Challenges Facing Immediate Tourism Leveraging: Evidence from the London 2012 Olympic Games

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Abstract

Models of event leveraging identify strategies that organisers can use to increase the benefits that sport events bring to host destinations. Amongst these, leveraging tourism benefits during the event is a frequently cited strategy by which organisers can bring more money into a destination. To date, little work has been conducted on leveraging immediate tourism benefits from mega sport events. In addressing this issue, we reflect and present findings related to previously identified event leveraging theories that are determined by tourists’ activities at a host destination. These are (a) enticing visitor spending and (b) lengthening visitor stay. The aim of this paper is to evaluate the use of such leveraging strategies during the London 2012 Olympic Games to increase event-related tourism. Results from 15 interviews with key stakeholders demonstrate that the effectiveness of these leveraging strategies can be limited by a number of challenges: (1) limited strategies to entice visitor spending (2) limited interest in tourism attractions (3) lack of location attractiveness (4) the displacement effect and (5) the impact of the wider economic environment. Key challenges and opportunities are detailed, a discussion on the implications for event leveraging is provided and potential areas for future research are outlined.

Keywords: Mega-events; Leveraging; Tourism; London 2012; Olympic Games.
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1. Introduction

For many years, mega sport events have played a significant role as strategic catalysts for development outcomes in host destinations (Essex & Chalkley, 2004; Schulenkorf & Schlenker, 2017; Smith, 2012), and cities, regions and countries have adopted an entrepreneurial competitive approach to host such events (Getz et al. 2012; Hall, 2006; Roche, 2006; VanWynsberghe, 2016). Scholars have increasingly attempted to examine the opportunities for outcomes beyond the duration of the event per se by identifying strategies to spread positive outcomes to stakeholders (Schulenkorf & Edwards, 2012; Smith & Fox, 2007). Chalip (2004) proposed a general theoretical model to maximise immediate and long term outcomes. His leveraging perspective represented a shift in events research by planning precisely how host communities can derive sustainable tourism and business benefits from events (Chalip, 2004). This shift from an impact to a leveraging perspective has stimulated a growing body of literature (e.g. Chalip, 2004, 2005, 2006; Chalip & Leyns 2002; Green, 2001; O’Brien, 2006, 2007; O’Brien & Gardiner, 2006; O’Brien & Chalip, 2007, 2008; Smith, 2014). However, VanWynsberghe, (2016) has argued that the model of event leveraging has not been widely applied and has called into question some of the model’s assumptions. This paper uses case study evidence from the London 2012 Olympic Games to further develop critical understanding of immediate tourism leverage in particular. The paper does not develop a new leveraging model but rather extends existing work by providing empirical evidence through an examination of tourism stakeholders’ perceptions of the effectiveness of Chalip’s (2004) two immediate leveraging techniques. The paper also explores challenges facing such leveraging model.
2. Event leveraging: Logic and Theoretical Limitations

In mega sport event literature, much attention has been given to the direct and indirect impact mega sport events such as the Olympic Games can have on host communities. The economic impacts of mega sport events have been thoroughly explored by various authors (e.g. Blake, 2005; Crompton, 1995; Dwyer et al., 2000; Dwyer et al., 2004; Mules & Faulkner, 1996; Solberg & Preuss, 2007). Chalip (2004, p.245), however, has argued “it is no longer suitable merely to host an event in the hope that desired outcomes will be achieved; it is necessary to form and implement strategies and tactics that capitalize fully on the opportunities each event affords”. An emerging and far less understood phenomenon is the strategic leveraging of such events to maximise their benefits. Despite the growing body of literature on event leveraging, it is still difficult to define the concept (VanWynsberghe, 2016). Leveraging refers to the implementation of strategies by stakeholders to maximise the benefits from hosting a sporting event (Chalip, 2004; Chalip & Leyns, 2002; O’Brien & Chalip, 2008; Ziakas, 2014). Its purpose is to move beyond aggregate impact statements or piecemeal evaluations of events and identify the strategies that could be used to maximise long-term benefits. This is essential as event stakeholders now look beyond short-term impacts to focus on long-term sustainable legacy outcomes. For example, forecasts of tourist numbers for the 2000 Sydney Olympic Games revealed that tourist visits to the Games represented only a very small number of the expected number of tourist visits generated as a result of hosting the event (Faulkner et al., 2001). This means that more important outcomes are those such as visits in the lead up to, and following the Games. Thus, as O’Brien (2006, p.258) comments, “mega events and the opportunities they present are merely the seed capital; what hosts do with the capital is the key to realising sustainable longer-term legacies”. Mega events are no longer just about providing entertainment. They are seen as forceful catalysts for economic and social gains because they can incorporate strategies to create legacies such as those
related to tourism (Chalip & McGuirty, 2004; Müller, 2015; Taks et al., 2009; Xing & Chalip, 2006). Given that mega events are each unique in their nature, the challenge for mega event stakeholders is to identify such strategies for leveraging opportunities within the host destination.

Early work on the identification of strategies adopted by stakeholders was undertaken by Faulkner and Tideswell (1999), and extended by Faulkner et al. (2001). These studies examined strategies to optimise tourism benefits from the Sydney Olympic Games, put into place by tourism organisations throughout Australia in order to leverage tourism outcomes. The studies outlined four key components of event leveraging: (1) using the event to build or enhance the destination’s position in the market (2) employing tactics to enhance visitor spending while at the event (3) fostering longer stays and flow-on tourism from visitors, and (4) building new business relationships through the event. Chalip (2004) extended this in his general model differentiating between means of immediate leveraging and means of long-term leveraging. Immediate leveraging includes three components included by Faulkner et al. (2001): (a) encouraging visitor spending (b) lengthening visitors’ stays, and (c) enhancing business relationships, as well as a fourth means of (d) retaining event expenditures. Two of the long-term leveraging methods expanded on Faulkner et al.’s (2001) concept of enhancing the destination’s position in the market to show the distinction between (e) showcasing via event advertising and reporting and (f) using the event in advertising and promotions. Chalip (2004) differs from Faulkner et al. (2001) by including the means of retaining event expenditures. Chalip (2004) suggested tactics that stakeholders can use during the event, such as attending sponsors’ hospitality programmes, using the event’s parties and hospitality programme and undertaking joint-marketing with event sponsors. However, in a pre-Olympic training context, O’Brien and Gardiner (2006) demonstrated how augmentations beyond the Sydney 2000 Olympic Games facilitated business relationships between regional and visiting
event stakeholders such as sponsors, sport delegations and national Olympic committees, media corporations and VIPs such as countries’ ambassadors.

Focusing on the immediate leverage from tourists, each leveraging means identified above can be achieved by attracting more visitors to the event, but other strategies can also be used. In order to optimise total visitors spending, visitor activities must be encouraged via implementing special promotions (Chalip, 2004, Chalip & Leyns, 2002). Businesses can execute event-related promotions by theming tactics that tie-in with the event. These encourage spending in shops, local stores, local restaurants and attractions. Furthermore, if event visitors can be encouraged to stay for a longer time at the host destination, their total spending on accommodation, food and entertainment will increase (Chalip, 2004). This can be achieved by creating augmentations that increase the number of days that visitors stay beyond the event period (Chalip, 2004; Green, 2001; O’Brien, 2007; O’Brien & Chalip, 2008). Using Smith’s (2014) theories of event-led and event-themed leverage, Chalip’s model relies heavily on the event per se by seeking to extend positive tourism spending. Positive economic outcomes are planned and the economic activities are created via opportunities to achieve the immediate strategic objective of maximising economic benefits during the event. In the language of impacts and outcomes, and in light of Smith’s (2014) view, Chalip’s immediate leveraging means are largely to maximise short-term impact as opportunities come from event visitors, thus limited to the short period of the event (Levermore, 2011, Smith, 2012; VanWynsberghe, 2016).

There seems to be, therefore, a clear awareness that in order to maximise benefits from a mega event, suitable strategies need to be implemented. Chalip’s proposals are now widely recognised by various event stakeholders (VanWynsberghe, 2016). However, the authors of this paper recognise the paucity of critical examinations of the applicability of this leveraging model, supporting the need for exploring the underlying assumptions as the current
theoretical model is still questioned by other authors (e.g. Smith, 2014; VanWynsberghe, 2016). There is a lack of agreement as to whether mega sport event stakeholders fund and conduct leveraging initiatives, particularly those proposed in the current model. What have yet to be systematically explored, however, are those actual strategies that impact upon specific outcomes as there is still limited empirical work on event leveraging that has addressed mega sport events. Thus, using evidence from the London 2012 Olympic Games this paper explores stakeholders’ perceptions about the use of Chalip’s (2004) two immediate leveraging strategies (a) encouraging visitor spending, and (b) lengthening visitors’ stays. This paper examines the perceptions about the use and effectiveness of such strategies in terms of one specific outcome, that of leveraging immediate tourism-related benefits. It also explores some perceived challenges facing organisations attempting to leverage immediate tourism outcomes.

3. Method

This paper forms part of a broader empirical project focusing on leveraging legacies of the London 2012 Olympic Games. An interpretivist mode of inquiry underpins our work as we acknowledge that data are be analysed using a process of induction to understand the context of the phenomenon (the immediate tourism leverage) through meanings that stakeholders assign to it (Guba & Lincoln, 2005; Näslund, 2002). As the aim of this paper is to evaluate the use of such leveraging strategies for mega sport events, we construct and reconstruct meanings in relation to the research aim to reflect respondents’ realities (Denzin & Lincoln, 1998; Patton, 2002). To achieve this understanding, the lead researcher applied a strategy of purposive sampling (Flick, 2009; Holloway & Brown, 2012; Stark & Torrance, 2005; Walliman, 2011). Therefore, sampling choices concerned with the selection of key informants depended on their involvement and knowledge of the key tourism leveraging
opportunities from the London 2012 Olympic Games. This was in order to seek rich information that manifested the research topic of immediate tourism leveraging (Etikan et al., 2016). Having this in mind, the deliberate choices’ criteria of informants was due to the qualities they possess by virtue of knowledge or experience about tourism leveraging within this context. To achieve this, the authors applied the Stakeholder Salience Model (Mitchell et al., 1997), which defines key tourism stakeholders by examining their power, legitimacy and urgency with reference to a specific activity, in this case, immediate tourism leveraging from the London 2012 Olympic Games. Initial informants were approached on this basis, and further stakeholders were identified using snowball sampling (Flick, 2009), where initial informants acted as “gatekeepers” for organisations, suggesting further stakeholders, who, if they were suitable in terms of their role as a stakeholder according to the presence of stakeholder salience attributes mentioned above, were then asked to participate based on trust, credibility and the informants’ appreciation of the research context (Cassell & Symon, 2004; Creswell, 2007).

The research was characterised by its exploratory stance of strategies used for the immediate tourism leverage and challenges faced them. Based on the above, the lead researcher conducted 15 semi-structured interviews in the lead up to summer 2012 ending by summer 2013 with informants who held managerial or organisational roles related to the London 2012 Olympic Games (either the head of an organisation or the head of the London 2012 unit within an organisation). These informants held roles at VisitBritain, VisitEngland, UK Trade and Investment, Tourism Alliance, London and Partners, London 2012 sponsors, UK Olympic research centres, London Business Network, and the local council in Weymouth and Portland (the host of London 2012’s sailing events). Indeed, other stakeholders might have a vested interest in the London 2012 Olympic Game, however decision was made to end data collection since data saturation had been achieved, based on the process of constant and
iterative data analysis. This is typical in qualitative research by seeking the information-rich cases for the most suitable utilization of available resources (Patton, 2002). This involved identification and selection key informants in of tourism organisations who were proficient and well-informed with immediate tourism leveraging from a mega sport event as a phenomenon of interest (Creswell & Plano Clark, 2011).

Following previous studies into immediate event leveraging (e.g. Chalip & Leyns, 2002; Gardiner & Chalip, 2006; O’Brien, 2006, 2007), initial research questions were framed around Chalip’s (2004) theoretical model and used to elicit data from key stakeholders, allowing the interviewee to provide both factual responses and their opinion about them (Mason, 2002; Yin, 2009). In order to reduce bias, a conversational style of in-depth interviews was used. The lead researcher aimed at establishing formal and informal trustful relationship with informants. Formal trust was generated through ethical approval of the research. Informal trust was achieved as the result of the “quasi-therapeutic” relationship (Willing, 2013) and rapport established with informants. This allowed stakeholders to give rich and in-depth data as they were freely explaining and describing different contexts, as a result of the interviewer’s minimal influence on the direction of the conversations (Daymon & Holloway, 2002; Mason, 2002; Oppenheim, 2000).

Interviews were recorded, transcribed and analysed in NVivo. At the same time of coding and categorising on NVivo, transcribed interviews were printed off in order to undertake manual thematic analysis before moving to conduct the next interview. There was a continuous revisit and refining of the codes and categories on NVivo depending on the actual manual analysis on paper, where NVivo assisted in integrating, indexing and coding the large amount of qualitative data (Bazeley, 2007; Walsh, 2003). This allowed for persistent reviewing and observation of the design. In an attempt to further enhance dependability and credibility of the research, a course of within-method triangulation and data-triangulation was adopted
The authors had open and honest discussions about codes and themes until consensus was reached. Data were then clustered into various leveraging and challenges aspects. For example, data that indicated the use of the special promotions to enhance visitor spending were coded within “Leveraging Strategy 1” and lengthening visitors stay “Leveraging Strategy 2”. Whilst the two *a priori* themes were identified to critically examine the applicability of Chalip’s leveraging model, other inductive codes were also derived.

Overall, the structured data analysis process resulted in an understanding of the two leveraging strategies and the emerged informants’ arguments of challenges that faced immediate tourism leverage of the 2012 Games period. While the previous literature provided a backdrop for the initial analysis, it did not direct the coding of the data. This is because the descriptive account depended on unpacking all the content for each theme, with continuous refining in order to display data in a more abstract concept. This stage involved defining elements and mapping dimensions, refining categories and classifying data, in which the researchers examined what was happening within every single topic in the created thematic chart. The most representative and rich quotations were used to illustrate the findings, thus facilitating a communication of the story behind the data. Quotations were chosen in terms of being representative of the data, rather than the sample, and hence the voices from certain stakeholders (such as the more tourism related organisations), although contributing to the analysis, are not heavily present within the reporting. As analysis progressed, critical passages were highlighted with summary statements were written on the different categories as advocated by Spencer et al. (2003) to demonstrate insights as the analysis developed. On subsequent readings, notes made were examined for accuracy, leading to the final categorisation of data. After presenting the two immediate leveraging
strategies, five leveraging challenges were used to structure and guide the findings section that follows.

4. Findings

The results presented here reflect the interview responses under the headings firstly of the two immediate leveraging strategies (a) and (b) proposed by Chalip (2004) as well as the five challenges that emerged from the data, which potentially limit the immediate tourism leveraging opportunities from the London 2012 Olympic Games.

4.1. Leveraging Strategy 1: Encouraging visitors spending by implementing promotions

In the lead up to, and during the London 2012 Olympics, there were attempts to optimise total tourists’ spending. London 2012 patrons were encouraged to spend by implementing special event-related promotions and discounts. Some interviewees expressed the importance of leveraging visitations and spending particularly given that a negative displacement effect was expected to occur over that period:

Before the event we launched a campaign called “Limited Edition London” because we knew of this displacement factor...a number of offers that you can experience in London the summer before the Games comes along. So time-related promotions... London Zoo did an overnight in the Zoo. So you could stay in a tent overnight in the Zoo.  

(Respondent from London and Partners)

This quote shows that the process of implementing special promotions such as “Limited Edition London” started in the lead up to the event in summer 2012. This was an attempt to lengthen the period that visitors could stay in London and simultaneously to entice their
spending over that period. However, while it is not surprising that during the event most of the organisers’ efforts shifted to delivering the event rather than leveraging, it is perhaps surprising that this seems to have been exclusive. It was the expectation that tourists would already be in the city and they would be purchasing at local stores and eating at local restaurants:

During Games-time to be honest, we didn’t have to do anything. There were so many people in town; we didn’t need to do any promotions…the people were there…in the theatres there were some special price ticket offers where you got to meet the cast members backstage…it might have been dining offers, but there were a whole series of offers that we put together under Limited Edition London.

(Respondent from London and Partners)

It was expected that visitors’ spending during the event itself was going to be leveraged through initiatives such as the Limited Edition London. Similarly, VisitEngland launched a discount campaign as a tactic that tied in with the London 2012 event. This campaign depended on a theming-linkage to 2012 Games which expected to allow local businesses and restaurants to effectively market their businesses as well as to encourage visitors’ and locals’ spending:

2012 campaign was based on giving discounts, 20% discounts, or 20.12 discounts and all this was connected with 2012. So, for example, if a hotel was doing a special offer, they might provide a meal for £20.12 which would normally cost £40 maybe. It was encouraging people to use 2012 as a hook for marketing.

(Respondent from VisitEngland)
This was also an attempt to allow local business in London to ‘up their game’ with discounts and promotions in order to attract visitor spending. Interestingly, however, during the sailing events in Weymouth and Portland the promotional tactics were perceived as more efficient than London because of the joint tactics between local businesses; it was an alliance of joint offers to encourage event visitors to simultaneously watch sailing events, spend money at local restaurants, and participate in some sport activities:

*If you looked at the complete package during the Olympic period, you could come to Weymouth and Portland...you could buy a ticket for the Nothe if you wanted to. That gave you access to watch the Medal Race Course...but then also on the screens to be able to watch the sailing events. On Weymouth Beach we had a free life site, which was a free screening of the Olympic Games. That was linked to a big sports arena...That had direct benefits because we linked them with local clubs, so that has a legacy benefit of getting people more active and encourage them to participate in a Taste of Sport to then go and, say, become a member of the Weymouth Rugby Club.*

(Respondent from Weymouth and Portland Borough Council)

In Weymouth and Portland, as they hosted only one of the Olympic sports in a coastal destination, there were many opportunities for visitors to explore more and experience new activities. This resulted in joint alliances amongst local businesses and encouraged more spending, particularly by high spending visitors. Indeed, it was important for London that the promotional strategies continued for the post-London 2012’s market as a tool for post-event spending. The market during the event was a short-term one and the visitors’ focus was mainly on the Games. Thus, continuous theming and promotional tactics were considered to generate more tourism spending:
Post the Games; it was “London- Now See It for Yourself”. So it was to continue the magic if you like. (Respondent from London and Partners)

This indicates that there were also attempts by London stakeholders to implement special promotions immediately after the end of the Olympic Games to encourage visitors to lengthen their stay. This is in line with previous literature by Chalip and Leyns (2002), Chalip (2004), and O’Brien (2006), who all referred to the implementation of special promotions. Chalip and Leyns (2002) noted that joint promotions and neighbourhood theming require an alliance amongst the related stakeholders such as local businesses, tourism government bodies and event organisers. Chalip (2004) discussed the need to use market research in order to coordinate the goods and services that visitors purchase during the period of the event. This suggests that formulating a promotional strategy is necessary before, during and after events in order to maximise tourism spending as an immediate means of leveraging.

4.2. Leveraging Strategy 2: Lengthening visitor stay

While Chalip (2004) suggested encouraging visitors to lengthen their stay in the host destination as a mean to leverage the event, visitors who came to London to attend the Games were unwilling to extend their stay for many reasons. There are many factors that prevent tourists from undertaking additional activities while they are at the host destination (Pennington-Gray & Holdank, 2002; Ritchie, 2004). International visitors who bought tickets to travel to the host destination seemed to plan the period of their visit in advance. This means that extending their stay was a difficult task, particularly those who travelled long distances to attend the event:

Olympic visitors could be persuaded to extend their visit if they were coming to watch the sport. And we've had a lot of discussions with official ticket agencies who have
contracts in different countries. So the guys who deliver Olympic visitors, for example, Consort, which is the USA...team USA’s tour operator. And a very clear message from a lot of these operators is that Olympic visitors do not tend to extend their visit. (Respondent from VisitBritain)

The suggestion here is that Olympic tickets might not have been offered in conjunction with other activities and augmentations that encourage event visitors to extend their stay. The long travel distance by visitors who came to watch the Games does not help to lengthen their stay:

Most people who had tickets to go and see the Games, if they were coming long-distance, if they were coming from Australia, from Canada or places like that, they probably would have booked it in advance and they would have booked a holiday with it. (Respondent from VisitEngland)

Both quotes indicate that Olympic visitors were perceived not to be interested in the additional event augmentations that are supposed to lengthen the period of their stay. Augmentations according to Chalip and McGuirty (2004) can be, for instance, cultural events, organised tours and sightseeing, or visits to specific attractions. While Green and Chalip (1998), Green (2001), Chalip (2004), and O’Brien (2006) have all proposed that lengthening visitors’ stay by such additional augmentations could be a means by which to leverage a sporting event, findings from this study show that this leveraging tactic was not widely adopted in the context of London 2012 Olympic Games. In addition, in Weymouth and Portland, there was also a lack of coordination between the Olympic Delivery Authority (ODA) and the 2012 team in Weymouth and Portland, which in turn had a significant negative impact on tour activities:

The Olympic Delivery Authority that were responsible for highways and transport they were still advertising in and VMS [variable message signs] on motorways saying
“Weymouth’s busy, don’t come”. Almost, it was putting people off...it was showing that there was less visitors potentially coming at that time so the 2012 Team was very much engaged saying, look we have got capacity; we have got the ability...there was more people cycling, walking, using buses, using trains, etc. during that period of time. (Respondent from Weymouth and Portland Borough Council)

Thus, rather than improving the attractiveness of Weymouth and Portland and encouraging visitations and tour activities to the area, there was discouragement by the ODA. Furthermore, the lack of co-ordinated activities between stakeholders might have had a negative effect on event’s appeal; particularly that lengthening visitor stay beyond London 2012 Olympics was not part of the marketing strategy for VisitBritain:

As a proportion of the number of visitors the UK gets every year, when you think about 30 million visitors, then it's...any people who stay would be quite organic. It wasn't something that we decided we would invest much marketing in. It wouldn't really have a great return on investment for us. (Respondent from VisitBritain)

Here it is clear that there was no serious attempt to entice visitors to stay beyond London 2012 Games period because it was believed that this practice was not going to have a significant economic effect by lengthening stays. As the country already experiences almost 30 million visitors per year, the immediate benefit from lengthening visitors stay is not perceived as being cost effective. However, there was an attempt to encourage residents not to leave for overseas holidays as a mean for encouraging domestic stays, which was a potential complement to the London 2012 Olympics:

What we did do is we had our marketing campaign before the Olympics to encourage people to stay at home...that was very successful, so that was the Growth Campaign. It was “why go abroad when you can stay here?” And I think that was very
successful, because the actual overseas outbound market reduced during that period as well; so people did stay at home. (Respondent from VisitEngland)

Despite the celebratory atmosphere of sport events (Chalip & McGuirty, 2004; Garcia, 2001) that can be a factor to lengthen visitors’ stay (O’Brien, 2007), the contention among the respondents above shows that marketing for lengthening visitor stay for London 2012 Olympic Games might not have found a market. This finding has helped illustrate a need for co-ordinated activities among tourism stakeholders and regions in the UK to form suitable tactics that encourage international tourists to stay longer. This finding is in contention with previous studies, for example that of Green (2001), who referred to the importance of designing augmentations that add additional dimensions to the event, and Chalip and McGuirty (2004) who identified the linkage between augmentations and marketing of the event. This suggests that London 2012 marketers and stakeholders did not develop augmentations that are likely to be bundled to attract visitors beyond the Games’ period due to the focus on the event per se.

One of the important tactics that increases event length is that of the pre-event and post-event opportunities that event planners can create for people to share time together before and after the event (Chalip, 2004). This design of augmentations adds a celebratory aspect to the event and gives visitors opportunities to socialise and stay longer in the host destination (Chalip & McGuirty, 2004). In the case of the London 2012 Olympics, it was perceived that pre-events were not considered to play a role as the attendees of pre-event activities such as the Queen’s Jubilee were different from those who attended during the Olympic Games:

There is a lot happening this year in Britain, which means I think we can attract visitors to the Jubilee and some of the cultural festivals that are happening in June
before the games. But those would not be the same visitors that we'd expect to see watch the sport. They'd be a different type of visitor altogether.

(Respondent from VisitBritain)

As tourists who were attending the pre-Games celebrations of Queen’s Jubilee were perceived as different from those who were coming to watch the Games, augmentations such as the Queen’s Jubilee cannot be considered to entice visitors to lengthen their stay. However, this was considered as practice for London’s stakeholders to prepare for the Games:

We felt that the River Festival for the Queen’s Jubilee was going to be a pre-Olympic event. It was going to give us practice in terms of dealing with visitor numbers and it would also...give us exposure from all the overseas camera crews as well. So, setting up the events outside Buckingham Palace to have that music event on the roundabout outside Buckingham Palace...We also had the events of the Royal Wedding, which again did the same thing. We had people camped outside Buckingham Palace for weeks beforehand. So I think that the whole idea was that the Jubilee and the Royal festivities would be a prelude to the Olympics. (Respondent from VisitEngland)

In light of the above, further work was needed to facilitate bundling the London 2012 Olympic Games with tourist attractions and other activities. Tourism stakeholders including the host destination, ticket agencies, tour operators could have, in collaboration with the event organisers, designed a strategic approach that evaluated the value of the event by incorporating or bundling it with the host city’s overall mix of tourist products, services and ancillary augmentations mentioned earlier in this paper (Buhalis, 2000; Chalip & McGuirty, 2004; Ok-Lyu & Hyoung-Han, 2017). Chalip and Leyne (2002) and O’Brien and Chalip (2007) suggest the use of event-relevant theming and ancillary events that enable sociability with their celebratory aspect can provide experience for visitors to persuade them to decide to
stay beyond the period of their intended event. This is because the further visitors have to travel to attend an event, the more likely they are to decide to complement their visit with non-event tourist activities (Carmichael, 2002). However, the unfortunate fact according to informants interviewed in this study was that there was a lack of coordination amongst tourism stakeholders to enable the London 2012 Olympic Games to be cross-leveraged with other augmentations.

4.3 Challenges faced immediate tourism leverage

Despite the promotions that had been implemented for the London 2012 period, evidence in the data suggests that there were some challenges that potentially affected those strategies for immediate tourism leverage. The immediate economic impact of any mega sport event requires activities that should be undertaken around the event itself (Green, 2001; O’Brien, 2006), and depends on the amount of spending by tourists (Boulton et al., 2000; Chalip, 2001, 2004). However, maximising the visitors’ spending during London 2012 Olympic Games was affected by a number of challenges according to informants’ perceptions. These factors interrelated with each other and they are examined below:

Challenge 1: Limited strategies

Despite the various attempts, in London there were limited strategies towards enticing visitor spending during the event by tourism stakeholders and local businesses. This is because it was thought that the spending mainly would be generated automatically as London is hosting the Games. There was some implementation of promotions to encourage spending as shown in section 4.1, but tourism stakeholders seemed to not put enough efforts for that period, where the London and Partners’ respondent clearly articulated that they did not add
additional promotions during the event, and continued the Limited Edition London. This suggests that tourism stakeholders did not consider the importance of immediate short-term strategic leverage of spending while the event was on:

*We didn’t actually have a specific strategy for the event period itself, because that was quite a short period.*  
(Respondent from VisitEngland)

As the spending by visitors is expected to automatically happen during that short period, this resulted in limited specific strategic coordinated activities by tourism stakeholders and local businesses unlike the case in Weymouth and Portland. In London, there was a needed for more strategies to generate additional spending as Olympic visitors tend to spend quickly during the short period of the event. It was perceived by some stakeholders that as Olympic tourists exist as result of the event per se and then resort, they do not generate additional spending. There was a perceived need to facilitate an alliance of efforts in London that manage visitor spending rather than having basic promotions.

**Challenge 2: Limited of interest in tourism attractions**

In the light of the discussion above, informants’ perceived that during the Games in London, Olympic visitors mainly seemed not to be interested in visiting tourism attractions. The interest was focused on the Games in Stratford. This played a significant negative impact on visitor spending on attractions during the event period. Some of London’s attractions experienced a drop in their revenue during the two weeks of the event:

*In Central London, we heard stories about hotels...only being two-thirds full when they are normally 100% capacity. I was at an event a few days ago and I was speaking to the river boat operators and they were saying that during the two-week period of the Olympics it was really bad because people weren’t going on the boats;*
they were watching events or doing other things instead...it was no surprise that attractions like Madame Tussauds or the London Eye or the river boat operators actually lost money for that short period. (Respondent from VisitEngland)

This indicates a lack of marketing of these attractions or less implementation of effective joint promotions between attractions and the London 2012 Olympic Games during that period. This resulted in limiting visitors’ spending on activities and attractions of London, and caused negative impact on the revenue of attractions’ operators as in the quote above. Furthermore, Olympic visitors were ignored to some extent by the marketing strategy for attractions; it was already perceived by tourism stakeholders in London that visitors are expected not to be interested in attractions:

People who come to Games are not like other tourists, they do very different things.
So, sometimes...marketing to tourists doesn’t actually work for us, they are here just for the sporting event. (Respondent from London and Partners)

Both quotes above suggest that the Games drove tourists’ attention away from tourism attractions to spending their money on attending the event. Indeed, the traditional operators might have lost money during that period due to the limited spending. This suggests that most visitors’ money went into particular stakeholders (e.g. ticket agencies, some tour operators and some hotels) as spending concentrated on attending the event. People were more interested in watching sports events rather than doing traditional leisure activities like going on a bus tour or going to a museum as suggested by previous leveraging authors (e.g. Chalip, 2004; O’Brien, 2007). This reflects a weak process of coordination between event organisation, local businesses and local attractions, suggesting that in order for traditional operators and local attractions to benefit from visitors spending, there had to be a kind of business partnership with other stakeholders such as the event organisers which in turn have
mutual benefits (Chalip & Leyns, 2002; Lorenzoni & Lipparrini, 1999). Interestingly, tourists were visiting the area of Stratford in order to watch the Games, however the next challenge suggests that their spending was also affected by the fact that Stratford is not an attractive destination.

**Challenge 3: Lack of Games’ location attractiveness**

There was a huge interest in the event itself, the tourists then had to visit East London as a first step. This might have been an attempt to attract tourism to the area of East London and Stratford as it was a newly regenerated area. However, it was argued by informants that it would be difficult to entice their spending because there is no reason to visit East London other than the Olympics. Most of London’s tourism attractions are away from this location, and this was raised as a critical issue. The area lacks intrinsic tourism attraction, and event visitors were affected by the fact that the area did not offer as much as other areas in London to encourage shopping and other spending activities. Indeed, the area witnessed improved infrastructure and increased employment, but the challenge was how to encourage tourists to come to the area other than for the Olympics.

Yet, at the local authority level there has been more interest in the regeneration impact of London 2012 in East London and less interest in Olympic visitor spending and future visits to the area. It was perceived that East London including the Olympic Park and the shopping centre in Stratford cannot compete with traditional attractions and shopping areas in other parts of London such as Oxford Street for instance. However, in contrast with this view, the informant from VisitEngland explains that tourists will find what they need outside of East London and participate in different activities that generate more spending:
There was huge interest in the events themselves. So the Olympic Park itself, you know, during, hundreds of thousands of people, but also people would go to Hyde Park or they would go to other events where there were free events, where you could view them as spectators. (Respondent from VisitEngland)

Thus, in the view of the respondent from VisitEngland, it was not a significant issue that tourists were moving from East London to Central London for instance to find their preferred activities. This point of view is indirectly supporting the previous point about East London. In fact, both cases demonstrate that whilst tourists’ demands and businesses’ locations are changing, the unattractiveness of East London as a tourist destination, particularly when viewed in relation to Central London, had a negative impact on the ability to leverage additional spending from visitors.

**Challenge 4: Displacement effect**

Hosting a mega sporting event such as London 2012 Games brings about displacement effects where visitors choose not to visit the host city when they would otherwise have done. Furthermore, the discussion above shows that East London’s non-attractiveness had displaced the visitors’ activities during the Games. This is because of the expected impact of the Games on congestion, businesses migration and redistribution and increase in prices. Most of the displacement effects in fact took place during the year of this mega-event, which is what previous mega sport events have experienced (see Preuss, 1998; Gelan, 2003; Levy & Berger, 2013). In the case of London, the displacement occurred not only through the supply side, but also the demand side. Displacement then was considered as a form of challenge that displaced spending activities by visitors, but it did not generate new spending, it was a substitute activity in a form of crowding out displacement activity. This displacement effect
did not contribute to generating new activities or increasing visitors’ spending, particularly in a city like London with the expectation of increased prices. Furthermore, tourists and locals businesses in London were disappointed with the crowd and the city being busy. VisitBritain was expecting this factor for summer 2012:

*The host countries quite often have an impact of people not going to the host city, because there is a fear that it will be busy. So, normal businesses can be displaced by the Olympics coming in to town. So that will have an impact on London in July and August, which is obviously a bit of an important part of the year.*

(Respondent from VisitBritain)

In addition, as congestion and business displacement could shift the demand of the potential tourists, the effect removes the actual economic activity due to the lack of interest in the city for instance. A more important point was that there were some concerns, where hotel prices rose. In anticipation of this, many tourists planned their budget carefully or displaced from the host city and this is indeed a removal of existing economic activity. In light of displacement effects studies of previous mega sport events, VisitEngland was expecting the negative impact of displacement in London. However, the uniqueness of London as an international city was thought to mean that London was going to recover automatically from this effect of displacement:

*It has always been assessed that London was going to be, the 2012 Games in London were going to have a big displacement affect. We knew about that because we had looked at all the previous Olympics events for the last 20 years and London is a very unusual city. It depends on all its different venues because it is a world city, it is the number one city in the world in terms of international tourism and it has got very different characteristics to many other places because, we always knew that*
displacement in London...would have an impact, but by and large London would carry on working as it always does.  

(Respondent from VisitEngland)

As discussed earlier, there were limited strategies for the period of the event itself because it was believed that outcomes will be automatically generated and London as a unique city can recover from the displacement effect for instance. This refers to the limitations of what tourism stakeholders in London could do, and shows limited previous knowledge and expectations of visitor behaviour of mega-events such as the Olympic Games. Similarly, Weymouth and Portland experienced a similar kind of displacement to London at that period. It seems that displacement is hard to avoid or to plan for reducing its negative impact in any host destination. In Weymouth and Portland there was no significant increase in the number of visitors and their spending due to the displacement factor. However, in comparison to London, Weymouth and Portland saw a high spending type of visitors:

What’s being recognised is that you saw a displacement of your traditional visitor, but what you did see was a higher spender visitor.

(Respondent from Weymouth and Portland Borough Council)

What is emerging here is a need for tourism stakeholders in a host destination such as London to know in advance what they could do to reduce the impact of displacement. It was essential for London 2012 tourism stakeholders to put into considerations the shift in demand in 2012, and to find alternatives to reduce the impact of displacing the spending activities, particularly given that London is an expensive city. Weymouth and Portland in turn were not expecting the type of high spending visitors; this phenomenon did automatically happen although there was a loss in the traditional visitor spending. This means that without the high spending visitors, Weymouth and Portland, like London could suffer from the same negative
displacement effect particularly given the effect recession was playing on tourist spending as explored further in this paper.

**Challenge 5: The impact of the wider economic environment**

As the effects of the global financial crisis started to impact on tourism towards the end of 2008, a rapid eroding in potential tourists’ confidence occurred in most major tourism source markets, which had a serious negative impact on the tourism industries worldwide (Smeral, 2010). Because of the economic crisis, tourists were seen to be setting fixed budgets for spending during their visits to London in summer 2012. VisitBritain was not expecting a significant growth partly due to macro-economic conditions in the wider world which in turn affected visitors’ spending:

> Spend per head I think is going down...The actual number of visitors coming in has been increasing, but spends per head while people are here has gone down...But that's nothing to do with it. It's just the impact of recession in outsource markets.

(Respondent from VisitBritain)

The recognition of the recession by tourists forced them to set budgets for their period of stay in London for the Olympics. Thus, attempts to entice more spending might fail without a strategic approach (Challenge 1) that might structure visitor spending. As tourists set fixed budgets for their spending, it was hard to encourage more spending particularly that London is a very expensive city. Thus, being able to stay in London with a set budget to spend was already a priority for tourists:

> The visitor figures that were down...it was to do with people being frightened about the prices...They thought the prices would be too high...prices were high and people
were frightened to spend the money this summer. So I think we had less overseas people than normal.  
(Respondent from VisitEngland)

In addition, the prices of hotels in London were very high and most of people’s money was spent on accommodation rather than on other activities and added augmentations:

Spending is going to be concentrated in the hands of the hotel owner and not for the greater good. It’s not going to go into amusements. It’s not going to go into the wider economy.  
(Respondent from UKTI)

However, in Weymouth and Portland there was a different experience of spending (as discussed in Challenge 4). The type of tourist was different to the one in London as Weymouth and Portland experienced high spending visitors. Therefore, despite the displacement factor, it was perceived that there was a balance in the net economy of visitor spending in Weymouth and Portland, with no increase in total visitor spending:

Although we saw less traditional visitors with the higher spending visitor, the total net effect on the economy balanced. So there wasn’t any gains, there wasn’t any losses; it was roughly, but what you will find is there were establishments, like certain accommodation provider and so forth, that they lost out, but the other money was reaped in, reaped or obtained through other means. 
(Respondent from Weymouth and Portland Borough Council)

These results illustrate how it was a challenging practice to entice visitors spending due to the global economic crisis. There is a contention and different characteristics between even the two locations in one country that hosted the Games in 2012. Enticing visitors spending and lengthening their stay at a host destination in an Olympic city with the global economic
struggle will remain a challenge if host destinations did not implement a specific strategy to manage the displacement effect as well to study in advance the shift in the tourists’ demand.

5. Discussion, Further Research and Conclusions

The interviews reported here have shed light on the immediate tourism leveraging that was employed at the London 2012 Olympic Games. The interview results have addressed the aim of exploring attempts for leveraging immediate tourism benefits of a mega event, as well as exploring perceived challenges that affected this leveraging process. For the London 2012 Games, immediate leveraging included the implementation of special promotions such as Limited Edition London and various discount schemes. These examples demonstrate that there are a number of strategies that can be implemented by stakeholders in an attempt to leverage the tourism benefits from mega events such as the Olympic Games but unfortunately they were limited for the period of the event in London.

It is clear from the empirical findings, however, that even with these strategies, leveraging immediate tourism outcomes might be limited. While these leveraging attempts were made as in Chalip’s (2004) theoretical model, their effectiveness was, however, limited according to informants’ perceptions. The results shown above discussed these limitations under five headings that emerged from the stakeholder interviews. These five limiting challenges were: (1) limited strategy to entice visitor spending; (2) limited interest in tourism attractions; (3) lack of Games’ location attractiveness; (4) the displacement effect; and (5) the impact of the wider economic environment. Whilst some of these challenges are beyond the control of event organisers or stakeholders, such as the impact of the recession, others could be more controllable. As a consequence, it was more surprising that there were limited strategies to entice visitor spending. Even though Faulkner et al. (2001) and Chalip (2004) identified
enticing visitor spending as an important element of the leveraging process, it is clear that
without clear and suitable strategies, this outcome is unlikely to be achieved. An important
conclusion from this study therefore re-iterates, with the support of evidence from London
2012, the need for such leveraging initiative.

Some of the challenges can be predicted and taken account of in leveraging strategies. The
challenge of limited interest in tourism attractions and of location attractiveness could easily
have been anticipated in advance, but perhaps the realisation of these challenges came later in
the event planning process, leading to more short-term measures to entice visitors to spend
more time and money in and around the event. Ok-Lyu & Hyoung-Han (2017) argued that in
host destinations, tourism stakeholders and businesses could control such challenges by better
acknowledgment of types of travel products and augmentations that can be tailored and
bundled with a particular mega sports event, as they have purchasing power by sport tourists.
If they were well tailored in advance for the London 2012 Olympic Games for instance, they
could embrace various attributes that entice tourists to spend more money or to decide to
lengthen stay in the host destination (Chalip & McGuirty, 2004; O’Brien, 2007; Sato et al.
2014; Weidenfeld & Leask, 2013). Weed and Bull (2009) regarded such augmentations as an
essential appealing product for sport event tourists. Olympic tourists are perceived to
willingly participate in additional activities to enhance their travel experiences (Kaplanidou
& Vogt, 2010; Ok-Lyu & Hyoung-Han, 2017).

In the case of London 2012, there was plenty of time in advance of the event for leveraging
strategies to have taken these challenges into account. Displacement is a challenge that has
been well known to be a possible outcome of mega events, but as each mega event is unique
in its scale and the way in which the local economy reacts to increased demand, is difficult to
predict. Nevertheless, mega event organisers should anticipate early in their planning process
that such displacement effects are likely to happen, and to incorporate strategies to counter
displacement at early stages rather than be making short term changes responding to criticisms about displacement close to or during the mega event.

Other challenges may not be under the control of event organisers or other event stakeholders, nor could they be predicted, but it should from the outset be clear that they are a potential risk to the successful staging of a mega event. For London 2012, the global financial crisis of 2007-2008 and the subsequent recessions in many major tourism markets, and slow growth in emerging markets were not apparent when the early stages of event planning were taking place. However, the potential impact that economic crises can have on events is something that should be planned for, as are the potential impacts of a range of scenarios that could take place in the lead up to an event, such as natural disasters, political instability, outbreaks of contagious diseases and terrorist incidents, all of which have caused tourism crises in the past and have the potential to impact negatively on the hosting of a mega event.

This suggests that the current theoretical leveraging approaches (e.g. Chalip, 2004; O’Brien & Chalip, 2007, 2008) are initial steps that await further research. Stakeholders may not successfully achieve objectives of immediate tourism leverage. Perhaps stakeholders could interact more with event, setting, and circumstances at an early stage of the event planning process to overcome potential challenges. In other words, there need to be some sort of matching between the event itself, leveraging strategies and what stakeholders exactly seek to achieve particularly in a popular tourist destination like London. It is indeed too simplistic to suggest applying current leveraging initiatives is an easy and straightforward task, thus agreeing with VanWynsberghe’s (2016) arguments earlier in the paper. Furthermore, as discussed, due to the paucity of critical examination of applying the theoretical model, findings in this paper support the view that the scope of the theoretical model requires more theorising about for instance, the size of the event, the timescale of leveraging and stakeholders involved (Weed, 2010; Smith, 2014), this is still very limited. Interestingly,
whilst evidence in the data showed attempts by stakeholders to implement elements of the current theoretical model, a close eye at stakeholders’ perceptions suggest that they were not in control of conducting the leveraging initiative (Tian & Johnston, 2008; Smith, 2014; VanWynsberghe’s, 2016). In fact, this study looks only at two immediate tourism leveraging initiatives, and it would be one of the required first steps toward investigating leveraging initiatives by different academics from different backgrounds. Further research is required in various areas such as the long term tourism and business leverage, sport participation leverage, socio-cultural and environmental leverage. A little explored issue is leveraging host communities social change for instance. Although O’Brien & Chalip (2008) have suggested a model for social leverage, their attempt again, is still exploratory and requires further investigation similarly to Chalip’s (2004) economic leverage model. Furthermore, O’Brien & Chalip (2008) found synergies between social and environmental leverage. Future research can also build on this and investigate the synergies between two or more event impacts and legacies to design effective leveraging models.

Indeed, there is still a great deal of work to be done. This paper has critically recognised a number of the major assumptions made in the current theoretical model of immediate tourism leveraging which is led by the event and its period (Smith, 2014). However, the question of whether or not the social, sport or environmental leverage for instance require further instigations to explore what challenges may limit future mega events’ leveraging initiatives. As mega sport events are not merely about their immediate impacts, another important question of whether or not long term leveraging models are needed for various outcomes within host destinations. Event leveraging is always determined by the characteristics of the event. If mega events in particular, politicians and stakeholders now seek long term outcomes for the host destination that align with the nature of the event. We then recommend further empirical investigations in the area using cases of mega sport events in order to broaden our
understanding of leveraging, stakeholders’ roles and involvement, and funding resources for the leveraging initiatives.

When using strategies to maximise benefits from mega sport events, it is essential to consider the complexity of applying initiatives and strategies to achieve positive outcomes (VanWynsberghe, 2016). As seen from the data, there were some attempts to leverage immediate tourism benefits from the London 2012 Olympic Games using the two strategies of enticing visitors’ spending and lengthening their stays. However, as researchers, we had to follow an approach to critically explore if the theories of leveraging strategies are applicable as Smith (2014) and VanWynsberghe (2016) suggested. This approach resulted in benefiting the research by concentrating on key stakeholders who attempted to apply elements of two leveraging tactics suggested by Chalip (2004). However, given the London 2012 setting as a mega event that involves a large number of stakeholders, it is possible that expanding such work to include all of these would come to different conclusions. We also acknowledge that this paper presents an empirical starting point and follow-up research is still required to establish a more balanced view from different mega sport events. Conducting future all-inclusive research is encouraged in this emerging area particular that it is still under-researched.
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