curtis, 2001). The Olympics is a recognised brand just like the World Cup. Mega – events such as sports are simple marketing tools which a destination can use to promote their destination. As brands create awareness, the private and public sectors take advantage in maximising the benefits. Brand Australia was created when the Sydney was chosen to host the Olympics in 2000. It was declared ‘ the best ever’ by the IOC’s president, Juan Antonio Samaranch and Australia’s tourism strategy [was] described as a role model for future host cities.

Brand logos are a graphic design used to identify a destination. They are recognisable, meaningful and positive. They are a “ part of a destination’s sign system” communicating identity (Hem & Iversen, 2004). Brands have helped differentiate different destinations, the logo for Australia 2000, a Kangaroo, the country’s most recognised symbol, set against a red sun and blue waves created a unique recognition of Australia for many years. 1998

saw the launch of the three year brand advertising campaign. Morse (1998) commented that [the] campaign [gave]...the opportunity to use the extraordinary interest in Australia surround the 2000 Olympic Games to build awareness and add depth and dimension to the destinations image. The use of Logos and Symbols creates an awareness of the destination which people can recall upon in the future, such as the Olympic rings which is versatile and transferable across cultures. The success of a brand is whether different cultures can recognise where the brand is from and what it represents.

One way in which the Olympics and the host community have done this is through using characters or Mascots for the events and to promote the events. The mascot would portray the destination and the culture of the destination such as Australia's mascots were three animals and birds that could be only found in Australia. These were the kookaburra, platypus and echidna symbolising the event, host city and the new millennium.

Another element of branding is the use of slogans. Slogans are used to create a memorable event. The Olympics in general has always been known to have the slogan "going for gold". This slogan gives the Olympics an advantage of creating awareness of not only the Olympics but the host destinations as well. Australia's slogan 'fun and games' was a way to encourage people to travel to Australia during and after the games (ATC, 2001).

Branding is vital to success. As you can see from the examples given, the elements of branding and different aspects of branding have increased the awareness of the host destination.

### **Marketing the destination Brand**

Once a destination has been developed as a brand, marketing the destination as a brand needs to be done. Advertising is one of the main activities of the marketing therefore advertising the brands needs to be accomplishing important objectives. Destination advertising continues to grow in budget and importance. Australia spent \$6. 7 million Australian dollars on promoting the whole country over a four year period before the Olympic Games (ATC, 2001). The most successful brands will last and be remembered for years even after an event. Brands only work if their image can be retained in cognitive and affective parts of the audience for long periods of time. Some brands retained successfully that audiences become instant word of mouth advertisers for the brand.

A study realised that older adult tourism markets will continue to grow in both size and importance. The study tried to compare whether older people since they are more aged, had less memory retention then younger adults that are visually stimulated. Unexpectedly, “ with education and destination familiarity statistically controlled, results using text indicated age differences in favour of younger adults for the number of features recalled but not for elaborations. No memory differences were found using framed picture formats, suggesting that younger and older adults process information from pictures similarly. Follow-up analyses revealed that advertising format is a determinant of elaborative memory, while age is not.”(MacKay, 2006)

Marketing a destination brand needs to make advertising the destination brand effectively and efficiently. Advertising uses both written language and pictures as information to promote the destination along with their

destination brand. The fact that aging differences poses no difference in elaborate memory, this helps advertisers strategise their plans to better recall their marketing objectives. A study further suggests that if formatting is one in the focus verses the age of the audience, the advertisement decision will lie between using text or framed pictures. Using text will bring more ideas which can be detailed via a beginning, middle and end sequence. However, elaborative processing of the information will not occur spontaneously, more experimental while reaching far and wide age differences.

Mackay (2006) goes onto further state that destination marketers, on the practical side find this of interest. There is sufficient evidence that information plays a certain role in inspiring destination choice, and/or modifying motivations, expectations and activities. The contribution of pictures invokes tourists' destination image and expectations. No matter what the age, pictures focus on evoking types of amplification and impressions that is often seen in image advertising.

Content of advertisements remain as a mix of both text and visuals. Even though advertisers are currently exploring the new media of the web, in addition to traditional destination promotion avenues, advertisers at the end of the day will have to reckon and strike an effective balance between visuals and text. Advertising needs to address issues such as age, format and memory for tourism advertising.



## **Olympics as a Marketing Vehicle**

The Olympic Games as an event has transformed into a vehicle for marketing a destination brand. Rather than an end in itself, when the games come to an end and the gold medals are awarded, the destination brand is still selling itself.

Hosting the Olympics has not always brought in profit. Munich in 1972 lost £178 million. The Montreal Olympics made an even bigger loss of £692 million in 1976 (Preuss, 2004). However on a positive note and turning point for the Olympics, Los Angeles 1984 made a profit of £215 million while in 1992 Barcelona made 358 million pesetas from the Olympics. The Atlanta Olympics in 1996 was able to help the Georgia economy when they profited with \$5. 1 billion. The Olympics has now evolved into a venue to market destinations.

The Olympics committee is most secretive organisation tasked to vote and choose host bidder, years before the actual games. A press release from CBC (2006) commented, “ Even after a century of modern Olympic Games, the international Olympics committee is still very much a mystery. The IOC has been called by a reporter of being, “ the most autocratic, aristocratic, organisation in the world.”

The strict way of choosing the host is through the enormity of profitability that the Olympics games can achieve. To host the games gives a prestigious achievement to the chosen country. Not only opportunities for economic profit arise, but the chance of media coverage and urban regeneration. The Olympics in this way helps the destination become globally recognised.

There is no loss in for the host country even through there is evidence of financial loss in the past. Success cannot be plainly measured on profit and loss. To increase the awareness of the sports events is included in a broader aim to raise the city of host country. Sport has always been an unbiased area that can benefit people in cross cultures.

“ However economic impact is arguably one of the most important indicators of the success of a major sporting event and often one of the main incentives for attending to host the event initially (Brown & Massy, 2001). In Britain economic impact importance if hosting the sports events became evident after the Euro 96 football championships, which attracted 280, 000 overseas supporters who spent approximately £120 million in the eight host cities (Dobson et al, 1997). The tournament itself made £69 million for UEFA and although FA made an operating loss of £1. 7 million, a £2. 5 million surplus was made after taking into account England’s prize money for getting into the semi-finals” (Kozak, 2002).

The marketing platform that is offered by the Olympic Games is unrivalled. The marketing activities build and the unmatched competitive advantage is able let the host destination maximise the Olympic image. Sponsoring the Olympics is an advantage for both the local and global business entities (IOC, 2005). “ The breadth of Olympic sponsorship rights, benefits and opportunities provides partners with great flexibility and range in integrating the Olympic association throughout the corporate philosophy and into all aspects of corporate strategy” (Olympic. org, 2006).

**Leveraging the Sporting events and the Olympics for tourism**

Leveraging sporting events is very important to a destination as the benefits for the host destinations are huge. According to Hall (1997) Mega-Events are associated with large-scale public [and private] expenditure and fast tracking of building projects. These enable the destination to start on the construction of facilities and infrastructure, erection of landmark structures, redevelopment and revitalisation of areas and transform urban space for example mega events in old industrial cities. There are many more advantages for leveraging sports for the host destination such as the construction of new attractions and landmarks and the construction of accommodation such as the Olympic villages. Sporting events creates a type of phase of beautification where plazas, streets, parks, community centres etc are refurbished not only for the pleasure of the tourists but for the local communities as well for the event and years after the event (ibid.)

**Leveraging the Sydney Olympics for Tourism**

According to Mr Ripoli (2000) an Australian MP (House of Representatives), the Sydney Olympics would create new initiatives for the Australian citizens such as an increase in jobs. He furthermore went on to state that “ for every ten percent increase in visitors to Australia, about 30, 000 jobs would be created”.

A concern for what the Olympics will leave in terms of a legacy is pondered over by Olympics organisers. There is a major investment in the Games, during the ten years leading up to the Games (Chalip, 2000). When the investment of the Sydney Olympics was so high (0. 6% of GDP), it was natural to ask what the return is on the investment.

The number one return which is noticeable straight after the Games is the new sports facilities that remain after the Games. On the other hand, such a big venue would be hard to operate especially when events do not need such a big venue. For example in Barcelona, the Olympic diving facility and the Olympic baseball stadium are no longer in operation.

Sydney has made improvements to the infrastructure to the host city. In Sydney, the city government made an investment of millions of dollars (AUS\$115 million in 1998 – 1999 alone) to beautify the city. As an Olympic city is well known of having millions of tourists, Sydney from the time of the bid won to the Game opening, had increased their hotel room capacity by twenty-five percent. With an advantage of leveraging the Olympics a form of disadvantage always follows. According to Chalip (2000) the two Olympic stadia built require 200 events per year to break even and they are not even obtaining half that amount. A legacy is like a brand, the brand that is left after the event. In the next chapter a construction of how Sydney have managed their destination brand, before, during and after the Games.

### **Case Study of the Olympics: Sydney 2000**

Tourism destination branding is a new concept that has branched out from the popular of branding products and services. To narrowly define, it is the sum of what the market thinks when they hear the brand name. To effectively employ this marketing strategy, destination branding goes through all the touch spots, including but not limited to the physical environment, entry and exit points, signage, marketing, residents' attitudes, transportation venues (airports, motorways), events, internet, visitor

services and leadership. A specific case destination branding is found in the success of the 2000 Sydney Olympics.

The Sydney Olympics has been noticed as the most successful Olympics ever held. In this case, its success was a result of several destination branding factors including:

1. Geographical areas
2. The display of Olympic spirit
3. The partnership of the ruling body in the Olympics

Sydney is widely known for its landmarks such as the Opera House and the Harbour Bridge. Banking on the existing destination branding that the tourist spots have made in the past, it helped project Sydney towards better branding strategies. These places contributed to the success of the Olympic Games in 2000, but the most important aspects to be noted in terms of geographical area are the improvements made in Sydney's transportation infrastructure and its capability to supply the needs of the Olympic games (with only population of 3.9 million, Sydney already has 50m pools compared to 7+ million people in London with just one pool).

The success of the Sydney Olympics could also be attributed to the high spirits displayed in the event. Volunteerism displayed in the Olympic Games of 2000 was defined as something to be treasured and kept by Aussie volunteers (both athletes and spectators). The people of the city had high level of involvement in day-to-day activities and expressed their connection with the spirit of the Games in unexpected and informal ways. Informality

and spontaneity were therefore central to the creative spirit of the Sydney Games. The peo