

Event Stakeholders

Instructor's Manual

4 Applying Stakeholder Theory to the Management Functions

This is the instructor's manual produced to accompany the book *Event Stakeholders: Theory and Methods for Events and Tourism*, by Mathilda van Niekerk and Donald Getz, 2019, published by Goodfellow Publishers Ltd.

This manual and the accompanying illustrations are provided by the authors for the private use of instructors using the book *Event Stakeholders*. All the PowerPoint slides from the book that are line drawings are included in these notes, as they are originals by the authors or have been adapted from the noted sources.

The figures from the text are available for downloading as a PowerPoint file to those instructors adopting the book. Additional graphic material is provided in this manual, but instructors should be aware that using photos and illustrations downloaded from the internet might violate copyright laws, so only use such material in the classroom. PowerPoint slides are also developed for the textbook and can be used by the instructors.

Lecture 7

4.1 Introduction

Now that theory has been covered, how are we to apply it to the actual organisation and management of events? Figure 4.1 provides the overview. We include sustainability and the experiences of stakeholders, alongside organizing and planning, marketing and branding, impacts and evaluation, resources, and staffing and volunteers.

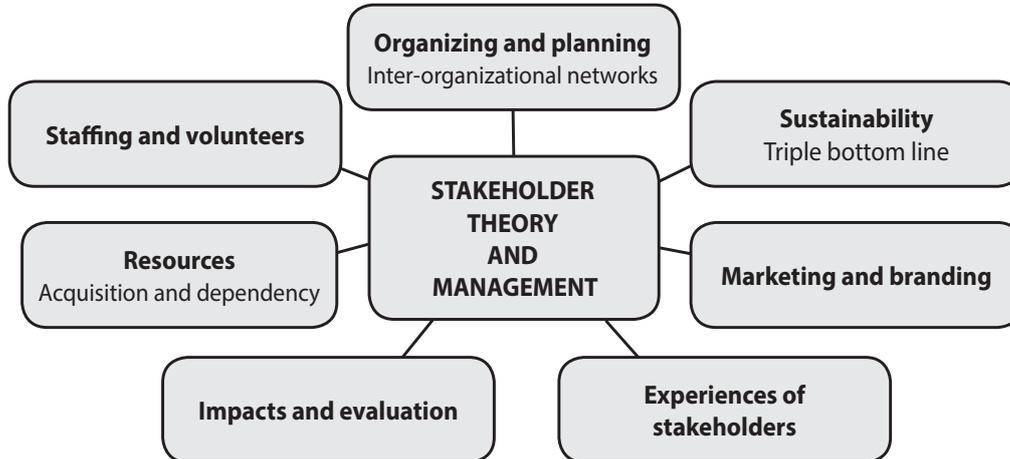


Figure 4.1: Areas of application to event management

4.2 Key terms defined

4.2.1 Political market square

This analogy of a political market square is all about stakeholder collaboration for an event or other project and is mentioned in several sections and research notes. A diagram is provided in the next chapter under Festivals.

A political perspective, in the analysis of relational interaction in a project network marketing an event, has led to the introduction of a metaphor for such a network, the Political Market Square (Larson, 1997, 2000; Larson & Wikström, 2001).

4.2.2 Public Good argument

If events cannot make a good argument about the public good they generate, in terms of triple-bottom-line impacts, they will not succeed in attracting committed stakeholders.

“The key to this powerful argument is to demonstrate important benefits from events and facilities that accrue to society as a whole- or to the economy (which should clearly benefit us all), and to the environment (everyone supports a healthier, safer, more sustainable environment)” Getz (2013).

4.3 Case study - Lusofonia Festival, Macao SAR, China

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4.3.1 Discuss this key lesson in the words of the authors:

Two major lessons are discussed in the final paragraph of this case: the need for a supportive environment for stakeholders, and (especially within this type of ‘diaspora’ event) the challenges of engaging disadvantaged or marginalised groups. Classroom discussion of these interrelated issues could stem from this question: “What strategies and actions are appropriate when vital stakeholders do not have a powerful voice, nor sufficient resources?”

Lecture 8

4.4 Application of management functions to event management

The figures below, in sequence, cover the main contents of this chapter. The authors created all the diagrams. In each one are major stakeholder categories, and important theoretical links.

The first is organising and planning. This is how to interpret the diagram (Figure 4.2). There are three generic forms of event ownership, so that is a starting point: for-profit, not-for profit, and public sector ownership. Ownership directly relates to organisational culture, as one can expect profound differences between a company with a single owner and a company with shareholders, and between a non-profit with a volunteer board of directors and a public-sector event run through a department of government. Both public-sector and not-for-profit events are community based, but with quite different forms of legal ownership and stakeholder management. This in turn affects the formation of strategy, the change process, and all decision making. The founders of many events have a lasting influence on their culture, leading to potential culture clashes over strategy. In this context we need collaboration theory, and the political market square is an important analogy for bringing forward pertinent issues: power, legitimacy, urgency and the nature of networks and relationships.



Figure 4.2: Organizing and planning

For sustainability (Figure 4.3) we need a triple-bottom-line approach. Events that are considered to be legitimate in the community might become permanent institutions with an assured resource base, but they will be dependent upon key stakeholders like local government. In any collaboration there are risks to consider, so a vital question is this: who assumes the risks associated with failure? The diagram does not point to the 'greening' of events, or their environmental sustainability but here is a proposition based on stakeholder theory: the environmental sustainability of an event will depend on the priority assigned to it by the key stakeholders.

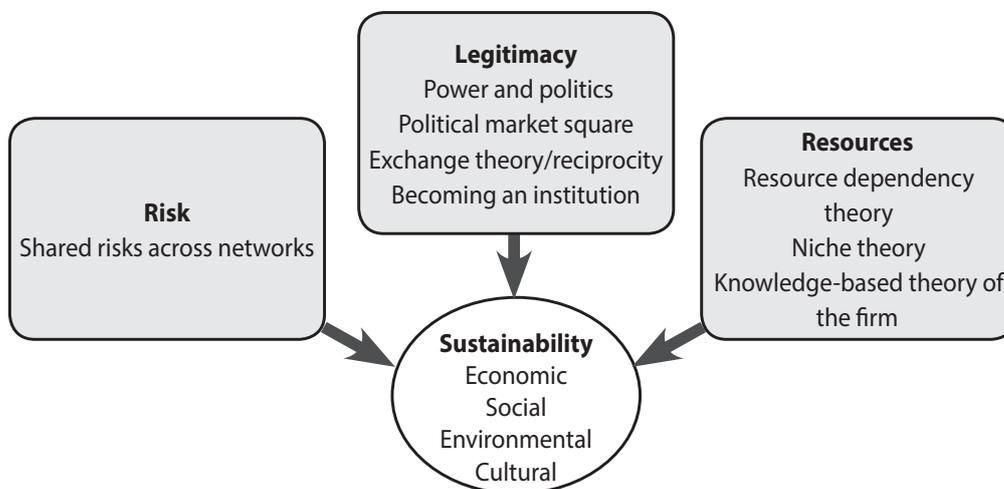


Figure 4.3: Sustainability

Probably the most important issue to have arisen in the entire field of marketing and brand management is that of social media and its impacts. But within the universe of social media, who exactly are the stakeholders? See Figure 4.4.

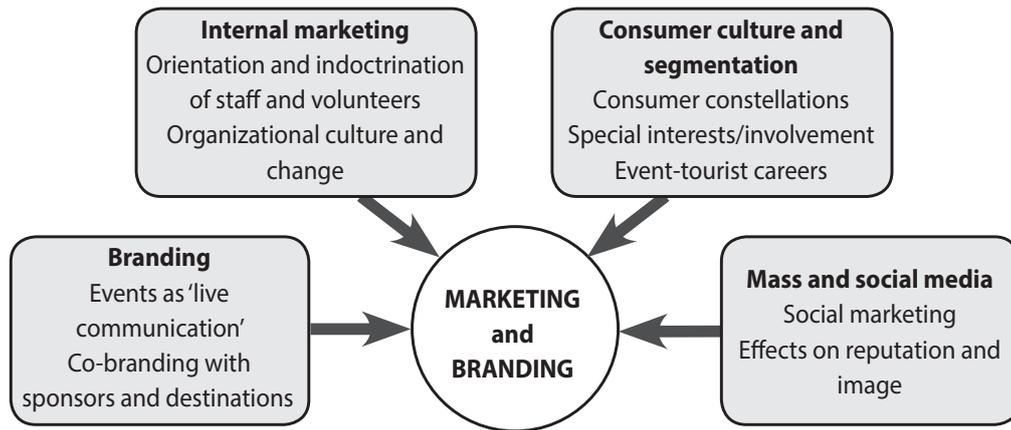


Figure 4.4: Marketing and branding

When it comes to the attendee or guest, co-creation of experiences is a key design issue. Understanding the meanings visitors and other stakeholders assign to the event and to event experiences is crucial for design, operations and marketing (Figure 4.5).

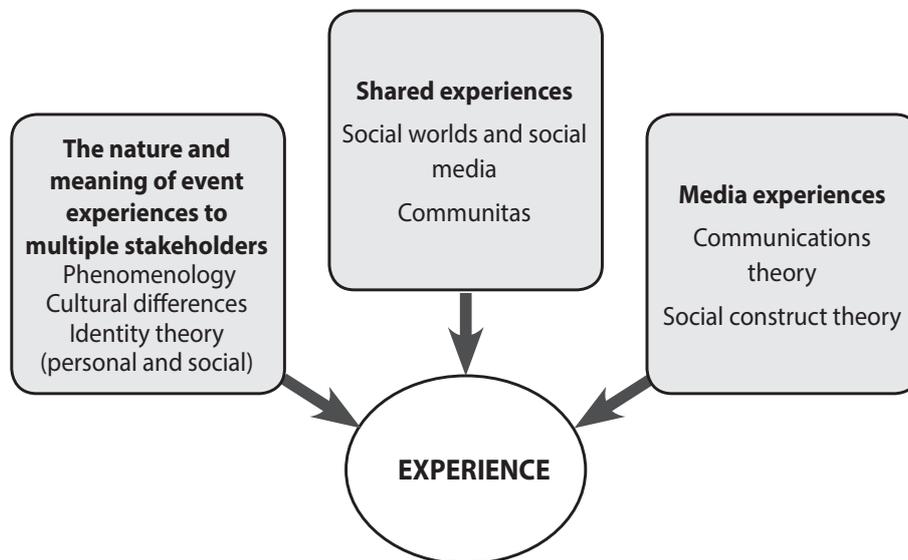


Figure 4.5: Experience

In the book *Event Impact Assessment (EIA)* (Getz, 2018) these five 'objects' of EIA are considered in detail. Within each 'object' are various stakeholders, or the 'subjects' of impact assessment. For example, when considering the social impacts of events or event-tourism, we need to identify the stakeholder groups most affected: residents (individuals and families), social groups and sub-cultures, organisations (including the events themselves), tourism destinations (the DMO or convention centre) and government. See Figure 4.6.

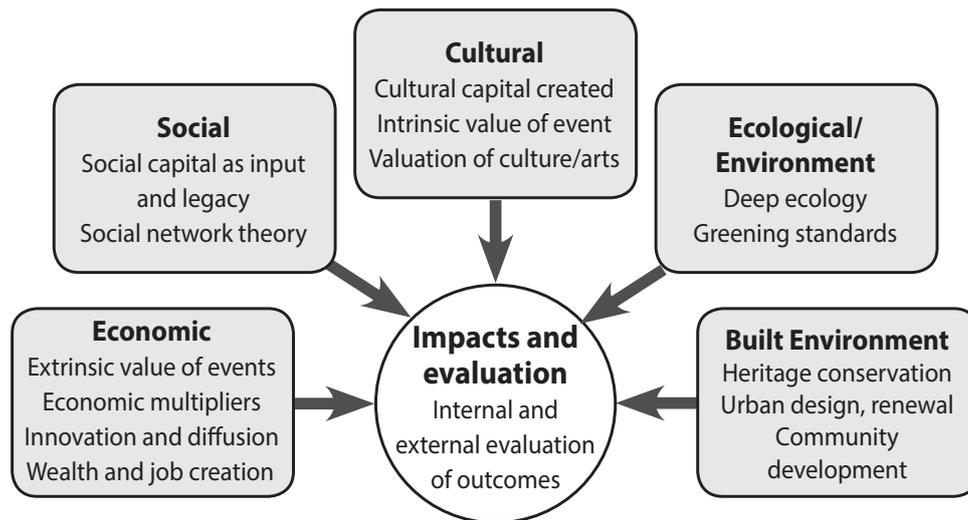


Figure 4.6: Impacts and evaluation

Resource management (Figure 4.7) consists of obtaining adequate resources (and what that means for dependency) and efficient utilization in all the transforming processes that are intended to produce desired outputs and outcomes. Event management is often pre-occupied with two vital issues: volunteers, and money, but never forget knowledge. Bargaining power refers to the distribution and exercise of power between stakeholders.

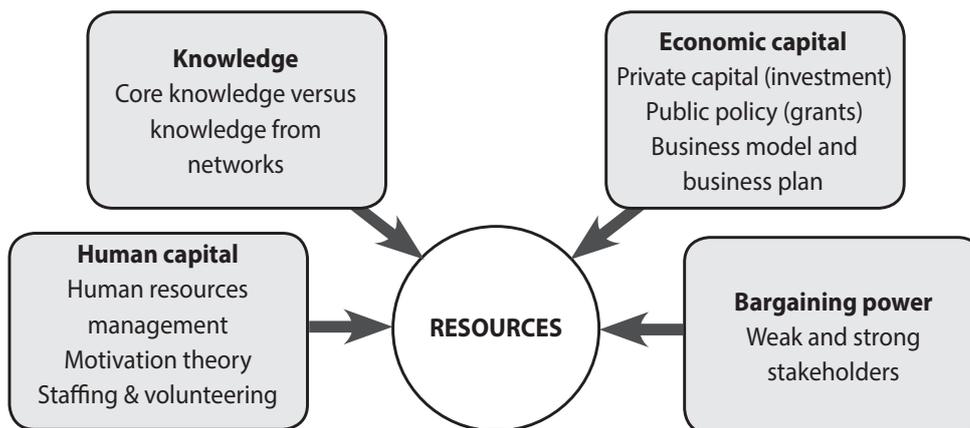


Figure 4.7: Resources

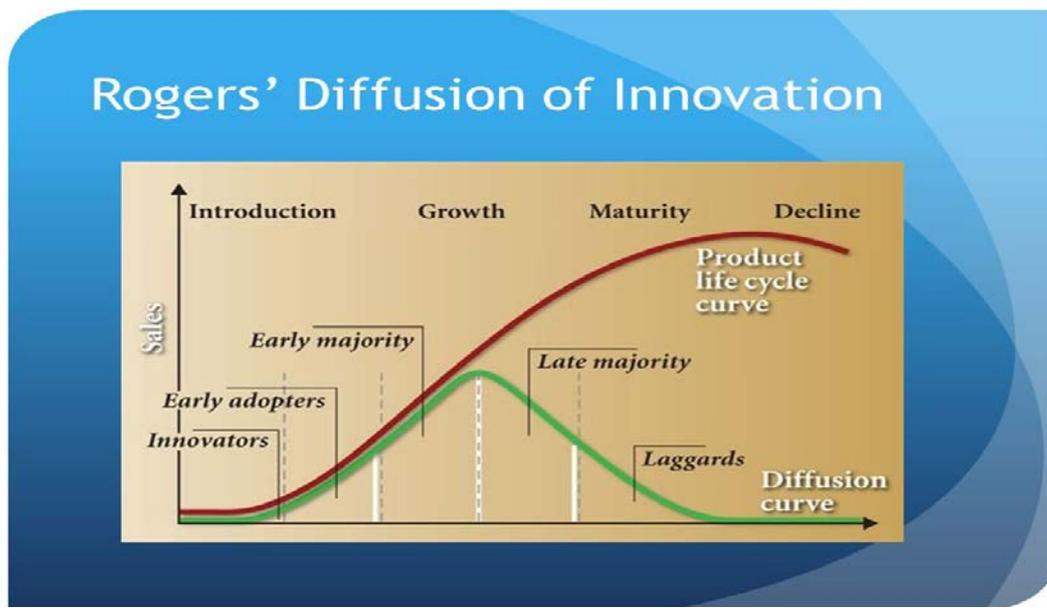
4.5 The relevance of innovation diffusion theory

The ensuing, downloaded diagram combines a typical product life cycle with the Rogers 'diffusion curve'. In a marketing context the timeline can be measured by reference to stages (intro, growth, maturity, decline) or categories of consumers who adopt (i.e. purchase) the innovation (i.e., a new product, product class, brand, or improvement). The vertical axis can be measured in terms of sales, as in this diagram, with options being market share, profit or revenue.

As an exercise, adapt these two concepts to events and their stakeholders, starting with paying customers (use attendance or revenue, and target-market segments). For example, who will you attract to a new event, how long will it take to maximise both revenues and attendance, and how long can the event remain popular? Specific marketing efforts, including adjustments to the marketing mix (the 4 Ps) must be implemented.

Now extend the thought process to other stakeholders. For example, taking a proposed new event as the context, who will be the first agencies and corporations to provide funding and co-marketing? At what stage would you seek support from social and mass media (support, not communications)? Among the resident population of your city, what will be the timeframe to achieve maximum exposure (knowledge of the event) and maximum demand (a willingness to pay)?

To be really ambitious, link these two curves to the concept of 'festival institutionalisation' (i.e., the process of becoming a permanent, highly-valued event).



Recommended additional reading and resources

The two companion books on event evaluation (Getz, 2018) and impact assessment (Getz, 2018) both deal with stakeholders and their roles in event management. The Hede article is useful in its discussion of the value perspectives and positions taken by major stakeholder groups when it comes to sustainability.

Getz, D. (2018). *Event Evaluation: Theory and Methods for Event Management and Tourism*. Oxford: Goodfellow Publishers.

Getz, D. (2018). *Event Impact Assessment: Theory and Methods for Event Management and Tourism*. Oxford: Goodfellow Publishers.

Hede, A.M. (2007). Managing special events in the new era of the triple bottom line. *Event Management*, **11** (1-2), 13-22.

Assessments

From the text: "Try to evaluate economic, social, cultural, ecological/ environmental and built environment impacts of a planned event as if you were the organizer. After that evaluate the event's efficiency from the perspectives of different stakeholders."

Students will need the companion books to do an evaluation or impact assessment. But the question of 'efficiency' is something that can be more easily examined. Ask stakeholders if their relationship with the focal organization could be improved in order to help achieve their goals, and how exactly this could be done.

Sample short-answer questions:

- ◆ Define these terms: 'management function'; 'public good'; 'organizational culture'; 'innovation diffusion'; 'capital'.

Beyond these terms, each management function discussed in this chapter has associated theories and concepts that can be 'defined' or 'explained'.

Sample long-answer or essay questions:

- ◆ For one of the event management functions, discuss relevant stakeholders and stakeholder-management challenges. Include appropriate strategies.
 - A management function could be specified, as opposed to letting the student select one. The answer should state the management function as appropriate to events, then go on to discuss the main stakeholders (internal and/or external). A good answer will refer to legitimacy, power and urgency and how strategies follow from that analysis.
- ◆ External stakeholders have their own goals and ways of evaluating event success, even if they are not attendees or participants. Discuss major stakeholder perspectives on one of the objects of event impact assessment (i.e., economic, social, cultural ecological or built environment). What are typical goals and how do they want their goal attainment evaluated?
 - This question also brings sustainability into the equation, as satisfying key stakeholders are a prerequisite to both defining success and ensuring long-term viability. While managers conduct internal evaluation (examining efficiency and effectiveness), external stakeholders are also doing their own assessment of the worth of the event and/or the value of their engagement with it. Residents and others who do not necessarily attend or participant will still have a political say when it comes to impacts and valuation. Focusing on one of the IA 'objects' narrows the question, but it could be about impacts in general.