

Millennium dome marketing report



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Introduction

This Report traces the history of the London Millennium from its origins as a signature statement with which England proposed to enter the 21st century, through the controversies that dogged its construction, financing, opening and operations during the year 2000, to its re-birth as the O2 entertainment complex in 2007.

The central conclusion that is supported by the Report is that less than three years into its 1997 renaissance as a London entertainment destination, the controversy and the apparent mismanagement of numerous aspects of the Millennium Dome's operations have been successfully cast aside. The negative public image that was the subject of numerous media and academic commentaries concerning the Dome operations have been overcome by the generally positive reviews enjoyed by the O2 venue.

The Report is constructed upon the following framework. The initial portion of the Report reviews the history of the Millennium Dome project and the significant controversies that were generated at every stage of its existence through the conclusion on the millennial celebrations in 2000. The 'rebranding' of the Dome as the O2 entertainment complex is also considered and discussed. In this context an unscientific but topical poll result that suggests a significantly favourable public opinion of the O2 facility is also evaluated.

A sampling of nine perspectives taken from various published sources concerning the Millennium Dome / O2 complex is provided in the Report. The sources referenced are intended as a representative sample as opposed to

an exhaustive listing of the available commentaries; the published academic opinions concerning the controversies encountered by the Dome operators prior to the opening of the facility alone exceed twenty in number. The literature survey is used to provide a critical assessment of the costs, benefits and risks attendant to the Dome project.

This Report concludes with the observation that a difficult birth and troubled adolescence have given way to a mature London facility that will be an economically viable and culturally desirable venue for the future.

The Origins and Birth of the Millennium Dome

The Millennium Dome project enjoys the distinction of having been conceived under a Conservative government and raised to its full extent by New Labour. It is submitted that no matter what political perspective is taken on the entire process, there was at all times a genuine political will to make a unique British statement about the country and its attitude towards the approaching millennium (McGuigan, 2004; Myddleton, 2006). The Dome is located on the edge of the Prime Meridian. The architecture is both imposing and unique; often described as ‘iconic’ in appearance, the Dome has a 80,000 m² glass fibre surface coated with polytetrafluoroethylene (Teflon) that renders it one of the few man-made structures that is sufficiently large that it may be observed from space (Sinclair, 1999; Roche, 2000; Myddleton, 74-90)

A chief difficulty that plagued the Dome concept and project from the outset was the failure of the government generally to solicit grounded, objective, and properly developed costing estimates for the project construction. These errors were compounded when the focus switched from how the building

would look upon completion to the actual day to day operation of the facility during the millennial year, and what would happen to the structure once the millennium had passed (Sinclair, 10; Myddleton, 74; Nutt, 2002).

The original construction cost projections for the entire Dome were pegged at approximately £300 million. By the time the Dome officially opened on December 31, 1999, the construction and facility costs had risen to over £600 million. A lightning rod in the ever widening public debate concerning project costs was the use of national lottery revenues to supplement the monies needed to complete the project. The Labour government spent an estimated additional £175 million to keep the project solvent (Nutt, 3; National Audit, 2004).

A particularly trenchant criticism was published by Iain Sinclair just prior to the commencement of the millennial celebrations in the fall of 1999. Sinclair suggested in a fashion that was subsequently proven to be prescient, that the initial excitement over the Dome and its striking appearance would never justify the amount of public money expended on the project (Sinclair, 1999). Concerns over ticket prices, the quality of the exhibits assembled in the Dome's public halls and an opening night ticket fiasco all contributed an image of a facility that was poorly conceived and badly managed.

The government based its revenue projections on the Dome for the one year of operations through the millennial celebrations on an estimated 12 million visitors. The actual attendance during 2000 was slightly in excess of 6 million persons; perhaps as few as 4.5 million actually paid a fee approaching the face value of £25 per person (Nutt, 4). The Dome was largely regarded, both

figuratively and in reference to its colour, as a ‘white elephant’ that symbolised both government mismanagement of a megaproject and a lost opportunity to make a positive difference to the London infrastructure (Myddleton, 80).

Two decidedly unglamorous but telling positive public benefits were derived from the Dome construction project. The first was the construction of the North Greenwich Underground station (located on the Jubilee Line). The station represents a permanent addition to London’s Underground network (Roche, 2000). The second is more esoteric but perhaps as important to the study of waste water as the new Tube station was to London’s transportation network. The public authority Thames Water devised its ‘Watercycle’ project to utilise reclaimed (i. e. waste water) at the site for all non-potable water uses. Thames Water constructed one of the largest ever in-building water recycling schemes in Europe for the Dome, where up to 500 m³ per day of reclaimed water was used to operate toilets and urinals (Hills, Birks & McKenzie, 2002, 235). Thames Water made two important determinations in the ‘Watercycle’ project – it could meet 55 percent of the Dome water demand at the Dome with reclaimed water; there was a generally positive response from visitors concerning the use of reclaimed water for non-drinking and bathing uses. The Dome thus made a positive contribution to modern urban planning and water use science (Hills et al, 240)

It is plain that money issues and the perception that the Dome was a public works failure continued after the millennium celebrations concluded at the end of 2000. A variety of schemes were proposed for the permanent use of the facility. These included the installation of a full football stadium and

supporting commercial uses; a high technology business park and related infrastructure; a hotel and cruise ship port; a large scale casino; an entertainment complex (Myddleton, 81). None was able to generate the critical commercial necessary to move forward until the May 2005 purchase of the site by Anschutz Entertainment, who subsequently sold the naming rights to the entire property to telecommunications giant O2.

The Anschutz purchase was also controversial. Serious allegations were raised in both the House of Commons and the media that Labour cabinet minister John Prescott had improperly involved himself in the negotiations. The primary suggestion of impropriety centred on Prescott's series of private meetings with the proposed purchaser (who initially sought permission to develop a super-casino), including a trip to the purchaser's home in Colorado (Guardian, 2006).

Literature review

The sample of literature selected in support of this Report is deliberately wide ranging, as an acknowledgement that the problems encountered throughout the history of the Millennium Dome project and its more recent success are not attributable to a single cause or factor.

It is submitted that the management of the original Dome project both at the government end and on the ground was flawed. There is an unmistakable sense that both of these stakeholders were caught up in the belief that the buoyant Britain that was riding on the benefits of a relatively robust economy and enhanced international status would embrace the Millennium project and support it unreservedly as a matter of national pride. There were

parallels drawn between the national attitudes observed at the time of the 1951 ‘ Festival of Britain’, an event staged as the country accepted its new post-imperial construction, and the so-called ‘ cool Britannia’ image that was advanced as an appropriate reflection of the new Britain by the government, an image that was said to be furthered by the Dome project (Sinclair, 1999;); McGuigan described the structure and the project as an “...ideological shell for neo-liberalism” (2004, 12)

A point that is well made in the academic literature but one that was overlooked in the contemporary criticisms of the project was that visitors generally enjoyed their experiences at the Dome. Hemmington and his colleagues used a large data sampling (880 interviews) to form their conclusion that the Dome visitors surveyed found many positives on which to state their opinions; the commentary stresses again how the Dome management failed to capitalize at the time on the feedback available to them to better publicise the facility (Hemmington et al, 2005, 10).

The Myddleton article is particularly insightful in this respect. Myddleton avoids the limitations of political bias and partisan fault finding in his emphasis upon the good intentions that inevitably power government mega projects of all kinds. Myddleton’s review of the Dome project in the larger context of the Channel Tunnel, the British nuclear power programme and the development of the Concorde reveals that mismanagement and poor lines of authority are a far more common cause of mega project failure than any deliberate or willful act on the part of the government promoter of the day (Myddleton, 2006). Nutt, writing from an American perspective, supports this contention. Nutt uses the now infamous Tony Blair pronouncement that the <https://assignbuster.com/millennium-dome-marketing-report/>

Dome would represent a “ triumph of confidence over cynicism, boldness over blandness” to counterpoint his argument that a series of blunders as opposed to intentional acts doomed the Dome to insolvency (Nutt, 4, 5).

Cost Benefit analysis and future uses

On a strict expenditure basis limited to the site and facilities themselves it is submitted that the Millennium Dome project is difficult to rationalise. The financial experts retained to oversee the liquidation of the project assets noted that it is extremely unusual for a public sector company to be the subject of a winding-up. A lottery grant of £628 million was used to finance the project; little was realised from the sale of exhibits or supporting aspects of the project (National Audit, 2). Given that the Dome was ultimately sold to a private commercial entity, the argument is there to be made that the public benefit of a one year exhibition to which significant admission fees were charged is not worth the cost. The Underground is an entirely separate expenditure. The controversy and public energy expended in delving into the reasons why the Dome project failed to live up to expectations are the further hidden costs that are never recovered.

However, one may also quantify the benefits of the Dome project over the longer term. It is noteworthy that in addition to the technical / infrastructural benefits noted above, contemporary opinion of the renewed O2 entertainment facility appears to be in line with the visitor experiences measured during the Millennium celebrations. An informal survey of this public opinion is attached at Appendix One of this Report. Ten university undergraduates are not a representative sampling of the public; the fact that none of these persons was likely a taxpayer during the periods of greatest

financial controversy concerning the Dome is an important factor. The poll does confirm that the O2 facilities are well regarded (Appendix One). The results noted at Appendix One are confirmed in a contemporary market study (Marketing Week, 2007).

It is also observed that the concert acts booked into the O2 arena have tended to be mainstream names that have a resonance with the public. The Appendix One poll gave the venue high marks for the quality of the entertainers attracted to the arena; as with the financial controversies during its formative period, the poll respondents would not have followed acts such as Stevie Wonder or Elton John during the prime years of their careers.

The facility will also be used to host the basketball and gymnastics competitions in the 2012 Olympic Games. The public monies expended in the Dome construction and maintenance will be recouped to a modest degree through this converted temporary use.

Conclusion

It may be that an important ultimate legacy of the Millennium Dome and its O2 successor has been to cement the Greenwich area as a primary London entertainment district as the next decade approaches. The public monies spent on the Dome cannot be rationalised very readily into a balance sheet analysis. The ultimate worth of the entire project will be measured by how well the government handles future mega projects, and whether the recurring lessons of accountability and the need for rigorous data supported projections are learned.

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Appendix One

An informal study of 10 London undergraduate university students concerning their impressions of the London O2 entertainment complex and arena (formerly the Millennium Dome). The study was conducted August 25, 2009.

All respondents were contacted on-line by way of the ‘ Facebook’ social media network. All respondents were between the ages of 18 and 25 years of age. Six respondents were female; four were male. All respondents had personally visited the O2 site since its renaming and launch as an entertainment venue in 2007. Each respondent was asked to place a value of between 1 and 5 (with 1 as the lowest rating and 5 the highest) for each of the following questions concerning their personal opinion sought on each element of the O2 complex. The average score for each question is shown in bold below:

1. How do you rate the ease of transportation access to O2 **4. 5**
2. How do you rate site in terms of ease of movement / accessibility **4. 5**
3. How do you rate the entertainment and the amenities offered at the site (apart from the concerts at the O2 arena) **4. 0**
4. How do you rate the quality of the concerts and other shows that have been offered to date at the O2 arena **4. 25**

5. What is your overall impression of the O2 complex 4. 2

6. Does the O2 complex add value to London 4. 0

The above results are not tendered as scientifically rigorous; the poll as conducted was intended to supplement the analysis set out in the body of the paper.