

Gold Coast business and the Commonwealth Games: Impact, legacy and opportunity

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GC2018 FAST FACTS



1.2 million
ticketed
spectators



70 nations
and territories
competing



6,600 athletes
and 1,200
technical
officials

MEDIA



Cumulative global
broadcast audience of
1.5 billion



1,000 hours of
television coverage



3,500 accredited and
non-accredited media
representatives

GOLD COAST 2018 COMMONWEALTH GAMES

4-15 April 2018

*Australia's largest
sporting event this decade*

Gold Coast business and the 2018 Commonwealth Games: Impact, opportunity and legacy

Joan Carlini and Andrew O’Neil, Griffith Business School

Overview

The Gold Coast will host the 21st Commonwealth Games from 4–15 April 2018. This is the Gold Coast’s first experience in hosting a mega-event, which means there is a knowledge gap about how the business community can benefit. Understanding the key macro factors surrounding the Gold Coast 2018 Commonwealth Games (GC2018) is crucial for the Gold Coast business community, especially for those operating small and medium private enterprises. There will inevitably be disruption confronting business as a consequence of GC2018, but as the detailed analysis in this report makes clear, the scope for the Gold Coast business community to leverage opportunities from GC2018 is tangible and significant. Based on interviews and a review of previous studies of major sporting mega-events, this report assesses the impact and legacy of GC2018. Most importantly, it outlines a roadmap for Gold Coast businesses to take advantage of the once-in-a-generation opportunities that will flow from the Games.

Foreword

Our aim as ‘Friends of Griffith Business School’ is to increase the collaboration between the School and the business community to help build a sustainable, diverse and prosperous Gold Coast. We seek to combine the School’s strengths in cutting edge, rigorous, and independent research, with the passion and ‘can do’ attitude of our local entrepreneurs to drive better outcomes for business on the Gold Coast. With a particular focus on private enterprises, our vision is to provide research that will be a vital resource for Gold Coast businesses in driving improvement and sustainability in a manner that is practical, and easy to understand, implement and access.

In our first collaboration, we have focused on the impact, opportunity and legacy of the 2018 Commonwealth Games. As one of the most significant events on the Gold Coast in recent times, there is an opportunity for both the business community and the region. Making the most of any opportunity requires planning, thought and research. This report, which draws on the views of Gold Coast private enterprises and businesses, is our way of assisting the community to understand the implications for the Gold Coast and the disruption to business, and embrace the short- and long-term opportunities presented by the Games. Most of all this report is the beginning of a journey in which collaboration between Griffith Business School and the business community will drive long term success for our Gold Coast.

*Janelle Manders
Chair, Friends of Griffith Business School*



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Introduction

Commissioned by Friends of Griffith Business School, this report investigates the potential impacts of the Gold Coast Commonwealth Games on private enterprise and the opportunities it presents for business on the Gold Coast. Since winning the Commonwealth Games bid in 2010, the Gold Coast has witnessed a surge of private and public investment in infrastructure and development. GC2018 is a source of economic benefit, as well as civic pride, and is expected to create up to 30,000 jobs, with \$2 billion injected into the Queensland economy [1]. Still, hosting a mega-event such as the Commonwealth Games is not without challenges. Historically, businesses in the host cities make decisions based on 'boom' predictions. But evidence suggests that economic outcomes do not always match expectations or materialise in the ways envisaged [2].

This report seeks to provide clarity around the various opportunities for business resulting from GC2018. It also aims to assist business to set realistic expectations enabling strategic decisions that will drive success, long after the Games has concluded. The report is structured in two parts. Part one provides background and context by detailing the scope of GC2018, lessons from previous global sporting mega-events, and the unique characteristics of GC2018 in relation to the Gold Coast. Part two identifies the macro factors affecting the Gold Coast, and provides an in-depth analysis of the opportunities for business to leverage major benefits from GC2018.

A note on method

In preparing this report, and in consultation with Friends of Griffith Business School, the authors identified a series of stakeholders who would be interviewed. Following initial interviews, a sampling technique was used to identify additional interviewees who would contribute to, and expand the scope and substance of, the analysis contained in the report.

The initial study included a semi-structured interview questionnaire, with interviews ranging from 15 to 60 minutes in duration. The sample consisted of 34 participants. Ten participants were drawn from private enterprise, representing finance, retail, tourism, information technology, telecommunications, and supply chains. Four participants were from local and state government, and seven from non-government organisations representing industry groups. Finally, 13 experts in sport, events, legacy, urban planning, human resources, marketing, and clinical psychology were consulted. Findings from the initial study were presented at a Friends of Griffith Business School lunch forum on 5 May 2017, which included an industry panel. Feedback from the discussions was incorporated in this report.

PART 1 BACKGROUND AND CONTEXT

Gold Coast—Delivering legacy

Based on the results of the March 2017 Griffith University–Gold Coast Bulletin Business Confidence Poll, the 2018 Commonwealth Games has already had a significant impact in boosting Gold Coast business confidence. The poll asked business to rate their confidence regarding the economic benefits to be derived from the Commonwealth Games over the subsequent 12 months. The results were positive—with 44% ‘very confident’, 31% ‘confident’, 19% ‘moderately confident’, and only 6% ‘not confident’ [3]—confirming that Gold Coast business expects the Games to yield significant benefits and opportunities.

Preparation for the Games has provided the Gold Coast with significant urban development and infrastructure investment that will deliver a major legacy. The Gold Coast has undergone substantial regeneration with a surge of investment in the lead up to the Games. The City’s infrastructure has benefited, with significant funding concentrated on sporting facilities and transport. Over the long-term, this investment has the potential to transform the City into a leader in sport, health, and knowledge-based industry to support and strengthen the economy. The transformation of Gold Coast Parklands into the Commonwealth Games Village provides 1,252 residences alone. This medium density housing is situated in the health and knowledge precinct, located near Griffith University, the light rail, Gold Coast University Hospital, and 7 hectares of new parkland.

Competition schedule of events

The northern Gold Coast will have six events, with competition scheduled every day of the Games. The Oxenford Studios, located at Movie World, feature boxing, squash and table tennis. Nerang will see one day of mountain biking.

The Gold Coast CBD features the Gold Coast Hockey Centre, Gold Coast Aquatic Centre and the Southport Broadwater Parklands. The Gold Coast Hockey Centre in Labrador has events scheduled every day, as does the Gold Coast Aquatic Centre with diving and swimming. The marathon is a free event scheduled at the Southport Broadwater Parklands.

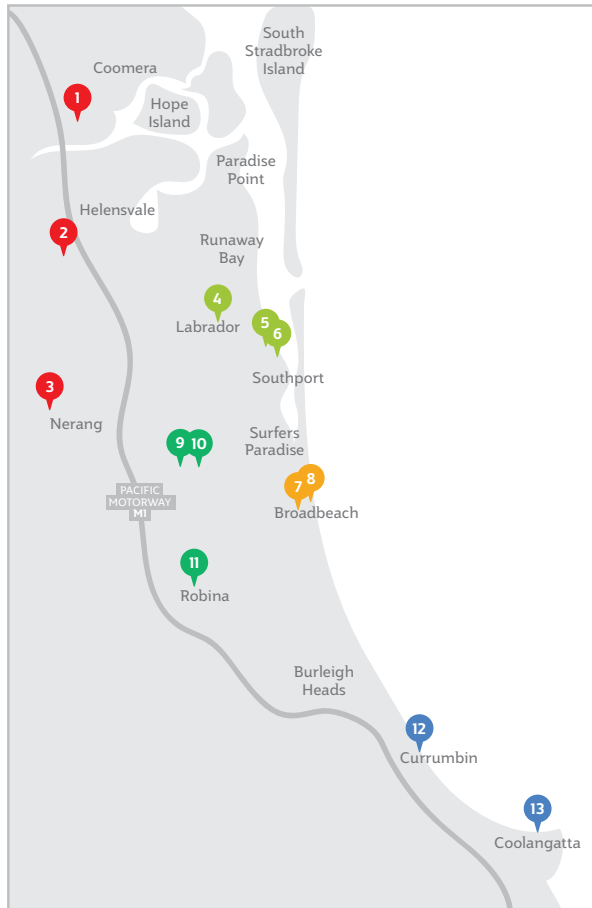
Broadbeach will host basketball, netball and lawn bowls.

The Carrara Sports and Leisure Centre hosts four sports, while the Carrara Stadium anchors the Opening and Closing Ceremony and athletics. Rugby sevens is located at the Robina Stadium in the last three days of the Games.

Currumbin Beach will host the race walk and road cycle event. Coolangatta will feature beach volleyball for seven days. Track cycling and shooting are to be held in Brisbane.



Event locations



The events are distributed from Brisbane to Coolangatta, with some basketball preliminary matches located in Cairns and Townsville.

Gold Coast

- 1 Coomera Indoor Sports Centre
- 2 Oxenford Studios
- 3 Nerang Mountain Bike Trails
- 4 Gold Coast Hockey Centre
- 5 Gold Coast Aquatic Centre
- 6 Southport Broadwater Parklands
- 7 Gold Coast Convention and Exhibition Centre (GCCEC)
- 8 Broadbeach Bowls Club
- 9 Carrara Sports and Leisure Centre
- 10 Carrara Stadium
- 11 Robina Stadium
- 12 Currumbin Beachfront
- 13 Coolangatta Beachfront

Other locations

- Belmont Shooting Centre
- Anna Meares Velodrome, Chandler
- Townsville Entertainment and Convention Centre (basketball heats)
- Cairns Convention Centre (basketball heats)

Competition schedule

Event	Location	April													
		4	5	6	7	8	9	10	11	12	13	14	15		
Gymnastics Artistic	1 Coomera Indoor Sports Centre		■	■	■	■	■								
Gymnastics Rhythmic	1 Coomera Indoor Sports Centre									■	■	■			
Boxing	2 Oxenford Studios		■	■	■	■	■	■	■	■	■	■	■	■	■
Squash	2 Oxenford Studios		■	■	■	■	■	■	■	■	■	■	■	■	■
Table Tennis	2 Oxenford Studios		■	■	■	■	■	■	■	■	■	■	■	■	■
Cycling—Mountain Bike	3 Nerang National Park											■			
Hockey	4 Gold Coast Hockey Centre		■	■	■	■	■	■	■	■	■	■	■	■	■
Diving	5 Gold Coast Aquatic Centre									■	■	■	■		
Swimming	5 Gold Coast Aquatic Centre		■	■	■	■	■	■	■						
Triathlon	6 Southport Broadwater Parklands		■		■										
Marathon	6 Southport Broadwater Parklands														■
Basketball	7 GCCEC												■	■	■
Netball	7 GCCEC		■	■	■	■	■	■	■	■	■	■	■	■	■
Lawn Bowls	8 Broadbeach Bowls Club		■	■	■	■	■	■	■	■	■	■	■	■	■
Badminton	9 Carrara Sports and Leisure Centre		■	■	■	■	■	■	■	■	■	■	■	■	■
Para Powerlifting	9 Carrara Sports and Leisure Centre								■						
Weightlifting	9 Carrara Sports and Leisure Centre		■	■	■	■	■	■							
Wrestling	9 Carrara Sports and Leisure Centre										■	■	■		
Athletics	10 Carrara Stadium						■	■	■	■	■	■	■		
Opening Ceremony	10 Carrara Stadium	■													
Closing Ceremony	10 Carrara Stadium														■
Rugby Sevens	11 Robina Stadium											■	■	■	
Race Walk	12 Currumbin Beachfront					■									
Cycling—Road	12 Currumbin Beachfront								■					■	
Beach Volleyball	13 Coolangatta Beachfront			■	■	■	■	■	■	■	■				
Cycling—Track	Anna Meares Velodrome (Brisbane)		■	■	■	■									
Shooting	Belmont Shooting Centre (Brisbane)					■	■	■	■	■	■	■	■	■	■

Lessons from past sporting mega-events

Glasgow 2014

The most recent Commonwealth Games, held in Glasgow in 2014, was the largest multi-sport event ever held in Scotland and supported around 2,100 jobs each year from 2007 (when the successful bid was announced) to 2014. The Glasgow Games was heralded a success, with the city enjoying a boost to its economy. An opportunity cost analysis suggested that the £425 million of public money spent on the games could have generated similar economic effects if spent on other activities [4], but this would have meant no legacy effect with respect to the purpose built facilities and the flow-on effects for the community in terms of sport and recreational activity.

Sydney 2000 Olympics

The world-class sporting and entertainment venues acquired for the Sydney Olympics included Olympic Stadium, Olympic Park Aquatic Centre, the Superdome, the Tennis Centre and the International Regatta Centre. Undoubtedly, hosting the 2000 Olympic Games assisted Sydney in securing the 2002 Gay Games, 2003 Rugby World Cup, 2009 World Masters Games and the 2018 Invictus Games. A KPMG report prepared for the Games' bid in 1993 predicted that it would add \$7.3 billion to the economy and create 156,000 new jobs. In contrast, an analysis by Monash University found that the Olympics 'in purely measurable economic variables...had a negative effect on New South Wales and Australia as a whole'; that is, a net consumption loss of \$2.1 billion [5]. Sydney Olympic organisers admitted that the legacy could have been improved had they planned to secure more long-term spinoffs from the Games. The NSW Government later established the Sydney Olympic Park Authority to offset the earlier deficit in planning.

Barcelona 1992 Olympics

Barcelona had a major city development plan that preceded the Games. Its General Metro Plan included opening the city to the sea by creating three kilometres of beachfront and a modern marina by renovating public spaces and demolishing old districts. The city also relocated its rail and increased road networks. The \$11.4 billion investment over time resulted in over 20,000 permanent jobs and transformed the city into a sports centre with world class athletes in soccer, basketball, cycling and tennis [6]. The long-term effect on the city's tourism was significant, with one study showing that 10 years after hosting the Games there was a 100% increase in hotel capacity and the number of overnight stays [7]. In 2015, tourism demand was up 200% with over eight million tourists visiting the city compared to the pre-games situation in 1990 [8]. Up until Beijing in 2008, the Barcelona Olympics were the most expensive ever staged, but this expense was justified by linking it to the city's development plan and a successful marketing program that saw Barcelona rise in the European Cities Monitor ranking, from 11th in 1990 to 6th in 2002 [7].

Summary

There is intense competition among cities wishing to host highly coveted sporting mega-events. This is based largely on the prospect of future economic benefits and the creation of enduring legacies for specific localities. However, it is often difficult for the host city to accurately calculate potential economic gain without assessing the size of financial investment and opportunity cost associated with planning and implementation. Several past studies confirm that hosting sporting mega-events fail to generate additional employment or income benefits [9], especially in the immediate and short term. Instead, tangible economic benefits tend to be realised over the longer term.

Accordingly, a key outcome associated with hosting mega-sporting events relates to expenses being linked to supporting long-term infrastructure improvements in the city, thus ensuring that long-term development needs are met. As shown in the case of Barcelona, the city was able to use the Games to leverage its existing plan for reconceptualisation, which had been a core repositioning strategy since the mid-1970s. Accordingly, the Barcelona games were viewed as a major vehicle to accelerate plans to re-develop the city over the long term [7].

Sydney Harbour during the Closing Ceremony of the 2000 Olympic Games



PART 2 LEVERAGING OPPORTUNITY

Maximising Gold Coast business opportunities

Benefits for the Gold Coast

Hosting the Commonwealth Games provides international prestige, as well as economic, social and cultural benefits. For businesses to profit, they must understand how the environmental changes associated with hosting the Games will impact them so that they can respond appropriately to leverage benefits and mitigate risks.

Increased tourism demand and supply

“ *The majority of our rooms have been secured by GOLDOC for visiting delegates, media or corporate sponsors.* **Participant 31**

Increased tourism demand is a clear and immediate dividend resulting from the Gold Coast hosting the 2018 Games. With the influx of athletes, officials and associated visitors to the Gold Coast, accommodation will be in high demand. However, past experience shows that host cities tend to experience a modest increase in tourist revenue, with no significant changes in hotel occupancy and retail sales.

For example, Sydney’s anticipated 132,000 foreign visitors per night during the Olympics was overly-optimistic, with only 97,000 realised [9]. Tourism supply for the Games will be enhanced by a number of new constructions, including the building of the new Mantra at Sharks.

“ *Airbnb is keeping the Gold Coast real estate market buoyant. People are realising it makes sense to rent out a spare bedroom.* **Participant 13**

It is anticipated that many visitors will use the sharing economy with Airbnb to house a growing number of Games tourists. This aligns with current Airbnb consumer behaviour that reflect users being budget conscious and booking for 2–4 guests. Report participants observed that reservations through Airbnb will likely go some way to alleviating overcapacity of commercial accommodation supply that can occur after the event.

However, there is some concern over the lack of regulation, difficulty in assuring quality and spending leakage due to self-catering that occurs through Airbnb.

Upskilling and civic pride

“ **GC2018 has meant upskilling of local residents; this will be a lasting legacy of the event.**

Participant 1

GC2018 has organised a successful recruitment of volunteers, with more than 47,000 applying to volunteer for the 15,000 positions available [10]. The early success in volunteer registration shows community enthusiasm, and suggests there will be a variety of skills and diversity showcased at GC2018. An economic value can be calculated to estimate wages saved over the GC2018, but the act of volunteering also contributes to society and the promotion of Gold Coast civic pride. The transfer of GC2018 volunteers to other community organisations post-Games may be a valuable source of untapped social capital. Griffith University has partnered with GOLDOC to provide student interns, and expert staff to promote upskilling. Additionally, the City of Gold Coast is initiating a community outreach program designed to engage and stimulate civic pride.

“ *The Gold Coast is a buzz of excitement, all the improvements around the city have everyone in a good mood.* **Participant 8**

Lever for future events and developing sports industry

“ *The Commonwealth Games provides a lever for future major events, training camps, and national sporting organisations to be based on the Gold Coast.* Participant 2

The increase in capabilities and infrastructure places the Gold Coast in a leading position to leverage future sporting events and develop its sport industry. GC2018 is an ideal opportunity to showcase the local sporting capacity, which may in turn lead to the movement of National Sport Organisations (NSOs) to the City. The Gold Coast will be an ideal training ground for athletes leading up to the 2020 Summer Olympics in Tokyo, which shares a roughly equivalent time zone with Queensland.

Improved image/employer brand

“ *The Gold Coast is relatively unknown internationally; the Commonwealth Games will help put the city on the map.* Participant 24

The intense competition to host sporting mega-events is based on the understanding that doing so will significantly enhance a city's profile as a destination. Given that the Gold Coast is not a capital city, and therefore relatively unknown internationally, it has the opportunity to gain substantial advantage in increasing awareness and reputation [11].

“ **The Gold Coast's current destination image is a playground for tourists, but this needs to diversify and become a destination for technology and other non-tourism companies. This is necessary to stabilise the Gold Coast's economy and to attract and retain the talent necessary for future growth.**

Participant 12

In February 2017, Gold Coast Tourism launched its 'We are Gold Coast' campaign to shed the city's one dimensional 'glitter strip' image. With the Gold Coast's projected population boom, GC2018 may contribute substantially to enhancing the employer brand of the destination, and in the process increase skilled migration well into the future.

“ *With the increased popularity of social media and review sites, destinations have less control over their brand than ever before. We have effectively outsourced our brand to consumers.* Participant 29

Advances in internet and mobile devices have redefined the travel experience, with social media users worldwide estimated by Statista at 2.51 billion. Social media is a widely used platform for tourists to explore information and services and to offer recommendations of a destination [12].

Due to the highly pervasive nature of social media, visitors to GC2018 may have a profound influence on the Gold Coast destination image, and on shaping the behaviour of future tourists. It is critical to offer services and products that are tailored to visitor needs to ensure their overall satisfaction creates a 'word-of-mouth' effect with enduring impact [12].

Tourists on the beach at Coolangatta

Accelerated infrastructure

“ GC2018 has been instrumental in adrenaline fuelled investment on the Gold Coast. Participant 16

Leading up to GC2018, the Gold Coast has experienced significant private and public funded infrastructure developments. The City has benefited from construction jobs and associated expenditure from projects such as the Commonwealth Games Village, Health and knowledge precinct, light rail stage 2, and cultural precinct improvements. These developments are clearly in the interest of securing the City's future, and will provide continuing value to the community long after the Commonwealth Games has ended. There are a number of planned developments after the Games that should pick-up construction labour slack.

“ The distribution of events is good as it supports the spread of assets and links with the existing linear framework of the Gold Coast. Participant 18

Construction of the Commonwealth Games Village at Parklands, beside Griffith University's Gold Coast campus



The GC2018 footprint extends more than 100kms, with events distributed from Brisbane to Coolangatta. From an urban planning perspective, this dispersion supports the natural linear function of the Gold Coast, with facilities spread across a number of communities. Consequently, the footprint raises challenges in relation to congestion, distribution of benefits, and potential disruption to communities.

Higher real estate prices

“ Because of the Games, the Council has relaxed height limits allowing densification in certain areas to make it profitable to redevelop. Participant 13

Infrastructure and public transport improvements, such as the light rail stage 2 connecting Broadbeach to Brisbane, has had considerable impact on the value of real estate. Price increases can benefit owners, real estate agents and investors, but the demographic most likely to be impacted are low income families. As prices increase, these families will relocate west and north, away from the Gold Coast CBD. Another major impact on local real estate is the Games Village. The village development includes 1,252 residences, a new business hub for health and knowledge, commercial and retail use. When released, this project will impact heavily on the densification of Southport.





◀ The Gold Coast Light Rail tram network currently connects 16 stations along the Gold Coast, with 3 new stations due for completion by early 2018.

Preparing the Gold Coast

While the benefits associated with the Games are notable, it is imperative that business understand the potential changes that the Games will bring to ensure the Gold Coast does not fall victim to ‘mega-event syndrome’ [13].

There is a commonly held expectation that Commonwealth Games visitors’ spending will contribute significantly to the local economy in the short term [14]. However, these expectations may not necessarily accord with actual outcomes. Lessons from past events suggest a need for cities to be cautious in their assessment of the impact that events are likely to have on the local business environment. Accordingly, correctly anticipating likely changes to the operating environment on the Gold Coast will assist individual businesses in planning ahead and ‘future-proofing’ their establishments. In short, accurate appraisal of existing and potential macro changes will assist Gold Coast business in mapping opportunities during the period of the games, and making informed decisions about how to respond to, and manage, any identified potential risks.

Change in tourist ‘type’

“ Our business typically doesn’t do well when there are large events on the Gold Coast, so we are gearing down and sending our staff on holidays. Participant 8

The Games will bring a change in tourism ‘type’. Games visitors may not behave like regular tourists because their stay will largely be motivated by an interest in sport and the Games itself.

They may choose not to sightsee or participate in leisure activities, which could limit their expenditure. With a change in the make-up of clientele, some tourism operators will be required to consider the impact on their revenue. In the restaurant and catering industry, there may be a downturn during the day when spectators are at the events, but a spike in evening dining. With many of the competition venues located in suburbs, such as Nerang, Oxenford, Labrador and Currumbin, businesses in these areas may see increased demand.

Experience from previous events shows that during the event and shoulder periods, a displacement of the typical leisure and business traveller will likely occur. Operators servicing the needs of these travellers may seek to diversify into other markets or scale-down operations. Businesses should consider changes in demand, taking into consideration their target market.

The timing of the Games coincides with Easter and the Queensland school holidays (30 March–15 April). The usual Easter trade will be substituted with Games visitors, which may contribute to changing patterns in demand.

Past experience suggests that business does not immediately return to normal once an event has passed, with visitors staying away for a short time [15]. However, local Gold Coast operators have already noted that conference inquiries for late 2018 are strong and bookings are solid for the NSW Easter holiday period, which foreshadows a return to strong tourism demand.

Locals ‘switching off’ and temporarily departing the Gold Coast

“ We are packing up our house, listing it on Airbnb and heading to Cairns. **Participant 8** ”

It is uncertain how locals will respond to the inflow of Games visitors. There is a possibility that some locals may be disengaged with the games and temporarily leave the city during the event. This could be problematic as such aversion may have a deleterious impact on local spending in the Gold Coast region, thereby diminishing economic gain yielded by the event [16]. Based on data from previous events, it is estimated that non-tourism businesses can face up to a 40% decrease in demand during the games period [17]. To offset this, businesses should consider special promotions or minimising potential impact by scaling-down operations. Already, both State and Local Governments have initiated a community outreach program aimed at engaging locals in the Games process. This appears to recognise that a well informed and friendly local population are critical in supporting positive publicity about the games, especially in the age of rapidly evolving social media.

Disruption

“ A lot of businesses will need their staff to work double shifts, they won’t have time to go to any events. **Participant 16** ”

The Games will cause disruption for the Gold Coast that will require businesses to adapt. Businesses should consider how congestion and traffic changes will affect both staff and customers. A major challenge will be managing staffing and resources to reflect changes in demand. Over-resourcing can cost a business financially, but under-resourcing can result in negative word-of-mouth and social media reviews. Disruption need not be a negative for business and may, if anticipated, actually work to the advantage of a business keen to adapt to changing marketplace conditions.

“ Working long hours during the event can cause mental and physical exhaustion of staff and volunteers. ”

Participant 20

The short duration of the Games may not justify hiring new employees. To cope, businesses may expect existing employees to work overtime to satisfy the temporary high demand [18]. In addition, some employees may consider volunteering, or attending the competition events. This too can apply pressure on employers.

“ Our business is based in Southport and if the transport infrastructure can’t cope our staff will find it difficult to get to work. **Participant 12** ”

In April 2017, the Commonwealth Games Minister Kate Jones released a plan to cut 50,000 cars, with drivers urged to avoid the M1. The City of Gold Coast, together with GOLDOC are working towards a Travel Demand Management Plan for the City’s transport network before, during and post Games. The proposal is to reduce 30% of background traffic from the roads. This task is challenging, as a large number of locals use private vehicles, with only a small percentage utilising public transport. Matching supply and demand during the games will therefore be challenging. Brazil in 2014 boasted a transportation system that consisted of special lanes for rapid transit buses. But these changes did not alleviate the shortcomings of the transport system [9].

“ Our business will only be making deliveries to the Gold Coast at night, we can’t afford to have our drivers stuck in traffic for hours. ”

Participant 19

It is reported that deliveries to the Gold Coast will occur at night to minimise trucks on the M1. Consequently, businesses should investigate the feasibility of receiving supplies during the night.



◀ The Pacific Motorway (M1) connecting Brisbane and the Gold Coast



“ The Commonwealth Games could have unforeseen benefits, such as increase use in public transport by locals.

Participant 18

Parking near the competition venues will be restricted; therefore, drop-off zones will be utilised with spectators encouraged to use public transport, walk, or cycle. Residents, businesses and visitors will receive information from the Commonwealth Games that will inform and influence travel behaviour.

Distribution of benefits

“ In the past, we have found that businesses in the shadow of an event will do poorly. They are better off closing their doors and going on holidays. Participant 5

Another challenge of the geographical distribution of competition events is the distribution of benefits. Some regions affected by disruption may witness reduced visitor numbers and demand. Businesses should take into account well in advance whether they will be affected by road closures, change of routes or increased security. Typically, this ‘shadow effect’ can impact outlets near competition venues as the nearby streets become busy foot traffic routes.

Commonwealth appeal

“ The down side of Commonwealth Games is that it is only relevant to Commonwealth countries, and lacks global scale compared to the Olympics. Participant 24

Commonwealth Games participation is limited to 70 nations out of more than 200 overall. As the Gold Coast is far removed from many Commonwealth countries, and there will be some time zone differences which will affect live television coverage and viewing. This may reinforce the notion that Australia is far removed and a barrier to travel [9].

A key benefit touted for hosting the Commonwealth Games is the creation of positive destination image and awareness. While the Gold Coast’s key tourism market (China) is not a Commonwealth country, specific strategies targeting China could boost media coverage.

Alternatively, this may be an excellent opportunity to target the growing South and South East Asian market. Singapore, a Commonwealth country, represents Australia’s fifth largest inbound market, while India represents the ninth largest, growing 8.1% on the previous year [19]. Tourism Australia’s 2020 strategy estimates that the Singapore market has the capacity to grow \$2.3 to \$2.8 billion in total expenditure by 2020 [20].

Leveraging strategies

Leveraging the Gold Coast 2018 Commonwealth Games requires a structured and managed legacy plan. In essence, there are three categories to consider.

- First, on a firm level, a business must consider what direct benefits can be sought and what actions are necessary to maximise these benefits.
- Secondly, at a coordinated level, identifying additional benefits that can be developed at a precinct level is critical.
- And thirdly, ascertaining and acting on legacy opportunities that provide long-term benefits and deliver positive and lasting changes is key.

How can business leverage benefit?

Understanding dynamic macro-level factors is necessary for businesses to make strategic decisions that enable a competitive advantage. To leverage maximum benefit, business should align their strengths and weaknesses to the opportunities identified.

Depending on their industry, some businesses will be better positioned to leverage to maximise visitor spending. Questions that businesses need to ask in order to devise leveraging strategies are shown in the 'checklist' on the following page.

Leveraging requires planning and action. It is therefore no surprise that during previous sporting events, more than 60% of firms had not participated in activities to leverage benefits [18].

Firm level

“ *Businesses should have promotions for guests, and try to extend their stay. Restaurants and bars should put in lounges with TV footage of events.* Participant 5

Maximising economic impact requires fostering visitor spending. At a firm level, business should consider tactics that encourage patrons to stay longer and spend more. Strategies can include targeted promotions that induce impulse purchases, and changes to opening hours to ensure that visitors can patronise businesses before and after the competition events. Games visitors have different needs to regular tourists, and business should plan any changes to normal operating practices and consider the regulatory environment. While many of the event visitors are sports focused, the accompanying family members may be more inclined to shop.

“ **Businesses need to take ownership and get involved. They need to have their brand ready and have an integrated digital presence.**

Participant 4

Systematic promotions targeting event visitors can positively impact spending. Tools such as event-related promotions, for example, coupons and contests, through local and online media can assist visitors in finding products and services to suit their needs. Investing in high quality social media content can contribute to a firm's profitability, and improve the destination familiarity that in turn results in more visible and memorable experiences. Firms not in the tourism industry can improve their reputation and consumer engagement by crafting a digital strategy to capitalise on the enthusiasm associated with the Games.

FIRM LEVEL

Strategies to maximise visitor spending

COORDINATED

Collaboration between businesses

REGIONAL BENEFITS

Lasting legacy for the Gold Coast

Coordinated level

“ The induced visitor attracted as a legacy of the Commonwealth Games will occur as a result of collaborative marketing by the Game Organisation and DMOs, good service, social media marketing, publicity, and improved destination awareness and image for the Gold Coast.

Participant 17

Business can leverage greater benefit by staging a coordinated approach, such as developing theming tactics to tie with the Commonwealth Games, or an event held in their area (such as mountain biking). Visitors are more likely to stay longer and spend more when the look and feel of the precinct supports the mega-event [17].

The Commonwealth Games brings a great opportunity for business to develop relationships to pool and share resources. A coordinated collaborative approach to resources, including labour, equipment and vehicles will be advantageous. Collaborating with other businesses in the region (including competitors) promotes access to expertise and assets that would be otherwise be out of reach.

Producing regional benefits

“ The Commonwealth Games is a long term investment, with the heyday to come.

Participant 5

A coordinated approach has the potential to stimulate significant social and economic benefits for the Gold Coast. The long-term benefits of growing civic pride, increased economic impact, and improvements to the Gold Coast destination image and awareness require a coordinated approach where government, the non-government sector, and industry work together. As demonstrated in Sydney and Barcelona, a lasting legacy requires a specific, planned approach where stakeholders work together, long after the event has passed [5].

Pocket checklist for Gold Coast business

How do the changing business factors affect my firm?

- Will demand increase/decrease?
- What are my human resource requirements?
- How will disruption affect my business (staff, customers, suppliers)?

How can my business leverage benefits?

- Can you improve your business appeal to suit visitors?
- Can you diversify into a different customer base?
- Are there opportunities for in-store and other promotions?
- What other opportunities can you generate from GC2018?

AT A FIRM LEVEL

- Can you identify an industry or state body that can assist your business?
- What partners can you establish relationships with?
- Is there a social media campaign that you can link to?
- How can an authentic Gold Coast experience be delivered?

AT A COORDINATED (PRECINCT) LEVEL

Cultivating legacy—issues and considerations

The planning for long-term benefits associated with GC2018 needs to start early. As a result of analysis in this report, the following areas are identified as particularly important for effective planning and coordination.

1

Diversification of destination image and commercial investment

GC2018 offers a once-in-a-generation opportunity to showcase the Gold Coast, with most of the economic benefits obtained from increased awareness of the city as a tourism destination, and the potential for investment and commercial activity [16].

The Gold Coast's destination image is founded on lifestyle; however, the Gold Coast is also home to a diverse and growing range of industries.

Boosting global awareness of the Gold Coast's business and economic development initiatives can improve the City's profile, resulting in trade and investment. The diversification of the Gold Coast's image can serve to improve skilled migration to the City. With the Gold Coast's population expected to increase by 300,000 by 2031 [21], GC2018 provides an outstanding opportunity to attract talent nationally and internationally. This opportunity can be transferred to international student recruitment, by featuring the Gold Coast's world class education and lifestyle.



2

Sharing economy usage

GC2018 is the first mega-event in a first-world country where Airbnb has a strong foothold. There are factors unique to the Gold Coast Commonwealth Games such as the wide geographic dispersal of events located away from the traditional tourism strip, coupled with Games visitors that are known to be budget conscious, will contribute to a spike in use. Further investigation is required to understand the economic effect of Airbnb, as well as its effect on other industries, such as accommodation, food and beverage, and tour companies. The taxi industry has experienced extensive disruption from Uber, and GC2018 provides an excellent analogy with the disruptor effects of Airbnb.

Building a strong and prosperous Gold Coast

3

Social media effect on destination image

It is assumed that a major benefit of hosting the Commonwealth Games will be the increased awareness and enhanced image, which in the long term will provide a stronger competitive position and greater benefits for tourism and investment [22]. With increasing use of social media, destination marketing organisations have less control over the brand than ever before. The use of social media by locals and visitors to focus on disruptors such as traffic congestion may have a negative impact on the image of the Gold Coast and the future travel behaviour of tourists. But a coordinated campaign by industry, government and non-government agencies to strategically plan, build and disseminate content can act as a powerful source of relevant information and counteract this negativity. Implementing a coordinated approach between the destination marketing organisation and tourist suppliers can yield the best results.

A campaign providing high quality, accurate, updated, attractive and relevant destination posts can positively influence the destination image and shape future travel behaviours.

To support an online digital strategy, a Gold Coast guest program to enhance visitor experience should be implemented. All interactions by visitors contribute to the overall holiday experience. Therefore, a program that engages both businesses and the community leading up to the GC2018 and beyond can improve the destination image and word-of-mouth, thus influencing induced visitor intentions.

4

Transfer of volunteer capacity to community agencies

With close to two-thirds of Australians not volunteering, and the rate dropping every year, the GC2018 offers an excellent opportunity to convert event volunteers to ongoing community causes. There is a clear difference between volunteering for a one off sporting event and ongoing volunteering. But the opportunity to convert trained volunteers into a broad range of community services and causes needs a clear strategy well in advance of the Games.

5

Commercialisation of sport

One of the key benefits to the Gold Coast will be the improvement of sport capability, facilities and knowledge. The Commonwealth Games brand association with the Gold Coast can act as an enabler for the commercialisation of sport. Further investigation could explore possible national and international relationships that may result in relocation to the Gold Coast. Opportunities to host future events and training camps in preparation for other mega-sporting events (including Tokyo 2020) may be explored.

Conclusion

The Gold Coast 2018 Commonwealth Games promises to yield major benefits for the Gold Coast. These benefits will be both short-term and long-term. Many of the opportunities flowing from GC2018 are apparent today, and this report has highlighted these and outlined strategies to help businesses leverage them effectively. The swelling of civic pride in the lead-up to the Games is a conspicuous benefit for businesses keen to capitalise on economic opportunities in a buoyant market. Similarly, more tangible benefits with respect to the development of the sports industry and tourism on the Gold Coast, along with the public good resulting from accelerated infrastructure, are clear-cut benefits of GC2018.

As this report has also shown, the consequences of disruption will be a feature of the lead-up to GC2018, and will need to be managed. The opportunities for businesses resulting from GC2018 abound. This is particularly so regarding the legacy effect of the Games; but planning to promote key legacy outcomes needs to start early. This report provides a roadmap for Gold Coast businesses to ensure they are 'ahead of the curve' when it comes to taking advantage of the long-term strategic opportunities yielded by GC2018. Ultimately, the 2018 Commonwealth Games presents a once-in-a-generation opportunity for business on the Gold Coast. How this opportunity is converted into an enduring set of outcomes will depend greatly on how businesses respond. In the final analysis, Gold Coast business is well positioned to achieve a series of short-term 'wins' from GC2018 while at the same time helping to shape a long-term legacy that will endure long after the Commonwealth Games finishes in 2018.

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