

Research on the Impact of Hallmark Events on Host Cities

-- A Case Study of the London 2012 Olympic Games

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Abstract: Over the last several decades, many countries have been bidding to host the Olympic Games, the World Cups, and other hallmark sporting events to bring a variety of potential benefits to the host countries, such as accelerating urban regeneration, a catalyst of economic growth, improved infrastructure, and enhanced international image. However, whether a city or a country should bid to host the Olympic Games and whether holding such hallmark events can only bring positive benefits has become a topic of intense discussion. Based on this background, this paper aims to explore the impact of the Olympic Games as a hallmark event on hosting cities and analyze whether it could bring benefits for everyone. In this paper, the author comprehensively analyzes various aspects of the impact of hallmark events on host destinations to inform future policymaking.

Keywords: Hallmark Events; Olympic Games; Host Cities.

1. Introduction

There has been increasing attention on analyzing the impacts of hallmark events on host cities recently. Previous studies have found that the potential impacts of hallmark events on host destinations are multiple and these impacts could be short-term or long-term. In terms of long-term impacts on hosting areas, they are considered as event legacy. Heritage can be classified as intangible legacy and tangible legacy. Intangible legacy means some lasting impact that is hard to identify and measure, such as the impact on the local and national image, the improvement in the reputation, the awareness of the host destination, as well as the growth of local pride. Tangible legacy on the other hand means outcomes that mega-events bring can be measured such as the investment in infrastructure and event facilities, the impact on tourist flow, and employment rate or income. Tangible legacy and intangible legacy also can be described from three aspects: the economic, the socio-cultural, and the environmental aspects. And these legacies not only could be positive but also could be negative for host destinations. This paper analyzes whether hosting such large-scale events is good for urban development based on a case study of the London 2012 Olympic Games.

2. A Review of Research on Hallmark Event

The term hallmark event has been discussed in many literatures. However, there is still ambiguity about the definition of a hallmark event. A Hallmark event can also be referred to as a special or mega-event. It is usually used to describe large multi-day international events with global reach, such as the Olympic Games, the Football World Cup, and World Rugby. Before analyzing the definition of a hallmark event, understanding the characteristics of events is important. According to Wilson and Liu, events could be classified by their internal and external characteristics. Internal characteristics include duration, size, the number of

participants and spectators, and so on. External characteristics include media attractiveness, tourism potential, and general impact on the host city[1].

Based on this classification of events, hallmark events are major one-time events with limited duration, which improve the visibility, attractiveness, and profitability of hosting cities in a short or long period [2]. Hallmark events are short-term events with long-term impacts on the cities where these events are held. These events contribute to creating a positive image for the hosting cities via national and international media [3]. Moreover, hallmark events are also associated with large public investment in infrastructure and event facilities, such as stadiums, roadways, housing, and so on [4]. It means the majority of hallmark events receive governmental financial assistance. Müller summarized four key factors of mega-events to distinguish them from other major events. These four key factors are: 1. attract a large number of visitors; 2. have a large mediated reach; 3. come with large costs; 4. have large impacts on the built environment and the local-regional population [5]. Despite having many different definitions of hallmark events from previous literature, this essay regards hallmark events as large-scale events with international reach, and having large-scale economic, environmental as well as socio-cultural impacts on hosting destinations. There are three major types of hallmark events: sports events, business events, and cultural events. The paper mainly focuses on analyzing the impacts of large-scale sports events, especially on the Olympic Games, because the Olympic Games is one of the most significant mega-sporting events in recent years.

3. A Case Study of the London 2012 Olympic Games

3.1. The Introduction of the 2012 London Olympics

On 6 July 2005, the International Olympic Committee announced that London would hold the 2012 Summer

Olympic and Paralympic Games. Then, the 2012 London Olympics took place between July 27 and August 12, 2012. The 2012 Olympics was the third Summer Olympics to be held in London. London has hosted the games twice before in 1908 and 1948 and with the 2012 Olympics, the city has become the first city to host the modern Games three times.

3.2. The Positive Economic Impact of the 2012 Olympics on London

Regarding the positive impact of the London Olympics, from the perspective of literature analysis, the Olympics, as a large-scale sporting event, is beneficial to creating more job opportunities for the local area. With the research, it can be noticed that with the start of preparations for the London Olympics, many employment opportunities have been created. More than 70,000 unemployed people secured jobs related to the Olympics, even though most of the jobs were short-term. Among them, 23.5 percent are directly employed by LOCOG, and 21 percent of contractors are residents of the six host boroughs. For example, in the borough of Newham East, 4,364 residents were employed by LOCOG, and a further 5,518 residents were indirectly employed during the preparation of the London Olympics [6]. From this, it can be seen that the preparations for the London Olympics were one of the reasons for the 1.2 percent drop in the unemployment rate of London at the beginning of 2012.

What should be noted here is that the rate of job growth in the host areas and surrounding areas experiences three phases during the preparation of the London Olympics. According to Sivaev, from 2005 to 2008, there is a decline in the number of jobs in the Olympic Park area and its surrounding areas because of businesses moving out to avoid being affected by Olympic regeneration. The second phase was from 2008 to 2010, this period was the beginning of the Olympic Park regeneration, which led to the displacement of businesses in the Olympic Park area with a 30 percent decline in employment. But at the same time, employment in the areas surrounding the Park has increased due to the relocation of some of the displaced businesses. However, during the third period from 2010 to 2012, the rate of job growth is over 40 percent in the Olympic Park area and the surrounding areas also have relatively higher job growth rates. The reason for the growth is because of the opening of the Westfield shopping center and the expansion of other hotels and retailers around the area. Regarding the positive impact of the London Olympics, from the perspective of literature analysis, the Olympics, as a large-scale sporting event, is beneficial to creating more job opportunities for the local area. With the research, it can be noticed that with the start of preparations for the London Olympics, many employment opportunities have been created. More than 70,000 unemployed people secured jobs related to the Olympics, even though most of the jobs were short-term. Among them, 23.5 percent are directly employed by LOCOG, and 21 percent of contractors are residents of the six host boroughs. For example, in the borough of Newham East, 4,364 residents were employed by LOCOG, and a further 5,518 residents were indirectly employed during the preparation of the London Olympics [6]. From this, it can be seen that the preparations for the London Olympics were one of the reasons for the 1.2 percent drop in the unemployment rate of London at the beginning of 2012.

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In addition to that, the London Olympics also promoted the development of the tourism industry in London and even across the UK, boosting the UK economy. From 2011 to 2012, due to promotional activities related to the Olympics, the UK has increased 3.48 million tourist visits and brought in additional expenditure of £2.1 billion. Moreover, in 2012, London attracted more than 15 million international visitors [8]. Especially between September 2012 and December 2012, visits to London increased by 8 percent. Plus, from 2012 and the following two years, the number of international tourists to London has increased by 20 percent, while expenditure has increased by 18 percent [6]. What is more, to capitalize on the global attention generated by the London Olympics and make the most of economic opportunities, the GREAT Britain campaign was launched in the UK in 2012. This is an international marketing campaign aimed at encouraging people from all over the world to travel, study, invest, and do business in the UK via showing the best things in the UK, which created 903,000 visits to the UK from 2012 to 2015 and delivered at least an extra £522 million in spending.

Apart from creating more jobs and developing the tourism industry in the UK, hosting the Olympic games also contributes to establishing partnerships globally. To be specific, the successful hosting of the London Olympics help British companies to win £1.5 billion of game-related high-value opportunities in the global marketplace as a result of the enhancement of the UK's reputation for delivery of large-scale projects [8]. For example, more than 60 contracts have been secured for the Sochi 2014 Winter Games and the Russia 2018 World Cup, and £120 million of contracts have been won for the Brazil 2014 World Cup and the Rio 2016 Olympic and Paralympic Games [6].

3.3. The Positive Environmental Impact of the 2012 Olympics on London

Hosting the Olympic Games requires host cities to provide appropriate sports facilities, as well as suitable accommodation and transport provision. London had a relatively complete infrastructure before the 2012 Olympics and some existing sports venues because of the previous London Olympics. However, because urban infrastructure is vital for the future development of a city, there was still £1.7 of investment in regeneration and infrastructure in London.

Plus, another £6.5 billion was invested in London's transportation infrastructure during the preparation of the 2012 Olympics [9]. Because of this investment, 30 new land bridges and 10 railway lines were built around and over the Thames River to connect London communities. In addition, with a £10 million investment, cycling routes and pedestrians were upgraded to promote greener travel [10].

What is noteworthy is that hosting the London Olympics accelerated the regeneration of East London, especially the Lower Lea Valley. While the plan for the regeneration of East London had been formulated before the bid for the London Olympics, the Games still plays a vital role in revitalizing East London, including obtaining more public and private sector investment in East London and accelerating the completion of this regeneration project. The regeneration of East London involves six London boroughs: Hackney, Barking and Dagenham, Newham, Greenwich, Tower Hamlets and Waltham Forest. Those areas had lower levels of employment, income, education, and health compared with the average levels in London [11]. Stratford is the urban renewal area most affected by the Olympic Games. The area lies in the Lower Lea Valley, which was once a heavily polluted industrial area with poor infrastructure and the environmental quality. However, with the construction of the Queen Elizabeth Olympic Park in the area, 2.5 square kilometers of brownfields have been renovated and cleared. In order to make Stratford City well-connected with central London, the public transportation around Stratford City has been developed, bringing in high-speed trains and new connections that allow people to travel from central London to Stratford more quickly, and effectively [12]. It can be concluded that due to the London Olympics, parts of East London, especially Stratford and the Olympic Park, have changed in appearance and function. These changes may have occurred without the Olympics, but hosting the 2012 Olympics in London has accelerated the physical transformation of East London.

3.4. The Positive Socio-cultural Impact of the 2012 Olympics on London

Hosting the 2012 Olympic Games has made a great contribution to promoting British culture and enhancing the national identity and belonging of British citizens. To be specific, the opening ceremony of the London Olympics provides a good opportunity for Britain to represent itself to its population and the wider world. The UK is a multicultural country, made up of people who have different races, colors, and religious beliefs. The ethnic diversity in the opening ceremony of the Olympic Games was explicitly presented in several performances. For example, the opening ceremony of the Olympics showed a scene from the hymn "Abide by Me" sung by Emeli Sande, who is Scottish, as well as a contemporary dance choreographed by Akram Khan, an English choreographer of Bangladeshi descent.

Moreover, the UK also held the Cultural Olympiad along with the 2012 London Olympics to better show and promote British culture to the world. It is the largest cultural program of all the Olympics and Paralympics. Beginning in 2008, the Cultural Olympiad delivered a large number of the country's best art and cultural programs in the UK in the 4 years before the London Olympics and also held the London Arts Festival in 2012. The Cultural Olympiad offered a chance for the public to participate in arts and cultural activities more widely. During the program, approximately 180,000 activities across

a range of art forms took place, which attracting more than 43 million UK-wide members of public engagement with 25.8 million outside London [13]. It indicates that the Cultural Olympiad not only made the public in London participate in cultural activities but also involved communities who felt themselves to be remote from the venues for the Games. What is more, the Cultural Olympiad presented a number of arts and cultural events at untraditional venues, such as parks, shopping centers, and squares, in order to attract non-traditional arts audiences to participate in cultural events. It contributed to improving the level of happiness of residents in the UK. According to Krekel, compared with adjacent years and residents of Paris and Berlin, the life satisfaction of London residents in the summer of 2012 increased significantly [14]. What is more, a poll shows that in the British Pride Index, three-quarters of UK residents felt proud to be British at the end of the Games [6].

3.5. The Negative Impact of the 2012 Olympics on London

It has been argued that hallmark events may also have potential negative impacts on the host city or region. One of the arguments is that the holding of hallmark sports events may lead to the problem that large stadiums are difficult to reuse after the event. Regarding the problem that large stadiums are difficult to reuse after the game, the London Olympic Organizing Committee has set sustainability as a goal before the construction of the London Olympic venues. Therefore, the London Olympics made good use of many existing stadiums or venues, such as Wembley Stadium for football matches, and Hyde Park for riding events. There are 34 stadiums used in the London Olympics, only 14 were new, and 8 of them were temporary buildings. In order to achieve sustainability while keeping the construction costs down, some venues were built as temporary buildings. These temporary buildings were dismantled after the 2012 London Olympics. For example, the 35-meter-high and 110-meter-long temporary basketball arena located in the northeast of the Olympic Park in Stratford was dismantled by its constructors after the Games. The removed steel components were shipped to Brazil for reuse and the removed plastic seats were reused for other sporting venues in the UK, such as Hockey and Tennis Centre. The main venue, the Olympic Stadium was designed with a temporary upper tier. After the Olympics, the 55,000 seats of the stadium were removed, leaving only 25,000 permanent seats. The area of the stadium was reduced by 2/3 to accommodate 60,000 spectators. In addition to temporary buildings, some permanent venues of the 2012 Olympics have also been well reused. For example, the Aquatics Centre not only has hosted various swimming competitions, but also has opened to the public to offer a range of swimming courses. According to Davis, from 2017 to 2018, 3000 children signed up for weekly lessons and 3,800 young people attended the Better Swim School program in the Aquatics Centre[15].

Nevertheless, another issue about the possibility of holding large-scale events affecting the lives of some disadvantaged groups also seems to exist in the London Olympics. To be specific, the regeneration area of east London once had a large residential co-operative that accommodated 450 tenants. But it was compulsorily purchased and demolished in the summer of 2007 to make way for the site of the 2012 Olympics, which made the residents who lived there move to emergency accommodation while waiting to be rehoused[16].

Whereas, some residents were moved outside of East London, such as Peabody or Westminster, the rent there was much more expensive. Even though there are some people resettled in East London, the rent is still more than double what it was in the previous Clays Lane. In addition to that, 7989 households were living in temporary housing in the six host boroughs in March 2012, of which 2,253 were in Newham. In April 2011, a total of 103,944 households in the six host boroughs were on the local authorities' housing waiting list, and Newham alone accounted for nearly one-third of this number [17].

The original plan for the East Village, former Athletes Village, was to turn approximately 50% of the accommodations into affordable housing after the games, but the target was revised down to a maximum of 31% in 2013 to sell more market priced homes to pay back debts and the loss of land value increases [18]. In 2015, about a quarter were affordable housing in East Village, but the rent price was only affordable for middle-income households. According to Hill, in East Village, only 675 accommodations were for social rent. However, compared with more than 100,000 households on the local authorities' housing waiting list, the 675 social housing is far from enough [19].

The 2012 London Olympics contributed to the regeneration of a lot of areas in East London, such as Stratford, but it seems that the consequent rising cost of living and house prices is not affordable for everyone. In addition, property prices in Stratford have risen by 60 percent, while property prices in the rest of London have risen by 36 percent. Newham has recorded the largest house price increase of any London borough since 2012 [20]. It is true that the regeneration of East London has provided many jobs for locals, for example, the establishment of Westfield Shopping Centre has created 10,000 permanent jobs in Stratford. However, compared with other boroughs of London, data from the years following the Olympics shows that Newham had the highest level of child poverty, unemployment, and the highest amount of low-income working people [20]. It means that the development of Stratford City and Olympic Village did not benefit the entire community. The difference between income and rent and house prices, as well as the lack of social housing, may make it difficult for low-income residents to live in Stratford and eventually have to leave Stratford and Newham.

4. Discussion and Conclusion

In summary, the main purpose of this essay was to analyze the impacts of the Olympic Games as hallmark events on host cities. The second aim of this essay was to determine whether hosting such large-scale sporting events is beneficial for the development of cities and whether it could bring benefits for everyone. Through the case study of the London 2012 Olympic Games, it can be seen that the London Olympic Games have brought some benefits to the host city. As for economic benefits, hosting the Olympic Games has created a lot of employment opportunities and promoted the growth of tourism in London. In addition to that, the Olympic Games also provide opportunities for the host city to improve infrastructure and environment. In terms of the socio-cultural impact of the Olympic Games on London, hosting the Olympics, especially the opening ceremony of the Olympics is a good opportunity to promote national culture, which increases citizens' sense of national identity and pride. Moreover, the host city also held cultural programs based on the Olympics, which enabled more citizens to participate in

cultural activities and improved their happiness.

While, as for the potential negative of the difficulty of reusing the stadiums after the Olympic Games, the analysis of the London Olympics shows that this problem can be addressed to some extent if the stadiums are opened to the public and carry out some commercial activities after the Olympics. However, this paper has shown that there is still an issue existing in the host city that the hosting of the Olympics affects the lives of some disadvantaged groups. In terms of London, even though the regeneration of Stratford has brought a lot of jobs for local people, this area still has a high level of child poverty, unemployment, and the highest amount of low-income working people. Nevertheless, the regeneration of Stratford also increased the cost of living, such as higher rent prices, which make low-income residents feel difficult to live there. In addition, the construction of Olympic venues led to many residents being displaced. The increase in property prices and rent prices due to the Olympic Games forced some low-income residents to leave the area. From this aspect, hosting the Olympic Games is not beneficial for everyone. However, if host cities can expand public housing for low-income residents and set rent control policies as well as protect long-term residents from property tax increases, hosting the Olympic Games can benefit more people to a certain extent.

In general, hosting the London Olympic Games has made great contributions to the development of cities. London Olympic Games, as a typical large-scale sports event, has proved to some extent that hosting large-scale sports events can bring many benefits to the host destination. However, the positive impacts of large-scale sports events on the host destination depend on the different development stages and backgrounds of host cities. While, the holding of large-scale events may also have potential negative impacts on the host destination at the same time, such as affecting the lives of low-income groups, which requires the local government to take some specific measures to alleviate the negative impact on the host destination and make more people beneficial in their cities hosting large-scale events.

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