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## **Will your majesty marry me? The effect of royal weddings on the tourism industry**

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### **Abstract**

This article fills a void in the literature by investigating the impacts of royal weddings – arguably the grandest and the most iconic of public ceremonies involving royals – on destination level brands. The *direct* and short-term effects of royal families and indeed the direct effect of seminal events involving the royals on destination level accommodations and tourism service providers are more somewhat obvious. However, the more intriguing question, and one which we are more concerned with is: do royal weddings leave a more enduring legacy on the local tourism industry? The engagement announcement and the wedding date produce significant positive increases in the valuation of the home country's tourism firms.

Important managerial implications are derived in line with the long-term impact of unique events on tourism firms' performance and the transference of brand knowledge from the destination to the companies is effective.

**Keywords:** destination brand; market value; royal wedding; event tourism.

## INTRODUCTION

Events are a critical component in destination strategy (Kim and Chalip, 2004; Todd et al., 2017), and consequently, event tourism has sparked considerable research interest. The literature shows that events have been analyzed from different perspectives (Mair & Whitford, 2013): socio-cultural studies, where elements such as place identity or social capital are addressed (Larsen and Bærenholdt, 2019); studies that look into the attitudes, motivations and perceptions of residents and visitors (Chi et al., 2018; Kim et al., 2019; Kim et al., 2020; Wassler et al., 2019); environmental studies, in which event sustainability is the central topic (Merrilees and Marles, 2011); political analyses, where the relationships between communities, event organizers and governments are examined (Dredge and Whitford, 2011); management studies, in which managerial aspects of events are analyzed (Mariani and Giorgio, 2017; Higgins-Desbiolles, 2018); economic studies, where the main focus of interest is the economic impact of events (Ramchandani and Coleman, 2012) or even the implementation of weather derivatives in cultural events (Martínez and Tarrazon-Rodon, 2019).

While some of these perspectives adopt a short-term approach (e.g. management studies), most focus on the long-term impact. In line with this long-term impact, Rasovska et al. (2020) indicate that the construction of a destination brand is a priority for destination management organizations, and Todd et al. (2017) confirms that apart from assessing the tangible economic impact of events, there is a special interest in knowing the symbolic effect of events on destination image. It is important to remember that image is a critical determinant factor of tourist decisions (Bigné, Sánchez and Sanz 2009) and central component in Keller's (1993) framework wherein brand knowledge is enhanced via brand awareness and image.

In this article, we analyze the capacity of unique type of event not analyzed in the literature so far to affect a destination's image and thus, potentially attract an influx of tourists in the future. Specifically, we analyze the effect of royal weddings on the tourism market value of the country/destination where the ceremony takes place. Despite the celebrity status afforded to royal families in general, and the immense media coverage that follows royal weddings, the academic literature has devoted surprisingly little attention to these mega-events. While the readily apparent preoccupation—encompassing perceptions that are perhaps both positive as well as negative—that many in the public have with the royals is itself worthy of more investigation from a behavioral

standpoint, the current theoretical and practical gaps in this literature are also pertinent to the tourism scholarship. One reason the absence of any significant body of research examining the effects of events like royal weddings on travel intentions is perplexing from a tourism perspective is because monarchs are quite obviously intertwined with the product that is most fundamental in tourism – i.e., destinations. As such, one would expect more of the destination oriented research to have explored the potential benefits that hotels and other industries that constitute archetypal destination brands, derive from the presence of a royal family. It is this general void in the literature which the present study attempts to lessen. In this research, we investigate the impacts of royal weddings – arguably the grandest and the most iconic of public ceremonies involving royals – on destination level tourism brands. Although royal weddings may not directly draw a large number of international attendees, the considerable coverage these events receive in the media serves as an opportunity for destinations to use these events as a window display to showcase to the world the potential of the host country to serve as a tourism destination.

To fill this gap in the literature, the next section reviews the literature on event tourism in general and justifies the hypothesis that royal weddings can influence the tourism market value of a country. For this argument, we use Keller's (1993) customer-based brand equity paradigm. The empirical application with the data collection and the method are then presented. Finally, the results and conclusions with theoretical and managerial implication are outlined.

## **2. LITERATURE REVIEW**

### **2.1 Event tourism**

Although countries host a plethora of events, only a handful of these might be expected to result in any sort of lasting impact on the host country's tourism sector. This is because 'events' as a concept is a generalization of all types of affairs of varying magnitude. Local events that attract only a limited number of attendees – like farmers markets or county fairs – would certainly not alter in any meaningful way the destination image of a country as a whole. It is instead the events of a considerably larger scale – such as World Cups, Olympics, or in this case, royal weddings, that have the potential to create an enduring impact on a country's tourism sector.

'Events' was not a usual term in the tourism literature in the 1970s. According to Formica (1998), that decennary had only four articles published about event tourism or event management. As Getz (2008) points out, it started when Ritchie and Beliveau (1974) published an article in the *Journal of Travel Research* explicitly discussing event tourism. The 1980s and 1990s were perhaps the growth and milestone years of event tourism in tourism research. It was this era that witnessed the birth of the *Festival Management and Event Tourism* (now known as *Event Management*) in 1993- a journal with an emphasis on event tourism research and theory (Getz, 2008). This author explains how—in the 2000s—events related literature expanded and became this vast number of studies that is “beyond anyone’s capability of reading it all” (p. 15). After being ignored in tourism research and then gradually gaining power and going through landmark decades, events are described as a critical motivator of tourism (Getz, 2008) and considered a creator of economic benefits for destinations (Hodur and Leistricz (2006).

Muller (2015) classifies events according to number of tourists, media coverage, cost, and local life changing effects. Based on these factors, events may be grouped into four classes: “mega events, hallmark events, regional events, and local events”. Getz (2008) also views and differentiates events by the number of tourists/attendees attracted and by their value (“growth potential, market share, quality, image enhancement or economic benefits”). This author designs the “portfolio approach” to show the hierarchy of the four categories of events and displays the four brackets of events in a pyramid from high value and high tourist demand (mega events) to low value and low tourist demand (local events). Mega events such as the FIFA World Cup or the Olympic games (Duignan et al., 2020; Zouni et al., 2020) attract an enormous amount of money and a large number of spending tourists (Peeters et al 2014; Vierhaus, 2019; Wood and Meng, 2020), affect the tourism development (Lepp and Gibson 2011) and initiate a long-lived name of the hosting countries (Walker et al., 2013). Mega events are not only restricted to sports, they can include music events such as Coachella, world fairs such as Expos, or, as argued in this paper, royal weddings.

However, the literature around economic impacts and benefits of such mega events is mainly focused on large sporting events. In the early ages of this area of study, researchers such as Burns et al. (1986) studied the Adelaide Grand Prix’s economic impact, and Richie (1984) studied the impacts of the Olympics. Over the following years, many other researchers started also working on more diverse set of sport events’ economic impact, such as the MLB All star game

(Baade and Matheson, 2001), the Daytona 500 Automobile race (Baade and Matheson, 2000), Formula 1 (Rosentraub, 2000), the Super Bowl (Porter, 1999) or the FIFA World Cup (Nicolau, 2010). Mega events have been found to have different impacts on many aspects of a country, such as economic, tourism, psychological, physical, political, social and cultural factors (Parent, 2008 ; Ritchie, 1984). The economic impact is built on the idea that every external money flowing into the local economy will benefit the locality (Agha, 2002). To estimate this economic effect different methods have been employed over the years. By way of example, Frechtling (1994) used the travel economic impact model, Donnelly et al (1998) used tourism development simulation systems, Wang (1997) utilized the impact analysis for planning, Donnelly, Vaske, DeRuiter, and Loomis (1998) used the regional input output modelling system, and Dwyer, Forsyth, and Spurr (2003) utilized the general equilibrium model. Regarding the impact itself, Humphreys (1994) found that the Super Bowl 18 in Atlanta, created approximately 2,736 jobs and a 166 million USD in the Georgia economy. An estimated 24.8 billion USD impact on the Japanese economy and an 8.9 billion USD impact on the South Korean economy followed the 2002 world cup (Finer, 2002). In Borowski et al.'s (2013)'s study, the Euro 2012 tournament increase the Polish GDP over the period of 2008 till 2020 by 27.9 billion PLN. Therefore, the study of royal weddings – a type of mega event that has only sporadically been looked at in the literature, would be an important addition to the stream of the analysis of events' economic impacts.

Several countries around the world have monarchies as their system of government (henceforth “royal countries”). In these royal countries, the mere possession of a different, distinctive and exotic family like the royal household serves as a unique and anachronistic tourism attribute (Long, 2008). It is therefore not surprising that events involving royal families – such as births, anniversaries, birthdays and funerals, command considerable public attention. But it is perhaps the grandest of spectacles involving royals families – royal weddings, that truly warrants the mega event label. In countries like Britain, the cultural importance of royal weddings may in fact eclipse that of other celebrity events (Blain and O'Donnell, 2003). Royal weddings are truly major events, and the coverage of these ceremonies is typically given special attention by the media, even interrupting normal programming. These ceremonies tend to be extraordinarily glamorous events, organized by institutions regarded as the elitist in society, advertised as the most historic of royal, occasions and watched in real-time by millions around the world (Dekavalla, 2012). Events like royal weddings are used to publicly reinforce the link between the throne and

the nation, with media messages of affection, history, family, happiness and hope routinely touted at such events to capture the imagination of the masses (Robins, 1995). Despite the extensive media coverage surrounding royal weddings, the topic has received little attention in the academic literature.

## **2.2. Image, brand awareness, brand knowledge and the monarchy government system**

For royal countries, monarchy is a characteristic so intrinsically related that has become a secondary association in terms of Collins and Loftus' (1975) Associative Network Memory paradigm. Under this paradigm, a brand (in our case the royal country) is linked to several nodes (attributes such as climate or traditions and, in line with our case, the governmental system (e.g. monarchy)), that are stored in people's minds. This connection will form the brand association from the brand to its nodes in memory.

Associations help individuals “process, organize and retrieve information in memory” (Low and Lamb, 2000), and are fundamental for decision making (Alba, Hutchinson, and Lynch, 1991). Associations are not similar in importance and, for their relevance to be superior the association should be: i) strong, so that the vigor of an association is contingent on the way the people process the information and is tied to the brand image; ii) favorable, in a way that individuals consider that the brand has qualities and advantages that slake their desiderata and wants, hence a positive, favorable overall brand posture is composed; and iii) unique, so that the brand has a feasible upper hand that leads people to choose that specific brand.

The monarchy system, as an association with a country, possesses, to some extent, the above requirements. First, it is strong: monarchies are firmly associated with specific countries. Certainly, monarchy-related events are a way to make tangible the existence of a monarchy, especially those that garner much attention, be they purely governmental (e.g. opening the parliament) or with some social component (e.g. coronation, birth of a royal or royal weddings). These events can spark people's interest and curiosity with the consequent high repercussion on the media. In this context, while the media echoes these events, the royal country's name notably appears in the media (offline and online), as well as social media (Hao et al, 2019), which increases awareness of the royal country's name as well as the likelihood of recognizing and recalling that country's name in the future.

Second, it is favorable: Monarchy is a strong public relations actor of the royal country.

The purpose of public relations is to form a favorable thought about the royal country in international fora with other countries. One of the significant strategies to disseminate this favorable information is the media. Grunig and Hunt (1984) mentioned that media is considered the “gatekeepers controlling the information that flows to other publics in a social system.” (p. 223). Monarchy related events as we said in the previous point are media magnets, they gather immense media attention, and therefore gives the monarchy the title of a powerful public relation actor between the royal country and the public.

Finally, it is unique: even though it is not unique in a strict sense—44 out of the 195 (22.6%) countries in the world have a monarchy—there are a few countries whose monarchies are well-known with constant media appearances. Those high-profile monarchies tend to generate more hype in a unique way.

Therefore, given these strength, favorability and uniqueness, a monarchy as a governmental system may enhance the country’s brand image. It is crucial to recall that destination image is “the sum of beliefs, ideas and impressions that a person has of a destination” (Crompton, 1979), has a strong influence on decision-making mechanisms, destination desires, happiness and future behavioral intentions (Bigné, Sánchez and Sanz,2009).

Moreover, brand image along with the aforementioned brand awareness are the two central components that give shape to brand knowledge (Keller, 1993). Having both components to be strong, the royal countries’ brand knowledge should be solid. Brand knowledge in memory is critical to individual’s decision making (Alba, et al., 1991), as it affects what comes to mind when people think of a specific brand (Keller, 1993). Thus, the likelihood of the wedding country being selected as tourism destination increases, thereby enhancing the tourism market value of the wedding country. Figure 1 shows these relationships.

### **2.3. Royal weddings and tourism market value**

As mentioned earlier, monarchies hold several events. Chief among them are royal weddings . The royal wedding is an essential component of a monarchy that promotes the brand image and the brand awareness of the monarchy involved. These weddings receive extensive media attention: Prince Charles’ wedding to Lady Diana had a media audience of 750 million worldwide (BBC, 1981), and more recently Prince Harry’s wedding in 2018 drew a media audience of 1.9 billion (BBC, 2018). This widespread media attention constitutes added exposure and awareness to the

monarchy, which in turn leads to added exposure and awareness for the royal country. Brand awareness and brand image will build positive individual attitudes toward the royal country.

Having established the effect of royal weddings on the host country's brand knowledge — via enhancement in image and brand awareness—the key question is whether this relationship will in turn affect the future performance of tourism firms. To assess this, the market value of tourism firms can be used as a forward-looking metric to measure future performance.

Note that firm market value is comprised of tangible components (such as sales or profit), and intangible components (such as brand equity) (Simon and Sullivan, 1993). Brand equity, as defined by Keller (1993), is the “differential effect of brand knowledge on consumer response to the marketing of the brand” (p. 8), meaning that brand knowledge of a destination instantaneously impacts the destination's brand equity. Joshi and Hanssens (2010) suggest that any initiative that seeks to create assets of intangible nature, such as brand equity, should positively affect firm value. Consequently, as we already mentioned, brand awareness along with a positive brand image should lead the royal wedding hosting country to more likely be included in the consideration list of potential destinations and, consequently, the likelihood of a tourist choosing the country should increase. This should increase the future tourist flow to this country, bringing an increase in sales and profits (tangible components) of the firm value.

Note that in our study, the destination brand that gains brand knowledge is the umbrella brand that supports the tourism firms at the destination. According to Wernerfelt (1998), every single brand supported by an umbrella brand can take advantage of this enhancement of brand knowledge. We conduct our analysis on tourism firms trading on the stock market. These firms are strong names in the industry and according to Frieder and Subrahmanyam (2005), investors are more probable to opt for high profile names. Also, potential future tourists will choose these tourism companies over other alternatives as people tend to be more inclined towards well-known brands (Joshi and Hanssens, 2010).

It is relevant to note that in the context of wedding announcements there are two key dates: the engagement date and the wedding date. The engagement date represents when the wedding announcement per se is made (with the potential effect that his anticipated information could have on firm value), and the wedding date shows the materialization of the activity itself (where the

level of audience reached could impact on firm value). Therefore, we state the following hypotheses:

**H1a:** The engagement dates of royal weddings positively affect the royal countries' tourism market value.

**H1b:** The dates of royal weddings positively affect the royal countries' tourism market value.

### 3. METHODOLOGY

The methodology employed to examine the effect of royal weddings on the tourism industry is based on the estimation of abnormal returns (excess returns). In particular, we use the event study procedure to estimate the abnormal returns. Note that the basic premise of an event study is the efficient market hypothesis, whereby the share prices reflect any available information that can have an impact on a firm. Accordingly, when new information is released, the potential effect on a firm will bring about a shift in its market value.

We follow McWilliams and Siegel's (1997) procedure to collect the data as follows:

i) *Identification of the event dates.* We first look for royal weddings in which either the groom or bride was the direct heir to the throne. Two sets of events dates are used to analyze the wedding announcements: the engagement date and the wedding date. As pointed out previously, both dates have some unanticipated information that could cause prices to move. On the one hand, the engagement date discloses new information related to the wedding announcement per se, and on the other hand, the wedding date reveals the repercussion of the media and the audience reached. If the unanticipated information released in both dates are relevant to the tourism-related firms, it would lead to a change in traders' beliefs and perceptions of the equilibrium price, bringing about an immediate reaction materialized by price shifts (Hautsh and Hess, 2002). Table 1 shows the different events with their corresponding countries, engagement and wedding dates, grooms and brides, and number of firms analyzed. We use daily data, and the returns are obtained by the formula  $R_{it} = \ln(P_t SF_t + d_t) - \ln P_{t-1}$ , where  $P_t$  is the price,  $SF_t$  the split factor and  $d_t$  the dividend paid. We use Bloomberg database first to identify the tourism-related firms that trade on the stock market of each country during the time the engagement was announced and second to obtain the stock prices series. The sample is comprised of 27 firms going back to the 1990s – the furthest back we could - for certain countries - obtain tourism firms using Bloomberg's screening function.

ii) *Determining the length of the event window.* To control for potential informational leakages (despite the potential secrecy of the dates the announcement is planned to be made, there could be some leakages that would prompt a reaction) or potential delays in investors' reactions (sometimes shareholders take longer than expected to reevaluate the information provided), we use a (-3,+3) event window to test the potential existence of excess returns before and after the engagement announcement. While longer windows increase the probability of finding a higher number of excess returns, it comes with the critical disadvantage that these longer windows are more likely to be influenced by other events different from the announcements studied in this application; thus, we could never assure that those potential excess returns, if any, found far away from the event day are really derived from such an announcement or from some other external news (McWilliams and Siegel, 1997). It is important to note here that in selecting a (-3,+3) window we are neither suggesting nor simply capturing that any tourism effects of royal weddings occur solely in the seven-day window that envelopes the wedding. On the contrary, our method recognizes that the effects of royal weddings occur over a longer term. This is because, unlike a statistic like visitor arrival numbers, market value is a forward-looking metric. It represents the present valuation of *future* cash flows – and thus is able to capture longer-term effects while at the same time is also able to implicitly disentangle the effects of the wedding itself from the several other possible determinants of tourism performance of a country.

iii) *Detection of potential confounding effects.* Detecting and deleting any events different from the royal wedding news that might happen over the event window is fundamental to avoid spurious abnormal returns. We use Factiva database, which includes more than 32,000 news sources, to look for these news items which are not related to the royal announcements that could appear in the window (-3,+3). As no relevant events—different from the royal announcements—are found, the same sample obtained in the first step is maintained.

iv) *Estimation of the market model.* The market model proposed by Sharpe (1982) permits the calculation of the “normal returns”. In line with Nicolau (2002), we use a 150-day estimation period to obtain the parameters of the market model:

$$R_{it} = \alpha_i + \beta_i R_{mt} + \varepsilon_{it},$$

where for firm  $i$  on day  $t$ ,  $R_{it}$  represents the daily returns and  $R_{mt}$  shows the market portfolio's returns obtained from each country wherein the wedding took place. As for the parameters,  $\alpha_i$  is

the constant that reflects the returns on firm  $i$  that are independent of the market,  $\beta_i$  represents the effect of the market returns on firm  $i$ .

The number of observations obtained, i.e. 27, is not unusual in event studies and should be large enough to capture any potential abnormal returns. In fact, Khotari and Warner (2007) prove that when the abnormal returns are concentrated in one day “a sample of only six stocks detects this level of abnormal performance 100% of the time” (p. 19). Still, to avoid potential spurious effects derived from small samples, we use a nonparametric distribution-free estimation and testing of the abnormal returns. In particular, we resort to a “*complete nonparametric event study approach*” as suggested by Dombrow et al. (2000), in which we first use the Theil procedure to estimate the parameters and then we employ the non-parametric test proposed by Corrado (1989).

Parameter estimation via the Theil procedure. The Theil procedure entails the following steps (Dombrow et al., 2000): 1) using the observations in the estimation period, the  $T$  pairs of  $(R_t, R_{mt})$  are disposed in ascending order of  $R_{mt}$ ; 2) the median is used to separate the data pairs so that two groups are obtained (in case  $T$  is not even, the median pair is excluded); 3) the following expression is used to estimate a slope parameter  $\beta$  for each of the  $T/2$  data pairs

$$\beta_{t,t+\frac{T}{2}} = \frac{R_{t+\frac{T}{2}} - R_t}{R_{m,t+\frac{T}{2}} - R_{mt}}$$

4) these slope parameters are disposed in ascending order; 5) the median slope is used to estimate  $\beta$ , and then the estimates of  $\hat{\alpha}_i$  are obtained for all data pairs; and 6) the median of  $\hat{\alpha}_i$  is used to estimate  $\alpha$ .

Testing abnormal returns through the Corrado test. Corrado’s (1989) nonparametric test is used to analyze the significance of the excess returns, which is defined as:

$$t_2 = \frac{\frac{1}{N} \sum_{i=1}^N \left[ K_{io} - \frac{1}{2}(T+1) \right]}{\sqrt{\frac{1}{T} \sum_{t=1}^T \left[ \frac{1}{N} \sum_{i=1}^N \left[ K_{it} - \frac{1}{2}(T+1) \right] \right]^2}}$$

where  $K_{it}$  is the rank of abnormal returns for reach firm  $i$ , and  $T$  is the number of days in the time series.

#### 4. RESULTS AND DISCUSSION

Table 2 shows the results of the engagement announcements and the wedding dates. Regarding the engagement date, there is a positive and significant ( $p < 0.05$ ) reaction three days after the announcement is made (day +3). In particular, abnormal returns of 0.44% are observed. This result means that there is an impact of royal wedding announcements on the tourism market value of the country, which confirms hypothesis 1a. Shareholders' expectations of this big event (the royal wedding event) and the potential media hype that is expected to be generated lead to a positive effect on the country's image and an enhancement of its brand awareness—the mentions of the country in the media will be more frequent, raising its recognition and recall—with the subsequent impact on brand knowledge and brand equity (i.e. the intangible portion of the market value of tourism firms). Thus, the inclusion of the destination in the tourist's consideration set would be more probable and, as a result, the choice of the destination as a vacation destination would be more likely, causing a raise in sales and profits (i.e. the tangible portion of the market value of tourism firms).

Concerning the wedding date, we find significant ( $p < 0.05$ ) abnormal returns of 1.56% two days before the wedding ceremony and of 0.27% two days after the ceremony, also confirming hypothesis 1b. The shareholders have the opportunity—and they actually seem to take advantage of it—to review the event *ex ante* (shareholder look at the information released related to event, such as the number of international reporters covering the ceremony or technical details of the television broadcast (e.g. routes, whether there will be aerial images)) and *ex post* (especially the repercussion on the media after the wedding ceremony and the audience reached).

Consequently, the materialization of the engagement announcement on the wedding date allows shareholders to generate new expectations of the royal wedding event on account of the new information (e.g. estimated number of viewers or the number of countries the ceremony has been broadcast) that is incorporated into the share price. As before the enhancements in image and brand awareness leading to greater brand knowledge and brand equity take place, which will favor the probability of an increment in sales and profits. Also, as in the engagement announcement date, these results seem to confirm that royal weddings positively affect the royal countries' tourism market value.

## 5. CONCLUSIONS

Events are generators of economic benefits for destinations (Hodur and Leistrictz (2006), and the literature has examined the impact of a diversity of events. In this article, we look at an event not usually analyzed in the literature but that might have an effect on the tourist flows to a country. We have investigated royal weddings and examined the potential effect of the wedding announcement (through the engagement date) and the wedding itself (through the wedding event) on the tourism market value. Based on the efficient market hypothesis, we posit that the engagement announcement and the wedding event have different components of unanticipated information that could lead to variations in share prices. Therefore, changes in the tourism market value should be expected in both dates. The empirical application conducted on a sample of firms that trade on the countries where the wedding is taking place finds abnormal returns in the engagement announcement and the wedding date. Certainly, the potential media hype that can be generated from a royal wedding has positive effects on the country's image and its brand awareness (via recognition and recall). These enhancements in image and brand awareness bring about an improvement in brand knowledge and, in turn, in brand equity, which is the intangible portion of the market value of tourism firms. Consequently, the inclusion of the destination in the tourist's consideration set would be more probable, which in turn, should lead to a raise in the likelihood of the country being selected as a vacation destination. Obviously, the potential greater influx of tourists should lead to an increase in sales and profits, which are the tangible portion of the market value of tourism firms.

This research advances the literature in several ways. For instance, it offers an investigation into a strikingly understudied but nonetheless important topic with regards to tourism, i.e., royal weddings. Moreover, in general, the few research pursuits that do exist on this topic (for instance, Rowbotton, 1998) have tended to adopt a more qualitative approach. In this study, we adopt a more quantitative approach to examine the impact of royal weddings on tourism. Furthermore, while there certainly may exist short-run and immediate tourism impacts resulting from the actual occasion of royal weddings, the results of this research, using on a future-value approach suggest that these events can leave a more enduring long-term tourism legacy for destinations.

While the findings of this article are not comparable to major mega events such as the FIFA World Cup, the Super Bowl or the Olympics, it is important to note that royal wedding events are

similar to the other major mega events in terms of the number of viewers attracted. Accordingly, destination management organizations can utilize such events to enhance the destination's brand knowledge. For example, Visitbritain ran the "Great Britain you're invited" program, which capitalized on the international interest generated by the royal wedding in 2011 to market the country for the following 4 years. This program aimed to attract 4.6 million visitors for the 4-year window, spending 2.3 billion GBP, and creating 57,000 jobs opportunities (OECD, 2012). From these findings, we can derive three important managerial implications for destination management organizations and tourism-related companies that operate in these places: First, the analysis of the market value of a company has been traditionally used as a device to assess the appropriateness of managers' decisions. This study shows that events that are not decided by either destination management organizations or tourism-related firms can be evaluated, and their potential impact can be estimated. Second, regardless of the final impact that the event can have on sales and profits, it must have an influence on the intangible elements of the destination and its firms, such as image, brand awareness, brand knowledge and brand equity. Therefore, a mechanism to reflect this increment in the intangible value of destinations and firms is the market value. Third, despite the criticism that umbrella brands might have because of the loss of identity and the vanishing idiosyncrasies of individual firms (Kim et al., 2018), the results of our study support that, for the sporadic events as the ones examined in this empirical application, the expected transference of brand knowledge from the destination to the companies is effective.

For future lines of research, three potential analyses can be of interest: First, while we have shown that the unanticipated information seems to have been incorporated into the share prices with the corresponding shifts in prices, this fact does not necessarily mean that all traders agree on the exact effect of this information. In fact, potential uncertainty regarding the new equilibrium price could lead to a higher volatility; and volatility entails instability and risk. In our study, although the event itself has a positive impact, it is relevant to note a monarchy can be seen as an old-fashioned governmental system by an amount of the public and consequently some traders might adjust, reduce to be specific, their expectations; thus, their perceptions of the royal wedding—with the corresponding effects on price reactions—may not be as positive as the ones found in this analysis. Therefore, the analysis of price fluctuation after the event could shed some light on this issue. Second, we have focused on a sporadic event, such as a royal wedding, but the monarchs' public agenda is full of different events. Remember that the royal family is sometimes

regarded as a public relations actor of their country; therefore, it could be relevant to analyze the impact of different events (even vis-à-vis meetings with foreign representatives) on the tourism market value; for example, if the meeting with the authority of another country is perceived to enhance the mutual relationships between both countries that could bring a rise in the influx of tourists from the other country, an increment in the market value of tourism firms could be expected. If one of the objectives of public relations is to ameliorate the image of a destination or firm, an adequate way to evaluate the performance of a public relation actor could be the analysis of the changes of a forward-looking metric such as the market value. Third, the examination of royal weddings whose broom and bride are not in the first in line to be king or queen would provide a comprehensive perspective of the “royal family effects”.

As for limitations, it would be relevant to examine the impact of event-related explanatory variables (such as TV audiences), critical firm-related dimensions (such as advertising budget) and relevant destination-related variables (such as marketing of the competing destinations); however, it is not possible for us to find reliable information for each of the countries analyzed in this article.

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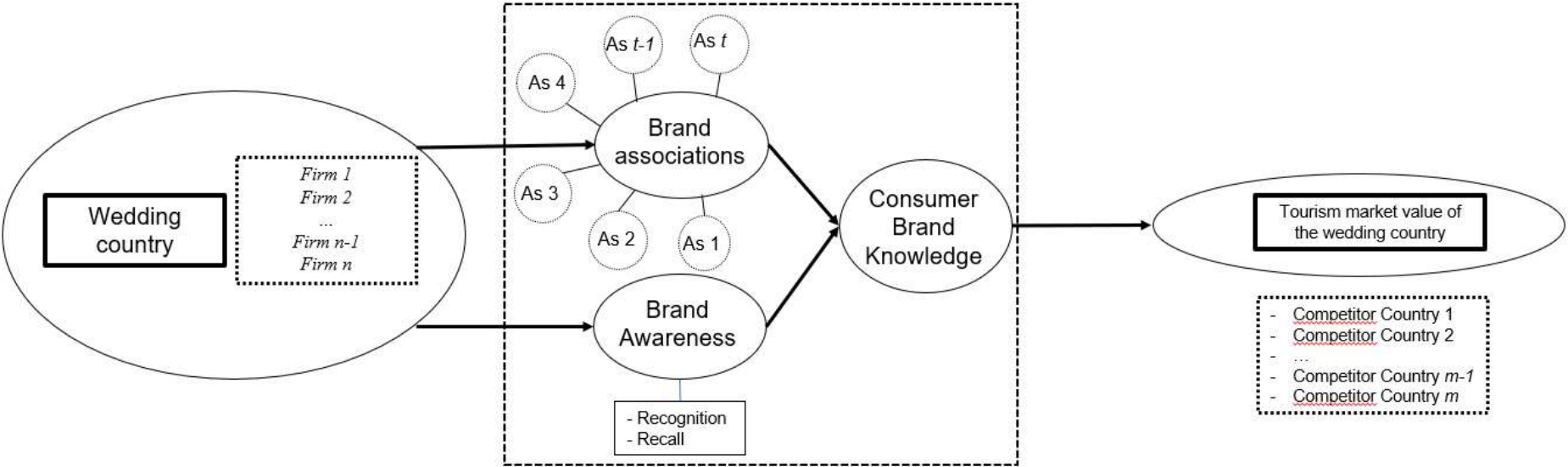
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Figure 1. Relationship between wedding announcements and the tourism market value of the wedding country



**Table 1. Wedding description: country, dates, groom and bride, and number of firms analyzed**

<b>Country</b>	<b>Wedding date</b>	<b>Engagement Date</b>	<b>Groom</b>	<b>Bride</b>	<b># of firms</b>	<b>Firms</b>
Belgium	December 4, 1999	September 10, 1999	Prince Philippe, Duke of Brabant	Mathilde d'Udekem d'Acoz	2	- Virgin Express - City hotel
Norway	August 25, 2001	December 1, 2000	Crown Prince Haakon of Norway	Mette-Marit Tjessem Hoiby	4	- Tide - Kristiansand Dyrepark - Scandinavian Airlines Norge - Rica Eindom
Denmark	May 14, 2004	October 8, 2003	Crown Prince Frederik of Denmark	Mary Elizabeth Donaldson	2	- Mols-Linien - Land & Leisure
Spain	May 22, 2004	November 1, 2003	Felipe of Asturias	Letizia Ortiz	3	- NH - SM - Iberia
United Kingdom	April 9, 2005	February 10, 2005	Charles, Prince of Wales	Camilla Parker Bowles	11	- Thor Industries Inc - Pho Ltd - Millennium & Copthorne Hotels - Macdonald Hotels - IAG - JET2 PLC - AB Airlines PLC - Intercontinental Hotel Group - Easyjet - PPHE Hotel Group - Minoan Group PLC
Sweden	June 19, 2010	February 24, 2009	Daniel Westling	Crown princess Victoria of Sweden	5	- SkiStar AB - SAS - Radisson - Metromark Hospitality Group AB - Nordic Camping & Resort AB

**Table 2. Abnormal returns of the engagement announcements**

<b>Day</b>	<b>Engagement announcement</b>		<b>Wedding</b>	
	<b>Abnormal returns %</b>	<b>Corrado test</b>	<b>Abnormal returns %</b>	<b>Corrado test</b>
-3	0.1311%	0.9497	-0.0872%	1.4673
-2	-0.1143%	1.8184	1.5633%	2.0034*
-1	-0.7583%	1.3563	-0.0437%	1.7048
0	-0.0001%	1.8561	0.0891%	1.5359
1	0.2100%	1.6695	-0.6657%	0.4051
2	-0.0783%	1.2341	0.2763%	1.9985*
3	0.4492%	2.1583*	0.6572%	0.8481

\*p&lt;0.05