Welcome>Legacy, The Tourism 2012 Strategy Consultation
ETOA Submission

Background

ETOA was founded in 1989 in order to represent the interests of those tour operators who sold "Europe" as a destination in third country origin markets. Since then it has grown to include wholesalers, ecommerce distributors and their suppliers. ETOA members move 7 million clients into and around Europe. They spend approximately €10 billion per year.

Olympic Games

ETOA members have had direct experience of the Olympic Games in Barcelona and Athens, and some larger members have been involved with Los Angeles and Atlanta. In terms of mega-events, our tour operators have also witnessed World Cups in Italy, France and Germany. The quadrennial European Football Championship provides a regular disruptive intrusion.

We thus welcome the opportunity to discuss the challenge of "2012": it is a subject about which ETOA is interested. We would like to draw attention to the "Olympics Report" which we attach to our response. We also attach a document on the impact of the World Cup in Germany.

From this it should be clear that our members are concerned at many of the assumptions that lie behind much of the assertions in Welcome>Legacy. For instance, the television audience cannot be 4bn. This figure is a preposterous assertion of "reach" that has no bearing on who is actually watching[1]. The real global figure is notoriously difficult to pin down: every country differs in the way it counts television audiences. But in the US, NBC's coverage of Athens achieved higher audience figures than those for Sydney, achieving a peak time rating of 23.5million viewers, or 15.5% of the population[2]. With lower levels of interest elsewhere in the world, the total viewing of the games is put at between 127 and 350 million.[3]

Not one Olympic Games in the last 20 years have resulted in a boost to tourism in immediate aftermath. Every games has displaced tourists, and this placing of customers elsewhere has resulted in a subsequent tourism slump. The principle legacy of Olympic Games is one of disappointment.

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[1] The IOC candidly describe the figure as "Global Viewers with Access to the Olympic Games Broadcast" http://multimedia.olympic.org/pdf/en_report_899.pdf
[2] http://sports.yahoo.com/olympics/athens2004/news?slug=km-tv0829&prov=yhoo&type=lgns
[3] The 127 million figure comes from Guardian Media, quoted in http://forum.xbox365.com/ubb/ultimatebb.cgi?ubb=get_topic;f=4;t=016799;p=1

Many assertions are made in the Welcome>Legacy that beg further questioning.

What evidence do you have for saying an estimated “50-75% of the net benefit of staging the Games is likely to accrue through tourism over a 7-10 year period”? What do you mean by “net benefit”? How is this going to be achieved?

Presumably this statement derives from a PriceWaterhouseCoopers “Olympic Games Impact Study” released in December last year. That report mentioned that there was no benefit to be derived in the run-up to the games. It also estimated (we believe inaccurately) that the benefit to the visitor economy was likely to be around £518 million for the period 2012-18.

The cost over runs of building the Olympics are estimate now at an additional £2billion. Does your £1.4-£2 billion benefit cited in your document factor this in?

Using what historical criteria have you established that “there is likely to be a post-2012 “Games dividend” of at least a 1.5-2% increase in visitor numbers and revenues for 2012-2016”? Where do these visitors come from?

We applaud the consultation, and recognise that it is an attempt to get the structures right. But there seems to be a lack of awareness that if London is going to attract additional visitors on the back of the games then it will be completely unique.

London is unique. Unlike other Olympic cities it has a large tourism industry and can absorb much of the disruption caused by the games. If the games are deleterious, then there is a strong argument for a coherent action plan to promote London and the rest of the UK separately and discretely from the 2012 phenomenon. London is the biggest “tourism city” to host the games in the last 30 years. It thus has the most to lose.

Q1. How can the London, England, and UK tourism industries increase levels of tourism during the Games themselves? Is this a reasonable challenge?

Because of the significant displacement during the Games we envisage there to be a significant downfall in tourism activity during the Games themselves. Sports visitors arrive because they are interested in sport. It is thus extremely unlikely that any measurable “benefit” is possible for the “tourism industry” during the Games themselves. Indeed the reverse is likely to be true.

Q2. DCMS considers that the position of tourism in the wider 2012 organisational structures is sufficient to ensure that its interests are fully represented and acted upon. Do respondents agree?

As the Olympic Games are primarily sporting event and have only an incidental relevance to the tourism industry, we are slightly mystified by this question.

Q3. How appropriate are the examples of previous Games to the new operational structures needed to co-ordinate the tourism preparations for 2012 at national, regional, and local levels?

Again, this question assumes that we are going to be inundated with visitors throughout the British Isles somehow animated with the desire to visit Britain as a result of the Olympic Games. Despite the fact that the reverse is the case, it is possible that the structures can be made to address the "Olympic challenge". Can the operational structures react to the potential downturn in tourism caused by 2012?

Q4. Are new operational arrangements, for instance a new joint unit, needed to co-ordinate the Games marketing and other activities of VisitBritain, Visit London, LOCOG and other relevant organisations? If so, what form should these take?

We fully agree with the analysis of Tourism Alliance response on this subject.

Q5. What new marketing approaches are needed in the run-up to the 2012 Games? (Responses from organisations, which are in a position to work with VisitBritain, Visit London, and other marketing bodies, would be particularly appreciated)?

As we state in our preamble, given that the inbound tourism industry believes that Olympic Games may act as a disincentive for people to Britain during 2012, marketing must emphasize that the UK is open for business as normal during that period.

In terms of legacy, the need to launch a similar campaign to Australia ("So Where The Bloody Hell Are You?") to combat the negative impact of the Games ought to be part of the planning process now.

Q6. How can the 2012 Games contribute to the further development of London's key gateway role?

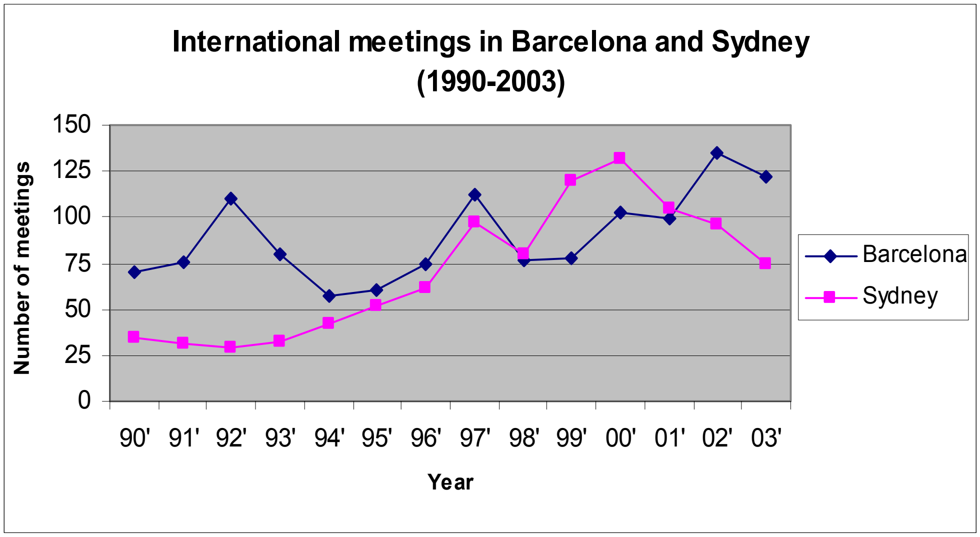
It cannot.

Q7. Aside from EnglandNet, how should new communications technologies contribute to the marketing of London, the English regions, and the UK in the context of the 2012 Games?

New communications technologies have to form a vital part of any marketing campaign. How far EnglandNet and 2012 are valid or relevant signposts in this field is questionable.

Q8. How can the Games be used to increase business tourism in the UK:

We enclose a graph on business and convention tourism in Sydney and Barcelona.



Source: Union of International Association, http://www.hospitalitynet.org/news/4023580.html
Accessed 22nd February

You will notice that demand peaks in Barcelona during the Olympic year, followed by a slump. The data we have on Sydney shows that demand peaks during the Olympics, and is followed by a slump.

There may be a pattern here.

Should a joint VisitBritain/Visit London Business Tourism Unit be established, or are the present structures sufficient?

We recognize that business tourism specialists feel that the endorsement of the IOC as a significant signal to attract meetings and incentive events. How far this is a sustainable or long-term boost is questionable as is revealed in the graph above.

How relevant is the International Convention Centre proposal to increasing London's share of business tourism?

The case for an International Convention Centre is overwhelming.

Q9. Should a UK–wide percentage target be adopted for disability access, covering the whole accommodation sector rather than just the National Accessible Scheme?

We fully agree with the analysis of Tourism Alliance response on this subject. We would add that the increased awareness of disability access is a worthwhile by-product of the Paralympic games.

Q10. Should any or all of the following be made conditions of participation in the accommodation quality schemes

We fully agree with the analysis of Tourism Alliance response on this subject.

Q11. Are the suggested Britain and England targets for accommodation quality scheme participation reasonable and achievable?

We are not persuaded on the desirability and feasibility of existing quality schemes but recognize that where they are indulged in, targets have to be set. Insofar this is the case that the quality schemes are probably attainable.

Q12. What additional practical incentives for quality scheme participation are possible?

This is not the place to engage in a discussion on quality schemes. But the best "quality scheme" in the world is probably the one adopted by Swiss hoteliers. If the UK wishes to model itself on the success of the Swiss hotels in the summer, then it is achievable.

Q13. **Are separate targets for quality scheme participation needed for London?**

No.

If so, what would be reasonable targets for 2008, 2012 and 2016?

Thus no.

And is there scope for London-specific incentives to participation?

Obviously no.

Q14. What are the possibilities for Games-themed workforce skills projects and initiatives – including effective links with the London 2012 Pre-Volunteering Programme?

We broadly agree with Tourism Alliance answer to this question. We would stress that it is not particularly desirable to spend too much time on training people for events, which last for 2-5 weeks. That we have to train them - the games cannot fail - may be the case, but there is little obvious benefit for doing so.

Q15. What could best be done to improve the London/England/UK welcome in areas <u>not</u> covered by the grading schemes or workforce skills improvements, or in addressing disability?

During the recent WTM at Excel there was a malfunctioning of the Docklands Light Railway. As the disgruntled crowd gathered at Tower Gateway station a voice cried out: "If you think this is bad, just wait until you see 2012!" Such unhelpful remarks are already forming part of the background discussion of the Olympic Games. This document itself is doubtless being placed in that category.

The good news is that this remark was greeted with an uproarious laughter: the Games are still fun. It is crucial that this spirit is engendered more widely as the inhabitants of both London and the UK need to regard what will happen with a degree of playful stoicism.

Q16. What steps could be taken to improve the welcome for international and/or domestic visitors using the UK's transport network, in the context of tourism's preparations for the Games and/or the full exploitation of the legacy?

Insofar as this is a meaningful question, please see the answer to question 15.

Q17. Do respondents have further proposals for cross–sectoral Games-related events and activities over 2008-12 which would add significantly to the appeal of the UK as a tourist destination, or to the growth of the domestic tourism market?

Again, we see the hosting of the Olympic Games as an event which is discrete and separate from London and the UK's appeal as a tourism centre.

Q18. Is there significant scope for further cross-marketing work between tourism, the BBC, and other broadcasters?

There is a scope for cross-marketing work between tourism and broadcasters but this should not be "Games related". It should concentrate on those aspects of the visitor economy that are enduring.

Q19. What form should any new strategic growth target take? Should it cover the industry's percentage rate of growth, rather than turnover? And should it run to 2012, or to a later date?

We cannot see how setting targets can be a meaningful activity if none of the negative factors are addressed. As we keep saying, 2012 will be a significant year, but – at the moment – not for positive reasons.

Q20 Should any new growth target be reset in the light of changes in the accuracy of data on the domestic market, and TSA methodology – even if this results in an apparently lower target to 2010?

TSA has some virtues in terms of pomp and pageantry: it is useful as an assertion of self-importance. But as a way of "setting targets", you may as well build goalposts out of blancmange.

Q21. Should new and separate targets be adopted for inbound and domestic tourism, and for productivity growth?

No.

And are such targets likely to enjoy popular understanding and support?

No.