

# A TRIPLE-BOTTOM-LINE APPROACH TO EVENT EVALUATION: THE NEW PARADIGM

Presentation by **Donald Getz, PhD** .... June 2008

- Professor, School of Tourism, University of Queensland, Australia
- Professor, Haskayne School of Business, University of Calgary, Canada
- Visiting Professor, Centre for Tourism, Göteborg University, Sweden



# TOPICS

- A future scenario.
- How are events valued? What are they worth?
- How can governments justify involvement with planned events?
- A new paradigm: sustainable and responsible events.
- A triple-bottom line approach to evaluating events.

# A FUTURE SCENARIO

In my book *Event Studies* (Elsevier 2007)

I engage in some future scenario making by asking the question:

What might happen if global mass tourism goes into serious decline or disappears?

My purpose is not to make a prediction, but to remove the spotlight of tourism from planned events, thereby revealing more about their true value.

# A FUTURE SCENARIO

Imagine a world in which energy is too scarce or expensive to allow most people to travel very far, or very often.

And carbon taxes have made air travel in particular relatively unaffordable.



# A Future Scenario

Imagine a hotter, more polluted world in which we cannot tolerate more greenhouse gas emissions.

Everyone stays closer to home and travels by clean, mass transit.



# A FUTURE SCENARIO

The world would have to be interconnected through “virtual events”.

Not just for business, but also for entertainment and sport.



# A Future Scenario: Who will travel?

Entertainers and elite athletes might still travel to shows and competitions, but most spectating will be done at home



“Highly involved” people, those engaged in “serious leisure” might continue to travel to participate in events because they highly value the experience.

# A FUTURE SCENARIO

Although there would no longer be “mass event tourism” at the international level, the overall value of planned events would actually increase.





# A FUTURE SCENARIO

Local and regional events would become much more valued for their multiple social and cultural roles:

- to define community
- to celebrate
- to educate
- to have fun



People would still want to have fun, be entertained, meet and do business, compete and exhibit, in short to fulfill all the universal and timeless roles of planned events in all civilizations.

# A FUTURE SCENARIO

In the future, people might value local and regional events more because **they substitute for event tourism!**



# A NEW PARADIGM

- The real value, or "worth" of planned events has been obscured by an over-emphasis on event tourism and other economic benefits.
- The social and cultural values of events have been given inadequate attention so that we even have trouble identifying, let alone measuring them.
- The environmental impacts of event tourism have until very recently been ignored, so that the wastes, pollution and energy costs of event tourism have not been included in economic impact assessments.

# A NEW PARADIGM

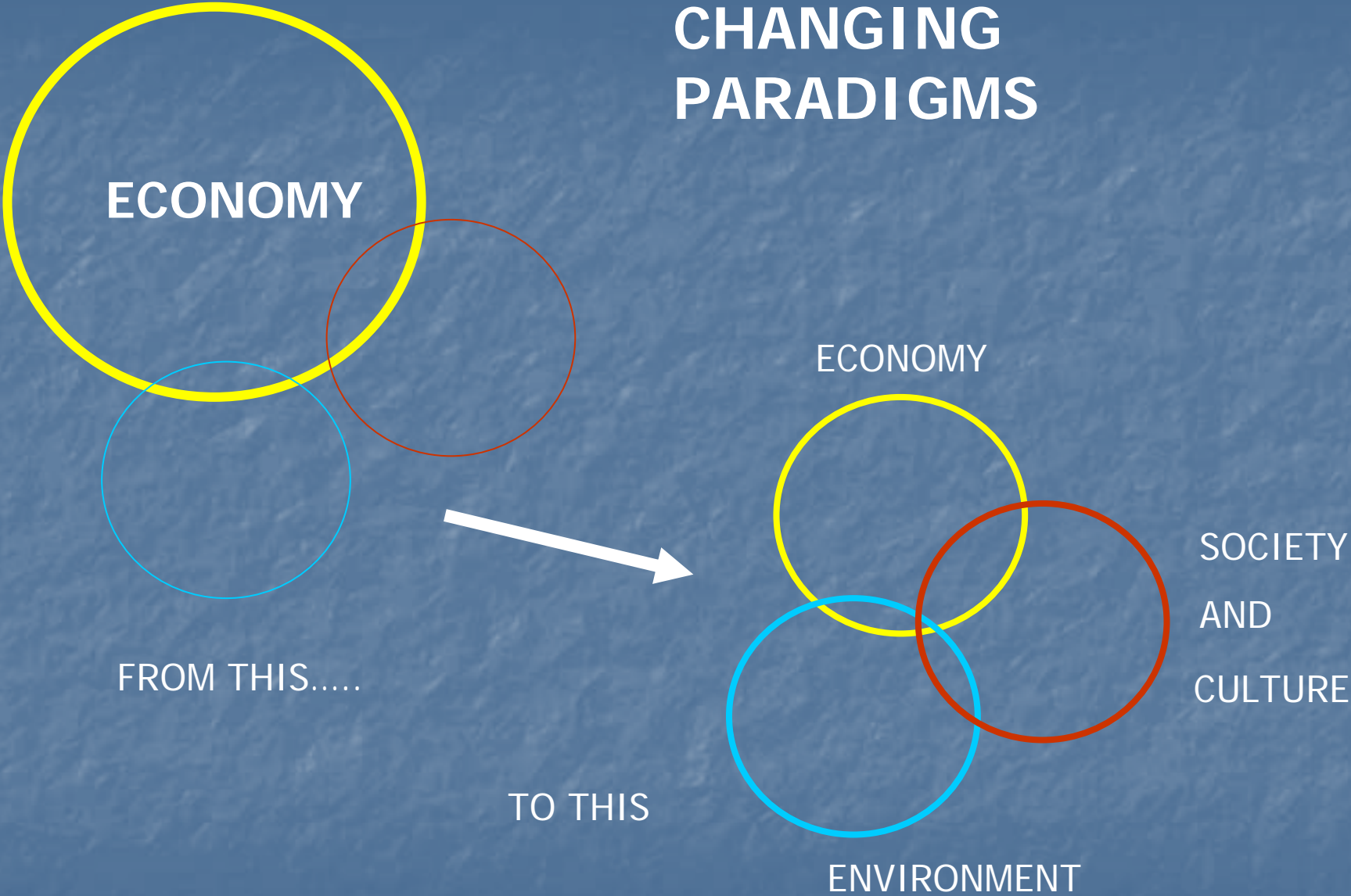
- There is a new paradigm, we can call it "sustainable and responsible events".
- It requires that we take a comprehensive, or "triple-bottom-line" approach to assessing the worth and impacts of events.

# RESPONSIBLE EVENTS

To be sustainable, events should adhere to principles of (corporate) social responsibility.

- Conley and Williams (2005): “the legitimate concerns of a corporation should include such broader objectives as sustainable growth, equitable employment practices, and long term social and environmental well-being).”
- Schaltegger and Wagner (2006): CSR “covers corporate responsibilities that address a firm’s voluntary or discretionary relationships with its societal and community stakeholders”.

# CHANGING PARADIGMS



# WHAT ARE PLANNED EVENTS WORTH?

- Governments can justify their involvement with planned events in several ways.
- These justifications (either formulated as policies based on ideology, or ad hoc responses to pressures from interest groups) are part of the process of establishing the “worth” of events.

# Events as “Public Goods”

Many events help implement existing policies on health, culture, sport, community development, the economy.

The ***Social Equity Principle***: for “public goods” it is justifiable for governments to subsidize or produce events in order to ensure that everyone has the opportunity to enjoy them or otherwise gain benefits from them.

To be considered as “public goods” the following criteria should be met...

- Public benefits are substantial, inclusive (everyone can gain), and can be demonstrated through evaluation.
- There are rules for investing in events, and there is an accountability process.



# Economic Justifications

- **“Market Failure”**: the private sector cannot profit, so governments must get involved if events are to be held or event facilities built.
- **“ROI”**: Government can make money, and its **Return on Investment** is usually in the form of taxes generated by events and event tourism, or perhaps in terms of employment created.
- **“Economic Efficiency”**: stimulating event tourism is a good way to more efficiently utilize (and justify) public parks and facilities.

# Social and Psychological Justifications

Events can create “**psychic benefits**” that are intangible, but citizens value them:

- feeling good; relief from stress
- civic pride
- “**Existence Value**”: (people might support events even if they do not believe they tangibly benefit from them)



# Social and Psychological Justifications

- sub-group identification and legitimacy
- social integration (inter-group mixing and understanding)
- host-guest contacts (tourists and residents)
- encouraging civil society (volunteering, donating)
- providing positive role models (athletes, artists, entrepreneurs)





# Cultural Justifications

- All cultures need to celebrate their core values and what makes them different (these events are powerful attractions for cultural tourists).
- Too often we try to put a monetary value on this, leading to competition for festival tourists and what some critics are calling the "festivalization" of cities.
- Those in the arts communities, however, resist this trend and ask that governments and people value the arts without recourse to tourism or economic arguments.
- Culture-led urban regeneration, renewal, and development benefits from festivals and events to animate places.

# Environmental Justifications

- In the future, local and regional events will likely be valued in part because they are a substitute for event tourism.
- Events are platforms for demonstration of green practices.
- Events can be used for interpretation of environmental themes.
- Many events directly support conservation efforts.



# THE NEED FOR INTEGRATED EVENTS-RELATED POLICY

- Policy is needed to establish the overall worth of events (not just economic and tourism-related).
- Policy is also needed to establish the triple-bottom-line approach to event impact evaluation.

<b>POSSIBLE ECONOMIC GOALS</b>	<b>RELATED POLICY INITIATIVES</b>	<b>PERFORMANCE MEASURES</b>
-foster event tourism	-establish event tourism as a policy domain	-measure event tourism yield relative to other tourists
-leverage events for general economic development	-develop an event portfolio strategy for the community or destination	-tourism growth
-use events to maximize venue efficiency	-integrate event policy with venue investment and operations	-demonstrable ‘legacy’ benefits
-use events in place marketing (e.g., image enhancement)	-integrate event policy with place marketing and other economic development	-evaluation of image enhancement

<b>POSSIBLE CULTURAL GOALS</b>	<b>RELATED POLICY INITIATIVES</b>	<b>PERFORMANCE MEASURES</b>
-foster arts and cultural development through investment in events	-integrate events in cultural policy and arts development strategies	-assess the overall effectiveness of arts and cultural development in the community
-leverage events for general and indigenous cultural development	-integrate events in policies for indigenous peoples	-measure effects on indigenous community well being
-use events to maximize venue efficiency	-develop specific event funding programs	-determine the contribution of events to cultural facility viability
-foster sustainable cultural event tourism	-develop cultural themes and programming for all events	-measure economic and other benefits of cultural event tourism



<b>POSSIBLE SOCIAL GOALS</b>	<b>RELATED POLICY INITIATIVES</b>	<b>PERFORMANCE MEASURES</b>
-foster social integration and community development through a program of public events	-integrate events with urban renewal, social and community development policy	-assess the overall effectiveness of social policy and the roles of events
-combat social problems at and surrounding events (hooliganism, crime, etc.)	-provide resources for combating social problems associated with events	-assess all events on their behavioural impacts
-leverage events for urban renewal	-formulate policy regarding the use of public spaces for events, both formal and informal	-determine the value of events in animating urban spaces
-use events to enhance health and wellness	-integrate events with policy for sport, parks and recreation -integrate events with health and wellness policy	-connect events to health and wellness benefits

POSSIBLE ENVIRONMENTAL GOALS	RELATED POLICY INITIATIVES	PERFORMANCE MEASURES
<ul style="list-style-type: none"> <li>-require green and sustainable events and event venues</li> </ul>	<ul style="list-style-type: none"> <li>-integrate event policy with planning, land use, and all environmental management systems.</li> <li>-supply chain controls</li> <li>-full life-cycle accounting</li> </ul>	<ul style="list-style-type: none"> <li>-develop comprehensive environmental standards and evaluation measures for events and event venues</li> </ul>
<ul style="list-style-type: none"> <li>-leverage events for environmental education and development</li> </ul>	<ul style="list-style-type: none"> <li>-provide environmental material to events</li> </ul>	<ul style="list-style-type: none"> <li>-evaluate the social marketing effectiveness of environmental messages at events</li> </ul>
<ul style="list-style-type: none"> <li>-foster events with environmental themes</li> </ul>	<ul style="list-style-type: none"> <li>-create new environmentally themed events</li> </ul>	<ul style="list-style-type: none"> <li>-measure changes in attitude and behaviour</li> </ul>

# THE TRIPLE-BOTTOM-LINE APPROACH TO EVENT EVALUATION and IMPACT ASSESSMENT

- Companies, governments, and events must comprehensively evaluate their impacts.
- Accountability has to extend beyond internal shareholders to encompass all **stakeholders** interested in and affected by planned events.
- Standardized measures and methods will be required; currently only the financial/economic measures are well developed.

# Stakeholder Interests in TBL

(A. Hede, 2007: "Managing Special Events Using TBL",  
Event Management, 11(1/2): 13-22)

Their interests cover:

**-GOVERNMENTS**  
**-RESIDENTS**  
**-COMMUNITY GROUPS**



- Social
- Environmental
- Economic

-Sponsors  
-Media  
-Businesses  
-Employees



- Economic
- Social

-Volunteers  
-Tourists/guests



- Social

-Shareholders



- Economic



# Social Impacts of Community Festivals as Identified by Residents

K. Small (2007): "Social Dimensions of Community Festivals".  
Event Management, 11(1/2): 45-55

## IMPACTS FELT AT THE PERSONAL LEVEL:

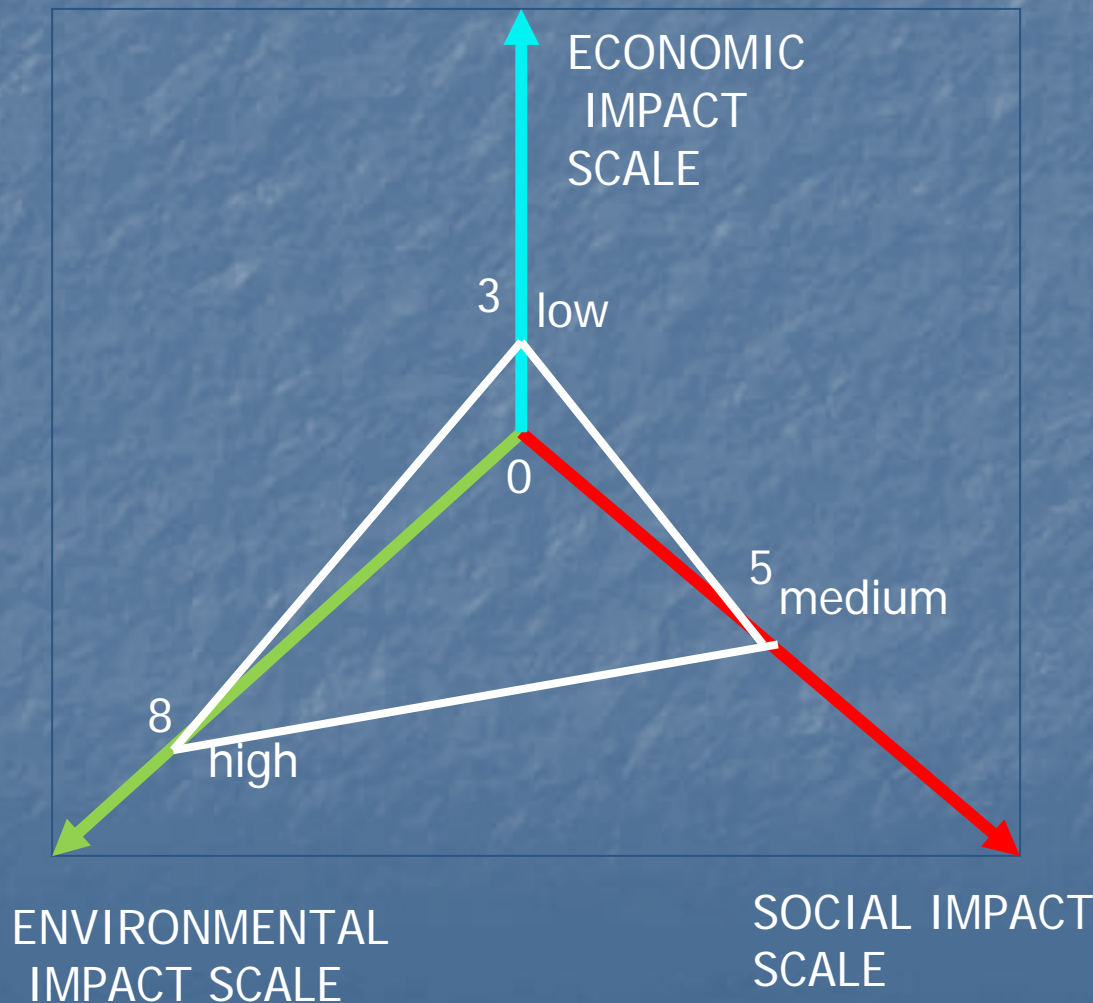
- Inconvenience
- Personal frustration
- Entertainment and socialization opportunities

## IMPACTS FELT AT THE COMMUNITY LEVEL:

- Community cohesion and identity
- Community growth and development
- Behavioral consequences

# ASSESSING AN EVENT'S "FOOTPRINT"

From E. Fredline et al 2005.



In this example the event is assessed as having low economic, medium social, and high environmental impact .

Issues:

-what does each scale measure? (indicators)

-will each scale be given the same "weight"?

# MODEL FOR SOCIAL LEVERAGING OF EVENTS

## O'Brien and Chalip, 2008



## SHERWOOD'S (2007) "KEY IMPACTS AND PROPOSED INDICATORS"

### ECONOMIC IMPACTS

### PROPOSED INDICATORS

Business leveraging and investment opportunities

-Number and types of businesses hosted at event

Destination promotion

-Value of media coverage  
-Number of visiting journalists

Economic impact on the host community

-Direct 'inscope' expenditure of the event

Employment opportunities and skills development

-Number of jobs created  
-Number of people trained

Legacy of infrastructure and facilities

-Value of new infrastructure and facilities



# SHERWOOD'S (2007) "KEY IMPACTS AND PROPOSED INDICATORS"

## SOCIAL IMPACTS

## PROPOSED INDICATORS

Celebration of community values

-sense of community

Community pride

-explicit expressions of community pride

Impact on community  
quality of life

-quality of community life

Impact on quality of  
personal lives

-quality of personal lives

# SHERWOOD'S (2007) "KEY IMPACTS AND PROPOSED INDICATORS"

ENVIRONMENTAL IMPACTS	PROPOSED INDICATORS
Education and promotion	-amount spent implementing a plan
Energy consumption	<ul style="list-style-type: none"> <li>-energy used per attendee</li> <li>-% coming from renewable sources</li> <li>-energy consumed by event tourists</li> </ul>
Water consumption	<ul style="list-style-type: none"> <li>-volume used per attendee</li> <li>-net water consumed by event (assuming recycling)</li> </ul>
Waste generation	<ul style="list-style-type: none"> <li>-mass of waste generated for disposal</li> <li>-ratio of recycled waste to non-recycled</li> <li>-mass of solid waste per visitor</li> </ul>



## EXAMPLE OF "THE BIG DAY OUT"

- **BDO and Carbon Emissions:**

Prior to the 2007 show, Big Day Out conducted two **energy audits** of the show to understand the Greenhouse Gas emissions caused by our energy usage.

We made a commitment to take the show "**Carbon Neutral**" as a consequence and have this year planted 6,750 Eucalyptus Polybractea (Blue Leaved Mallee) on approximately 4.5 hectares of land at Narromine in central NSW.

# EXAMPLE OF “THE BIG DAY OUT”

## What you can do individually:

Big Day Out encourages music fans to be enviro-friendly. As an audience member you can offset your own carbon emissions and we encourage you to calculate your own energy consumption associated with coming to the show and pay the equivalent value towards tree planting or renewable energy which will then offset your own emissions.

## To calculate your emissions:

Use the Live Earth Calculator:

<http://www.earthlab.com/carbonProfile/LiveEarth.htm?ver=14>

Use the Victorian EPA calculator:

<http://www.epa.vic.gov.au/GreenhouseCalculator/calculator/default.asp>

We recommend these offset providers, they have good calculators, they are reputable and they provide quality offset products:

Co2 Australia <http://www.co2australia.com.au/RetailOffsets/Calculate/Overall.aspx>

Climate Friendly <https://www.climatefriendly.com/>

# INSTITUTIONALIZING THE NEW PARADIGM

All new paradigms take time to be accepted and become “institutionalized” in political, governmental, and corporate practice. It’s a three-step process, according to Pumar (2005):

## 1) Conceptualization:

- agreeing on problems, definitions, concepts, opportunities; doing the necessary research

- academic leadership; cultivating the next generation (students)

# INSTITUTIONALIZING THE NEW PARADIGM

## 2) Promotion

- taking the message to the people
- public and governmental champions lead the way
- affecting politics and ideology

# INSTITUTIONALIZING THE NEW PARADIGM

## 3) Institutionalization

- old and new institutions adopt the paradigm
- determining what event associations should do
- determining what the tourism industry should do
- determining what governments should do

# CONCLUSIONS

- Event evaluation has been dominated by economics and tourism-related benefits.
- We need to justify events and government support more on the basis of social, cultural and environmental values.
- The “new paradigm” of sustainable and responsible events requires a more comprehensive approach to determining the worth of events and measuring their impacts.





# CONCLUSIONS

- A Triple-Bottom-Line approach to assessing costs and benefits of events is a necessary tool in implementing the new paradigm.
- In a possible future in which mass global tourism declines, events will actually become more important –valued for their contributions to civil society, their small environmental footprint, and their positive impact on every culture.



END