

# 21

## Evaluation and Impact of Events

### In this chapter you will cover:

- Overview of evaluation and impacts of events
- Evaluating event and festivals
- Cost-benefit analysis of events
- Measures and procedures for evaluation of events
- Economic impact and assessment of mega-events
- Social, cultural and environmental impact of events
- Event visitor evaluation

This chapter examines the evaluation and impacts of events. The events industry is emerging globally as a significant and growing sector and has had significant economic, socio-cultural and political impacts on host communities over the last few decades. In the events industry, economic impact studies are undertaken for a variety of purposes; frequently they consider elements of cost-benefit analysis concerning the event in comparison to income generation and visitor expenditure. The evaluation and impacts of events are carried out to measure their success in attracting a wide inbound audience, and to assess their economic impacts on towns and cities. The chapter will discuss and investigate the critical success factors for festivals and events in the economic life to the host city and in raising the profile by developing employment, additional trade and business.

### Overview of evaluation and impacts of events

The events have multiple objectives and are organised to meet the needs of the organisers and wider audiences. The impacts of musical, charity, sporting events, festivals, conventions and trade shows events are generally seen as positive contributions to the local communities that host them and are hailed by the local and national governments as a success factor. The organisers are normally sup-

ported by the local and national governments, tourism and hospitality agencies in return for economic and cultural benefits to the host community. Special sporting events like the FIFA World Cup and the Olympic Games can help the host cities to develop long term infrastructure and enhance a country's profile through the international media.

Over the last three decades, events and festivals have become one of the fastest growing forms of income generation for local communities. Events and festivals are being used by the tourism agencies to promote destinations and attract visitors to inland and rural communities. The events and festivals industry evaluation and impact studies are undertaken to assess the economic cost-benefits appraisal of the actual event and festival income generation for the local area. They aim to show the financial benefits to local economies and the success the events bring to local areas. The key principles for evaluation and impact measurement are to achieve accountability, transparency, efficiency and inclusiveness for the company and host community, and to learn from and improve from poor methods implemented during the event. Getz (2018, p.2) stated that:

*This evolution of theory and method is a necessary accompaniment to the formalization of event and tourism studies at the university level, and to the professionalization of these sectors.*

Case study 21.1 below looks at key goals achieved by Russia in hosting the 2014 Sochi Winter Olympic Games. It was one of the biggest events in 2014, not just for Russia but also for the world, developing the local Sochi infrastructure and accelerating regional development.

### Case Study 21.1: 2014 Sochi Winter Olympic Games, Russia

Sochi was selected on 4 July 2007 by the members of the International Olympic Committee (IOC) at the 119th Session in Guatemala City as a host city for the winter Olympic Games for 2014. Sochi was chosen from seven cities, namely:

- Sochi (Russian Federation),
- Salzburg (Austria),
- Jaca (Spain),
- Almaty (Kazakhstan),
- PyeongChang (Republic of Korea),
- Sofia (Bulgaria)
- Borjomi (Georgia).

The 2014 Winter Olympic Games broke a series of records. They had the highest number of participating nations (88), the highest number of athletes (2873), and the highest number of events (98) of any Winter Games. But the one record that the Sochi Winter Olympic Games will be remembered for the most expensive Olympic Games ever – Summer or Winter. The figure most frequently cited for total costs is \$51 billion (1526 billion rubles), although the actual figure is around \$55 billion (1651 billion rubles).

The Sochi Winter Olympic Games was hosted by Russia to achieve two major goals. The first was to accelerate regional development and build the infrastructure of Sochi as a world-class resort. The second goal was to present to the outside world a new face of Russia as an open, modern, and attractive country. Below is the data of the Sochi Winter Olympic evaluation impact on the host city.

### **Infrastructure improvements**

1. More than 367km of roads and bridges.
2. More than 200km of railways, with 54 bridges and 22 tunnels.
3. 967,400 square meters of road surface and pavements.
4. 480km of low-pressure gas pipelines.
5. Two new thermal power plants and one gas power plant with a combined capacity of 1,200MW.
6. Three new sewage treatment plants.
7. 550km of high voltage power lines.
8. A new water and wastewater treatment facility processing 255,000 cubic meters of liquid per day.
9. A new seaport for passenger liners, ferries and personal boats.
10. 60 new educational, cultural and health facilities.
11. 25,000 additional hotel rooms, with 56 hotels now rated four-star and above.
12. A new theme park, Sochi Park, with one of the highest and fastest roller coasters in Russia.

### **Venue use**

- The Sochi Games media centre is being used to host major events like Sport Accord and the Sochi Economic Forum.
- The Olympic Park hosted Russia's first Formula 1 race in October 2014.
- The new track was used throughout the season, with contracts signed with GP2 and GP3 motorcycle racing series, as well as the Porsche Cup.

### **Jobs and economic growth**

- Preparations for the Sochi Games created and supported an estimated 690,000 jobs.
- In 2011, approximately 56,000 people worked on the Olympic construction sites
- At the close of 2012, a total of 70,000 people were working on Olympic construction.
- During the Games, Sochi had the lowest level of unemployment in Russia – 0.17%.
- Business activity in Sochi increased 178.8% from 2005-2010, compared to 101.2% in the Russian Federation as a whole.
- By 2013, the Organising Committee was working with a total of 686 contractors, including 59 foreign contractors and more than 200 individual entrepreneurs.
- The Sochi 2014 Organising Committee expects to announce a profit when its operations are finally wrapped up.

## Tourism

- The 2014 Games have provided an opportunity for Sochi to transition from a regional summer resort to a year-round resort.
- Before the Games, the number of foreign tourists to Sochi grew by more than 2.5 times in 2011-2012.
- The number of international events held in Sochi and the Krasnodar region increased by 70% and 50%, respectively, between 2009–2011.
- The Mayor of Sochi reported that all hotels in the Mountain Cluster were full from the beginning of November until 10 January.
- Owing to strong demand and to avoid overcrowding, restrictions were placed on who could buy ski passes on certain days this winter.
- Sochi airport handled 3.1 million passengers in 2014, a 28% increase on 2013.
- The airport expects to open new international routes in the near future.

Adapted from International Olympic Committee (IOC), Factsheet Sochi 2014 Facts & Figures

The Sochi Winter Olympic Games also created temporary jobs for the region and laid down stepping stones for the development of the event management and tourism industries to expand their services. The capital flows into the region created additional jobs and revenue for local businesses and contributed to economic growth. This economic stimulus effect, however, is difficult to calculate and often overestimated, sometimes due to the political interest involved.

## Evaluating events and festivals

The evaluation of events and festivals is seen as an essential step for organisers, local authorities, governments and key stakeholders to meet the global pressure brought by other competitors on market. Evaluating event success helps decision makers to adopt the right economic, environmental and cultural policies for future events. Therefore, it is imperative for event and festival managers to understand what areas need to be improved and what measure needs to be developed to increase the success of the event. Over the last three decades mega-events and festivals have become focal development tools for host communities, local governments, national governments and the tourism industry. Events and festivals evaluation have indicated that the events sector has contributed over £40bn direct spending to UK economy and created significant employment (Getz, 2018; Collins and Cooper, 2017; UNESCO, 2015; Getz, 2005)

Evaluating event success is the first step towards planning your next event. The planning process of this years' event is where the evaluation process begins. Beyond the expectation of evaluation from your boss and stakeholders, understanding what worked, what did not, and where you can improve, builds the foundation for success and knowing what to measure against. Monmouthshire Council states that the evaluation is a key tool for the organiser to adopt to measure the event success.