

The Olympic Games: ensuring tourism is a winner

Realising the Benefits

- The Olympic and Paralympics Games are a long-term investment in the future of Britain's visitor economy
- The UK inbound visitor economy is forecast to benefit by almost £2 billion over the period 2008-2017 (Source: VisitBritain estimates)
- The majority of this economic benefit will not come during the six weeks of the Games themselves, but in the window of opportunity that will be created before and after the Olympics. Two thirds of the revenue is forecast to be generated in the post –Games years 2013-2017.
- Realising the very tangible tourism benefits of the Olympics will require a properly researched strategy and investment and work on this has already started. VisitBritain, Visit London and the DCMS are launching an industry wide consultation later this month, the results of which will drive a clear and comprehensive strategy to ensure that the Olympic and Paralympic Games do indeed bring a lasting benefit to our tourism industry.

The Opportunities

The Olympics is the world's most watched sporting event and provides Britain with the opportunity to make a step change to our tourism industry and its image overseas.

Image: Britain's image can be re-invigorated and the country's appeal broadened to younger travelers and viewers in new markets who do not have strong ties to Britain. To remain internationally competitive it is important that we attract visitors from these fast-growing markets.

Media: We can create a 60-day global documentary on Britain around the Torch Relay, associated events/festivals and the Games themselves. Media exposure is beyond televised sporting events – unaccredited media do not have access to cover sports and so will be interested in coverage of Britain. Over 10,000 unaccredited media visited Athens during the 2004 Games.

Events: The buzz that is created around London and Britain winning the Olympic Games makes it easier to attract other business and sporting events and this impact is already being seen.

Standards: We can use the Games as a catalyst for accelerating improvements in skills, quality and accessibility to ensure that Britain continues to offer a world-class product.

Profile: The Games can place tourism firmly on the national agenda by attracting new commercial and non-commercial partners and fostering new relationships with key multi-national corporations. The Australian Tourism Commission's work with Visa and other major sponsors generated US\$ 170 million of visitor spending.

The Olympic Experience

Barcelona 1992

- In 1990 Barcelona received 1.7 million visitor arrivals, making it the 13th most visited European city destination, whereas by 2005 the number of visitor arrivals had jumped to 5.5 million, making Barcelona the 4th most visited European city (after London, Paris and Berlin) and the most visited non-capital city in Europe. (Source: Tourism/European Cities Tourism)

Comparing Dublin, Prague and Barcelona

- Dublin and Prague have shown strong growth – but with factors specific to those cities.
- Before 1990 it was not really an option to visit Prague from the West. Once the city opened up its novelty attracted large volumes of inbound traffic.
- Dublin benefited greatly from its period of rapid economic growth in the 1990s and more importantly from becoming the home base of one of Europe's leading low-cost airlines, opening up a vast array of new inbound markets in the past 15 years

Sydney 2000

- The immediate post-Olympic period coincided with 9/11 and SARS, as well as a general worldwide economic slowdown. In 2004 there was a 10% growth bounce-back and a further 5.4% growth in 2005 (Source: Australia Tourism Commission)
- Sydney saw visitor numbers for 2000 as a whole up by 11% on 1999 and 1.6 million Olympic-motivated visitors over 1997-2004, spending US \$3.5 billion (Source: Australia Tourism Commission)

Athens 2004

- The Olympics offered Greece a total re-branding exercise, new infrastructure, new improved highways, new subways, new hotels and a new airport. The Olympic Games were broadcast to a global audience of more than 4 billion people. Athens welcomed more than 20,000 journalists, 10,500 athletes and hundreds of thousands of officials and visitors. All these people – in Greece and abroad – saw the vast transformation of Athens and Greece. (Source: Fanny Palli-Petralia, former Culture Minister in charge of the Athens 2004 Olympics, now tourism minister)
- 'Visitors to Greece were up by 13 percent in 2005. We expect the same increase this year. The Olympics was a 19-day advertising campaign that boosted competence, sophistication and security. Our main product was, and is no longer, sea and sun. Today we provide more tourism activities that are longer-term or have no seasonality.' (Source: Fanny Palli-Petralia, former Culture Minister in charge of the Athens 2004 Olympics, now tourism minister)

Hotel capacity

- In London, the Olympic 'family' will be largely accommodated in the Olympic village and a further 40,000 three-star plus rooms have been guaranteed within the capital. London also has far more hotel stock (a further 60,000 in three-star plus accommodation alone) than other Olympic cities and so is well able to absorb any short-run peak in demand.

The Power of Sport

Britain has already demonstrated the power of sporting events to drive tourism. The Manchester 2002 Commonwealth Games figures are a case in point.

- 1 million people visited Manchester in the Games period
- These visitors brought £29 million into the local economy during Games year
- Inbound visitor numbers to the city increased from 550,000 in 2001 to 590,000 in 2002 and 740,000 in 2003 (Source: International Passenger Survey)
- An estimated audience of 1 billion enjoyed coverage of the Games, of Manchester and the region
- Hotel occupancy increased by 6% in 2002 and revenue per room by 17.5%

There also were a number of valuable social impacts:

- Young people were actively involved in sporting activity with 3,000 schools holding their own mini games events
 - A high profile culture programme, Culture Shock, was staged to celebrate the Games and to involve a much wider audience than those just interested in sport
 - A 10,000 volunteer force is still used for ambassadorial purposes today
 - The Games were the spur for £670 million of capital investment and it is estimated that a further £2 billion will be invested in the subsequent 15 years
 - Manchester as a whole enjoyed investment into improved infrastructure, capacity and capability
 - A MORI poll showed that there was a 50% increase in leading UK opinion makers who believed that the north west was a better place to do business, largely due to the positive PR generated by the Games...
 - And a 56% rise in the number of British residents who associate the north west with 'success'
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- VisitBritain's (then BTA) partnership with the FA Barclaycard Premiership in 2001/02 featuring digital branding of www.visitbritain.com on televised matches reached an audience of 1.3 billion and provided nearly £8 million worth of equivalent media value. 10% (230,000 unique users) of all users of visitbritain.com during 2001 first heard about the website through this initiative, generating £19.1 million of incremental spend.
 - The International Passenger Survey in 2002 indicates that 1.6 million (7%) overseas visitors to the UK either watched (1.1 million) a sporting event or participated (808,000) in amateur sport during their stay. They spent £1.1 billion (9% of total spending) during their stay. It was the

main reason for visiting the UK for approximately 555,000. The majority – over 77% – were spectators (428,000).

- Younger visitors generally account for a higher proportion of sports visitors than they do of all overseas visitors to the UK. Of visitors watching sport (whether as main purpose or not) under-35s accounted for 51%, while of all overseas visitors to the UK they accounted for just 41% in 2002 (Source: International Passenger Survey).
- In the recent Nation Brands Index, 1,000 respondents in each of 36 countries were asked about sport. 39% of respondents said they would be “very likely” to watch football on a visit to Britain and 33% said they would be very likely to watch other sporting events such as tennis, rugby or horse racing (Source: Anholt-GMI Nation Brands Index).
- The Euro '96 football tournament in the UK attracted over 280,000 overseas visitors, providing the eight host cities with a cash injection of around £120 million