

Olympic Report



EUROPEAN TOUR
OPERATORS ASSOCIATION

The 2012 Olympic Games will be one of the most significant events in London's history. It is already transforming the North-East part of the city, and will undoubtedly be a catalyst for regenerating the capital's self-esteem.

It is vital for everybody concerned that the Olympics are successful. But the tourism industry is often singled out as the principal beneficiary. This study explores the extent to which this is valid.

It looks at sporting events and tourism, the television audience and the impact of hosting the Olympic Games on a city's tourism infrastructure. It ends with studies of Barcelona and Sydney: cities that have had ostensibly "good" games for tourism.

The primary purpose of this study is to generate debate. It shows that there is no strong link between hosting sporting events and increased tourism. The audiences regularly cited for such events as the Olympics are exaggerated. Attendees at the Games displace normal visitors and scare tourists away for some time. Both Sydney and Barcelona had "excellent" Olympic Games, but their tourism industries have not significantly benefited.

Thus there appears to be little evidence of any benefit to tourism of hosting an Olympic Games, and considerable evidence of damage. It is vital that the problems experienced by the host cities of past Games be acknowledged and addressed in order to avoid them re-occurring.

Contents

1. Sports Events and Tourism	4
2. A Little Misunderstanding: Who is Watching?	6
3. Displacement of Tourists	9
4. Barcelona Olympic Games 1992	11
5. Sydney Olympic Games 2000	14
Appendix	18
Bibliography	20

1. Sports Events and Tourism

The tourism benefits of the Olympic Games are widely asserted. It is routinely listed as a principal “legacy effect” of hosting the games, along with “world class sporting facilities” and improved infrastructure. When the 2012 Games were awarded to London the tourism industry was said to be one of the key beneficiaries. The “visitor economy” has been told that it will benefit by £2bn.¹

PriceWaterhouseCoopers (PWC) claimed the Olympics would attract induced visitor numbers thanks to “enhanced media exposure”². They outline three stages of the “legacy effect”. These are: before the event; during the games, with the “demand at its peak”, and after the event when the “increased flow of visitors may last for several years”.

According to PWC, tourism is the only sector that can benefit from the Olympics during all of these stages.

In saying this they form part of a tradition. G. Papanikos of The Economic and Social Council of Greece et al³ stated that the Olympics can be considered “the most important tourism sport event”. The Australian Tourist Commission (ATC) hoped the event would be “the most significant beneficial event in the history of Australian inbound tourism”.⁴ All these authorities predicted tourism bounty; none did so on the basis of evidence.

There is a large literature on how such studies exaggerate the benefits⁵ and why they do so⁶.

¹ Visit Britain, Press release dated 6th July 2005

<http://www.visitbritain.com/corporate/presscentre/presscentrebritain/pressreleasesoverseasmrkt/>

² Pricewaterhouse Coopers (2004), ‘European Economic Outlook June 2004’, page 18 http://www.pwcglobal.com/gx/eng/ins-sol/spec-int/neweurope/epa/EE0Jun04_SectionIII.pdf

³ Papanikos G et al., <http://www.thesportjournal.org/2003Journal/Vol6-No2/athens.asp>

⁴ ATC (2001), ‘Olympic Games Tourism Strategy’, page 3 <http://www.ausport.gov.au/fulltext/2001/atc/olympicreview.pdf>

⁵ “Events of the scale of the Olympic Games, which attract large amounts of money from outside a local economy, are forecasted to have economic impacts in the billions of dollars. Ex-post studies, however, have consistently found no evidence of positive economic impacts from mega-sporting events even remotely approaching the estimates in economic impact studies.” Jeffrey G. Owen: Estimating the Cost and Benefit of Hosting Olympic Games: What Can Beijing Expect from Its 2008 Games? in *The Industrial Geographer* Volume 3 Issue 1 Fall 2005

⁶ Investigator bias, data measurement error, changing production relationships, diminishing returns to both scale and variable inputs, and capacity constraints anywhere along the chain of sales relations lead to lower multipliers. Crowding out and price increases by input suppliers in response to higher levels of demand and the tendency of suppliers to lower prices to stimulate sales when demand is weak lead to overestimates

of net new sales due to the event. These characteristics alone would suggest that the estimated impact of the mega-sporting event will be lower than impact analysis predicts. When there are perfect complements to the event, like hotel rooms for visitors, with capacity constraints or whose suppliers raise prices in the face of increased demand, impacts are reduced to zero. Porter, Philip, “Mega-Sports Events as Municipal Investments: A Critique of Impact Analysis,” in J. L. FizeL, E. Gustafson, and L. Hadley, eds., *Sports Economics: Current Research*, New York: Praeger Press, 1999.

It is assumed that the culture or “lifestyle” of the host country will make an impression on the minds of the television audience. This impression will give rise to a desire to visit. This desire will manifest itself in increased numbers of visitors. John Morse, the normally scrupulous head of the Australian Tourism Commission, asserted on ABC “we still know that in excess of 3.5 billion people around the world saw the opening ceremony and saw just how creative, innovative and the great things that we can do down here. It was, I understand, the largest watched show in the history of the world.”⁷

But the existence of visitors who are “induced” to come through watching sporting events on television is counter-intuitive. Such locations as Wembley, Wimbledon, St John’s Wood, Hammersmith and Kennington have not become major non-sporting resorts. Much of their charm lies in their ability to return rapidly to a suburban normality after the fans depart.

Soccer is regularly screened from locations both domestic and international. Despite the many thousands of travelling fans and the screening of fixtures from regional towns, we seldom associate induced tourism with such domestic television programmes as Match of the Day. Sports fans watch television in order to enjoy the sport. This activity is notoriously narrowly focussed, as viewers get ever closer to the athletes, and each move is broken down frame by frame. The moment this is over, their attention is drawn to the next event.

⁷Australian Broadcasting Corporation Online, 25 Sep 2000
<http://www.abc.net.au/worldtoday/stories/s187909.htm>

2. A Little Misunderstanding: Who is Watching?

Citius, Altius, Fortius

The Olympic motto has for over a century been a heady challenge to athletes to aim *Swifter, Higher and Stronger*. This command, which is the motivating force behind the Olympic “movement”, affects the hyperbole that infuses all those involved.

In the words of the official Media Guide to the Games in Turin: “*There is no other sport, cultural, or political event able to match the world’s fascination with an Olympic event. The Opening Ceremony is considered the greatest global TV event of the year in terms of TV audience viewing it. It practically means that on that night, one person out of three on the planet will be tuned in. It then goes on to describe “Olympic time” as being a “lofty, rare time” that “rises above all laws of international politics to become a lay religion.”*⁸

The momentum for such statements springs from the International Olympic Committee itself. According to CBS, on 7th December 2004 the IOC president Jacques Rogge claimed: “*The Athens Olympics broke global TV viewing records, with nearly 4 billion people tuning in....3.9 billion people watched an Olympic broadcast at least once during the Aug. 13-29 games, beating the previous record of 3.6 billion viewers for the 2000 Sydney Olympics. The figures (were) described by Rogge as “staggering,” Rogge estimated the total cumulative world television audience - with viewers counted each time they watched - at around 40 billion*”⁹

Everyone would agree with Jacques Rogge that these figures are staggering. There are roughly 6.5 billion people “on the planet”. Of these, 1.6 billion have no access to electricity.¹⁰ A further 300 million may have access to electricity, but are under five years old.¹¹ The claim is that roughly 2 billion (or 40% of the world’s available sentient population) watched the opening ceremony of the Winter Olympics, irrespective of longitude of time or latitude of climate.

For the summer games, it is asserted that 80% of the world’s population who have access to electricity spent time watching the Olympics in Athens. The “total world cumulative audience” of 40 billion involves nearly 3 billion people (or 60% of the available world) watching every day.

The Olympics is the “greatest”, where the world gathers to compete together as equals. In this spirit, the IOC gives only “free to air” broadcasters the right to screen Olympic Games. No-one should be prevented from watching. If everyone can watch, then that is what matters.

⁸ Visit Britain, Press release dated 6th July 2005 Olympic Winter Games 10-26 February 2006, http://www.torino2006.org/ENG/OlympicGames/bin/page/C_3_page_eng_283_paragraphs_paragrafo_21_attachments_allegato_13_object.pdf

⁹ CBS Sportsline.com, <http://cbs.sportsline.com/olympics/story/7787174> and IOC, http://www.olympic.org/uk/news/olympic_news/week_uk.asp?weekDate=10/11/2004

¹⁰ <http://www.library.abb.com>.

¹¹ DCCP, <http://www.dcp2.org/pubs/GBD/2>

It is using this assumption that the IOC builds up its widely publicised audience figures running into billions. For the “2 billion” and “3.9 billion” are estimates of the total *possible* audience. It is a measure of all of whom it is possible to say live near enough to a television set that they *could* watch the Olympic Games. If you live in an area where there are televisions that can receive Olympic coverage, then you are part of the number¹². It is like judging an individual book’s popularity by counting how many people live near book-shops or who have access to public libraries.

In the IOC’s defence a lot of events make claims using this methodology. The 2003 Miss World telecast reached “close to 2.3 billion viewers”, “second only to the Olympic opening ceremonies”¹³. The Superbowl often has the figure “one billion” viewers associated with it. The Oscars have “1.5 billion” claimed for them. Princess Diana’s Funeral was supposed to have “2.5 billion”. Live8 asserted “5.5 billion”. Nielsen Media Research has called them “made-up numbers”. In a more trenchant phrase, Andrew Green, director of Publicis advertising described them as “completely false and made-up”.¹⁴

Indeed the 2006 Winter Games opening ceremony averaged 22.8 million viewers for NBC in the USA (8% of the population)¹⁵. In Japan the opening ceremony attracted 10.6 million viewers (8.3%), Australia had 1.55 million (8%) and Canada had “less than two million” viewers (5%)¹⁶. Europe showed varying levels of interest according to their involvement in the games. Italy had 11.5 million viewers (20% of the population). France had 6.9 million (11%) and the BBC attracted 4 million viewers (6.5%)¹⁷. Assuming a level of interest similar to the rest of the developed world, the EBU zone accounted for 60 million viewers at most. Thus the maximum viable audience for the Opening Ceremony of the Winter Olympics in Turin among the “contributing” nations is 95 million individuals. Whilst it is difficult to gather data from the rest of the world, anecdotal evidence indicates that the audience for the Winter Olympics among the remaining countries of Asia, South America and Africa were negligible.¹⁸

In terms of viewing figures, the average number of people who viewed the opening ceremony of Athens Games is said to be approximately 127 million people worldwide¹⁹. In the US the average audience was 26.6 million viewers²⁰, a 9% improvement on the Sydney figures. In Germany 13.2 million viewers watched the Olympic Games opening ceremony²¹. In Britain the BBC claimed a 6.3 million average audience for the Games, in France the figure was 2.5 million and in Canada 1.1 million²². China is said to have had 55 million viewing the opening ceremony.²³

¹² Ibid.

¹³ Nine Systems, 3 December 2004, <http://www.ninesystems.com/company/press/missworld.php>

¹⁴ The Wall Street Journal Online, 21 July 2005, http://online.wsj.com/public/article/SB112180840215889963-0heH1LSDovgHdjC0ribnrPO2TbY_20060721.html?mod=tff_main_tff_top

¹⁵ MediaBistro.com, 27 February 2006, http://www.mediabistro.com/tvnewser/the_olympics/default.asp

¹⁶ Morgan News, <http://www.morgan-news.com/2010/2010Bronze.html>

¹⁷ Official website of the Olympic Movement, http://www.olympic.org/uk/news/media_centre/press_release_uk.asp?id=1691

¹⁸ CBC Watch, February 25 2006, <http://www.cbcwatch.ca/?q=node/view/1776>

¹⁹ Figures from Initiative Worldwide see http://forum.xbox365.com/ubb/ultimatebb.cgi?ubb=get_topic;f=4;t=016799;p=1

²⁰ Media Info, 2004, <http://www.mediainfo2004.gr/>

²¹ UEFA Euro 2008, <http://www.uefa.com/Competitions/Euro/Organisation/Kind=32768/newsId=332293.html>

²² Sport Business.com, 2 September 2004, http://www.sportbusiness.com/news/index?news_item_id=155548

²³ This last figure is open to debate as it comes from China Sports Newsletter, a monthly online P.R. publication from the Chinese Olympic Committee. <http://newsletter.csiibeijing.com/newsbreak/901.shtml>

In terms of world-wide viewers this remains impressive: in 2004 the Olympic opening ceremony was only beaten as a televised sporting event by the final of Euro 2004, whose 153 million viewers was underpinned by the enormous interest in Soccer in Asia.

We do have detailed viewing data from the IOC for Sydney. In an appendix, the IOC published both “metered” and estimated average viewing figures for the 2000 games²⁴. It contains some startling data: in the “prime” viewing times Brazil averaged 28 million viewers, nearly 17% of the population. None of the other countries in Central and Southern America posted more than 4% of the population. Brazil thus stands for over 80% of the entire region’s viewers. China, similarly, averaged over 100 million peak time viewers; at 8% as great a proportion of their population watching the Olympics as the United States. This is 90% more than Chinese Olympic Committee’s own figures for 2004. Nevertheless, including these figures, the IOC total for people watching “peak time” is 280 million people.

The IOC themselves are always scrupulously careful to say that the “3.9 billion viewers” are only “potential viewers” or use the number to describe “reach”. But these figures are the ones that are reproduced in headlines and have become an accepted measure of the audience. But as a measure of the audience they are wrong.

²⁴IOC, ‘Sydney 2000 Olympic Games, Global Television Report, January 2001, http://multimedia.olympic.org/pdf/en_report_567.pdf#search=IOC%20television%20coverage%20olympic

3. Displacement of Tourists

One feature of sports events, of any large event, is that it attracts people who would not normally come to a city. During the Olympic period, the entire bed-stock of a destination is devoted to the travelling officials, the press and spectators. These visitors are unlike 'regular' tourists, having different spending and behaviour patterns. They are not interested in "tourism" – they are interested in sport. So their behaviour is akin to business visitors attending a convention. They tend not to spend money on leisure and entertainment, and when not in stadia they watch events on TV rather than engaging in other activities²⁵. Theme park owners in Los Angeles saw a decline in revenue during 1984. In Barcelona the Costa Brava resorts had a drop in demand and at the Sydney games the normal attractions experienced a downturn in business²⁶.

Not only do they behave differently to normal tourists, Olympic visitors effectively scare other visitors away. Regular tourists assume that congestion and increased prices are a feature of "Mega-events". In the hotels used by the press and the thousands of Olympic officials, occupancy levels go up considerably during the Olympic period, as do the average room rates at those hotels. Most Olympic Games are held in the low season for hotels, and consequently the surge in occupancy and room rate can be substantial. Athens recorded a combined rate and occupancy surge of five times the normal figure²⁷. This extraordinary surge in "revenue per available room (revpar)" was mainly the result of the decision not to build extra hotel capacity, a decision which led to a significant undersupply during the games²⁸.

Building additional hotel capacity for an Olympics is folly, as the Olympics is a two week high. There is considerable anecdotal evidence that tourists are scared off for a period (and a region) around the Games. In 1996 hotel occupancy in Georgia fell from 72.9% in 1995 to 68% in despite the Olympics²⁹. During the Atlanta Games themselves "many hotels and restaurants reported significantly lower than normal sales volume.... Even shops and resorts in areas up to 150 miles away reported slower than normal business during the summer of 1996"³⁰.

²⁵ Blake A, 2005, 'The economic impact of the London 2012 Olympics', page 22 http://www.nottingham.ac.uk/ttri/pdf/2005_5.pdf

²⁶ Preuss, 2004, 'Aspects of Olympic Games Tourism', http://www.sete.gr/files/Ekdiloseis/041012_HolgerPreuss.pdf

²⁷ Deloitte's Hotel Benchmark Survey (2004), article 'Athens hoteliers set a personal best at the Olympic Games' of 24th September 2004, <http://www.wiredhotelier.com/news/4020732.html>

²⁸ This revpar increase has come in for criticism and has been blamed for an – as yet unproven – subsequent decline in demand for Greece. But the comparison is with a period when rooms are mainly unoccupied, even with deeply discounted rates. If hotels in any major city in Europe were to cap their prices at 15% above the "rack" rate and were to hit 90% occupancy with this rate in August, then similar revpar yields might be shown.

²⁹ Owen J.G., 'Estimating the Cost and Benefit of Hosting Olympic Games: What Can Beijing Expect from Its 2008 Games?' in *The Industrial Geographer* Volume 3 Issue 1 Fall 2005

³⁰ French, Steven P. & Mike E. Disher (1997), 'Atlanta and the Olympics: A One-Year Retrospective'. *Journal of the American Planning Association* 63:379-392

Indeed there is a reasonably consistent pattern of peak followed by trough in the host cities:

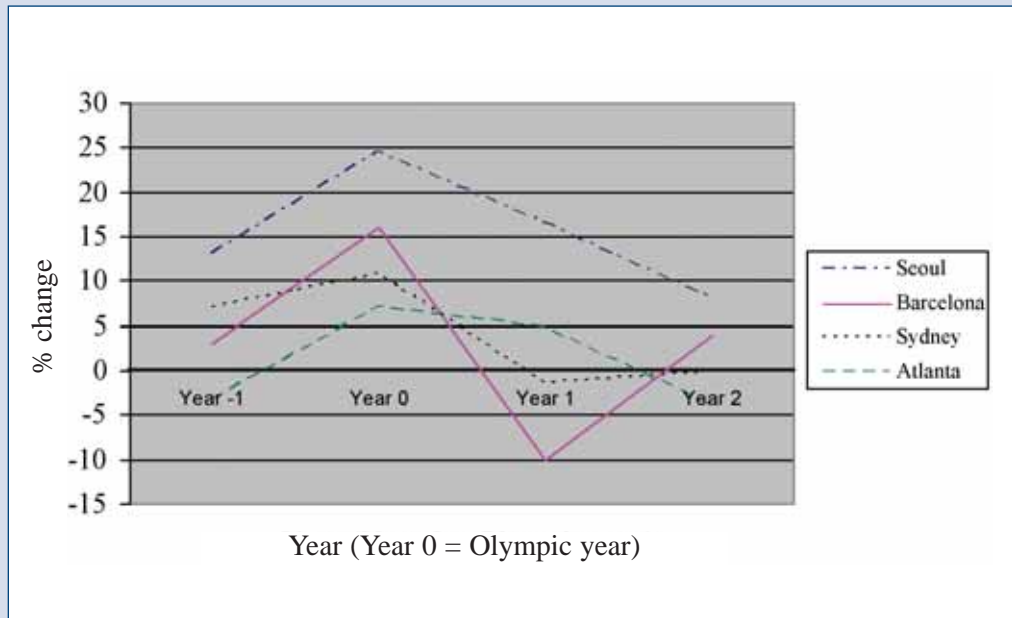


Figure 1. International visitor arrivals pre-post Olympic Games ³¹

During the Olympics, a destination effectively closes for normal business. The repercussions are felt before and after: both tourists and the tour operators that supply them are scared off immediately before and during the events. This “absence” then creates its own effect, as the normal conveyor belt of contented customers begetting new arrivals has been broken.

³¹ Deloitte (2004), 'Tourism Hospitality and Leisure-Executive Report' Issue 3, January 2004, page 15, http://www.deloitte.com/dtt/cda/doc/content/UK_TTL_%20January%202004.pdf

4. Barcelona Olympic Games 1992

Barcelona is often said to be one of the best examples of destinations where the legacy effect of the Olympics has been positive. We have been told that it generated an estimated US\$16.6 bn for the national economy between 1986-1993³². In general, tourism has developed over the last decade and now accounts for over 12 % of the city's GDP, compared to 1-2% before the Olympics³³.

The city increased its capacity of hotel beds by 34.9% in the build-up to the Olympics and continued to do so for years after. Between 1992-2002, 75 additional hotels were built, resulting in a further 47% expansion of available bed space³⁴. In the long run, overnight stays rose by 110% between 1990 and 2001, outperforming the 98% increase in bed stock during that period³⁵.

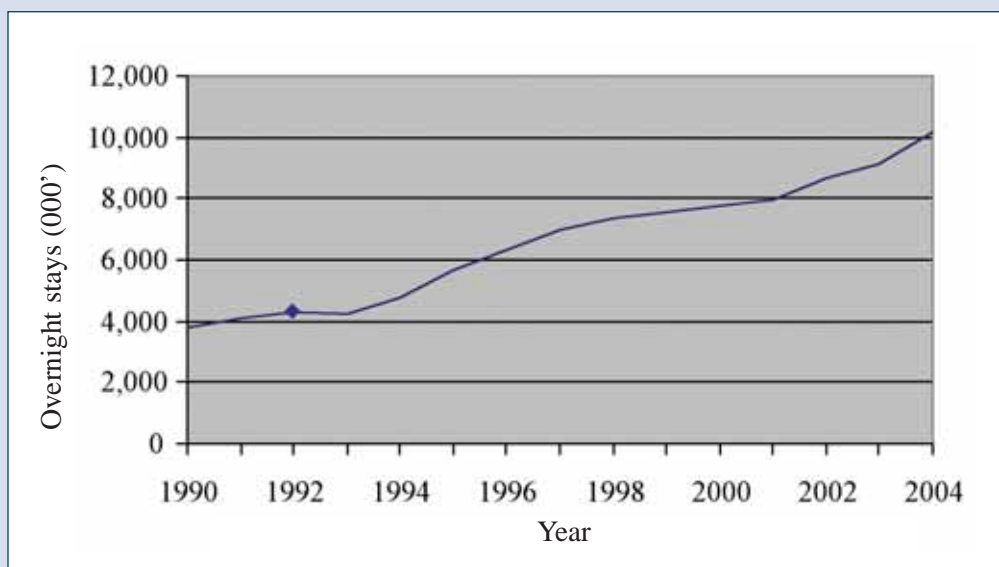


Figure 2. Overnight stays in Barcelona³⁶

The mild downturn in overnight stays immediately after the Games has to be seen in the context of a massive increase in hotel capacity. Hotel occupancy actually dropped from 70% in 1991 to 64% in 1992, the Olympic year. Fears of construction and overcrowding played a role in deterring visitors. Further falls in hotel occupancy followed with the two years after the Olympics registering just 54%³⁷. It then took a further two years for Barcelona's occupancy rates to recover. Only in 1998 did they exceed the 80% mark³⁸.

³²Visit Britain, Foresight 12th October 2004, page 3

http://www.tourismtrade.org.uk/Images/2004%2010%20Norway%20Sweden%20Denmark%20&%20Finland_tcm12-11888.doc

³³Cabrini L, June 2004, <http://www.world-tourism.org/regional/europe/PDF/SPEECHES/2004/Austria16-19June2004.pdf>

³⁴Duran P, General Director of the Tourisme de Barcelona Consortium (2002), page 6

http://olympicstudies.uab.es/eng/obs_det.asp?id_rekurs=104

³⁵Duran P, General Director of the Tourisme de Barcelona Consortium (2002), page 7

http://olympicstudies.uab.es/eng/obs_det.asp?id_rekurs=104

³⁶Sources: Ajuntament de Barcelona, <http://www.bcn.es/estadistica/angles/dades/turisme/annual/pnev01.htm>

³⁷Deloitte (2004), 'Tourism Hospitality and Leisure-Executive Report' Issue 3, January 2004, page 15

http://www.deloitte.com/dtt/cda/doc/content/UK_TTL_%20January%202004.pdf

³⁸Duran P, General Director of the Tourisme de Barcelona Consortium (2002), page 6

Whilst Barcelona has undoubtedly “grown” as a tourist destination, the extent to which this growth is due to the Olympic Games is by no means certain. If there is any benefit to tourism from hosting a games, then the biggest benefit should be immediately afterwards. This, after all, is when the image of the city would be freshest in the minds of the audience.

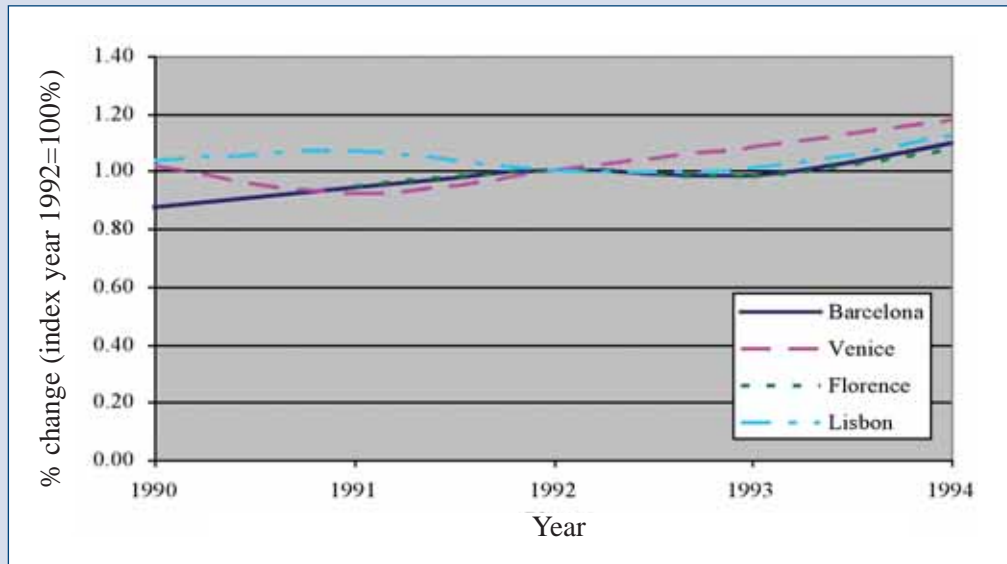


Figure 3. Total visitor bednights comparison ³⁹

But if you plot Barcelona’s tourism growth against Venice, Florence and Lisbon, its performance is below average.

But Barcelona was, even before the Olympics, the byword for urban cool, feted by everyone from Freddy Mercury to Robert Hughes. The nearest match to a “Barcelona without the Olympics” would be Dublin and Prague, both medium sized national centres which blended hedonism with considerable cultural appeal. If you track Barcelona’s visitor growth against these cities, then the “Olympic effect” disappears.

³⁹ Tourisme de Barcelona, <http://www.bcn.es/estadistica/angles/dades/turisme/anual/index.htm>, Data: total overnight stays
 Tourmis, http://tourmis.wu-wien.ac.at/index_e.html, Data: Total

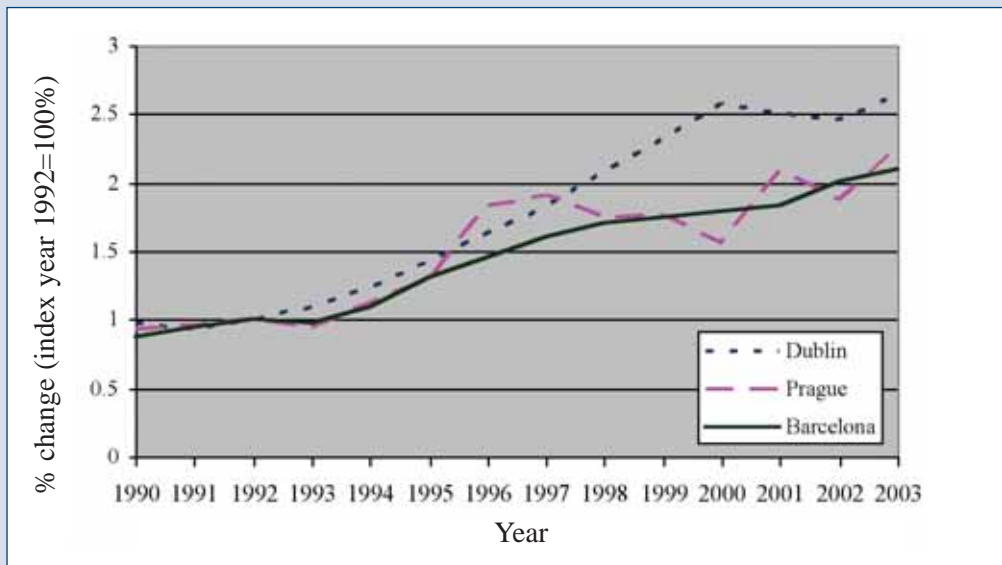


Figure 4. Inbound tourism to Dublin, Prague & Barcelona⁴⁰

In the period since 1992, Barcelona has barely kept pace with Prague and it has been far outstripped by Dublin. This gap is most pronounced in the five year period after the games, when any “benefit” would have been felt. Indeed Barcelona only started to gain ground on Dublin and Prague with the arrival of cruise ships and low cost airlines in the late nineties.

Pere Duran, the General Director of the Tourisme de Barcelona Consortium states: *“Barcelona was a grey and boring city. The Games were the excuse, perhaps the incentive, for a general process of analysis of the city in general and in particular its role as a tourist centre”*⁴¹. A new promotional organisation *“Tourisme de Barcelona”* was established in 1993 to counteract the decline in tourism after the games. Hosting an Olympic Games undoubtedly helps a town “see” itself as a tourist destination, and thus helps it take tourism more seriously. But as an example of a straightforward “win” for tourism, Barcelona is not straightforward at all.

⁴⁰ Tourisme de Barcelona, <http://www.bcn.es/estadistica/angles/dades/turisme/anual/index.htm>;
 Duran P, General Director of the Tourisme de Barcelona Consortium (2002), page 7
http://olympicstudies.uab.es/eng/obs_det.asp?id_rekurs=104; Tourism Ireland (data from the Central Statistics Office) by email;
 Czech Tourism <http://www.czechtourism.cz/?show=003011>
 Data: Barcelona – Overnight stays in accommodation; Prague – Overnight stays by foreigners in accommodation; Dublin – International passenger arrivals

⁴¹ Duran P, General Director of the Tourisme de Barcelona Consortium (2002), pages 3,8
http://olympicstudies.uab.es/eng/obs_det.asp?id_rekurs=104

5. Sydney Olympic Games 2000

"There is a widespread agreement that the greatest opportunities lie with the increased media exposure Australia will gain as a result of the Games..."⁴²

The impact that displacement of regular tourists has can be seen in the flow of international arrivals coming to Australia in the years around the 2000 Olympic Games.

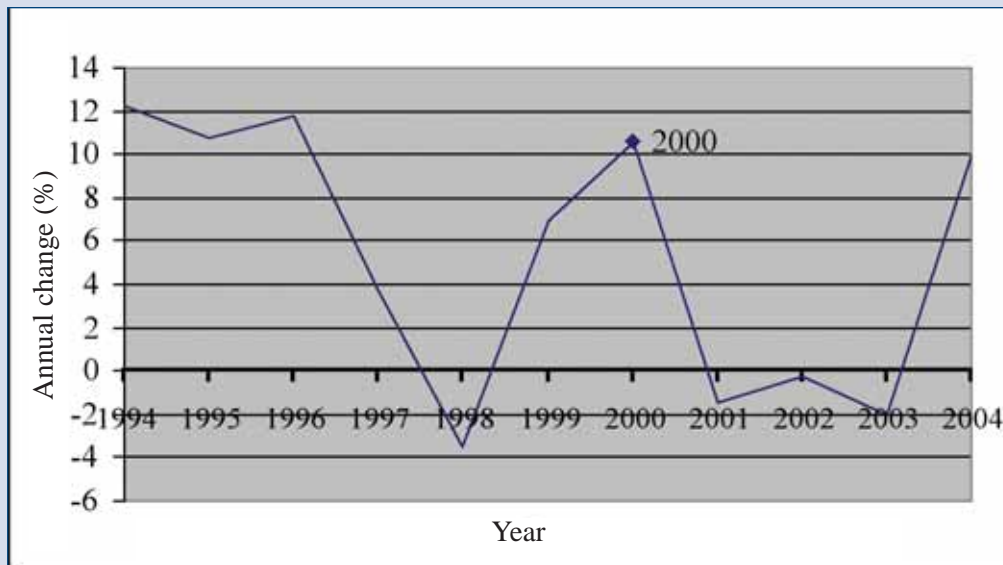


Figure 5. Changes in Visitor Numbers to Australia⁴³

Despite the Tourism Forecasting Council (TFC) predicting "a strong impact for four years after the Olympics",⁴⁴ the Australian Tourist Commission had noted the slump in visitor numbers that previous host cities of major events encountered. In 1999, they launched 'the Australia 2000 Fun and Games' campaign to stem the anticipated decline.

This did not work. Occupancy rates fell in the few months before the Games: from 83% in March to 74% in May, and finally to 68% in July and August. There was a further drop to 67% in the two weeks leading up to the Olympics. The games themselves provided hoteliers with a short-term increase in revenue as average room rates increased by 40% and occupancy rates stood at around 80%⁴⁵.

⁴²Tourism Forecasting Council, Forecast Vol. 4 No. 1 1998 p.20-22 quoted by De Groot in 'Economic and Tourism aspects of the Olympic Games' in *Tourism Review* 60(1), 2005, pages 12-19 <http://www.lboro.ac.uk/gawc/rb/rb154.htm>, in 'Conclusion' section

⁴³Source: Australian Bureau of Statistics, <http://www.abs.gov.au/Ausstats/abs@.nsf/94713ad445ff1425ca25682000192af2/0795DF1FF2F158F5CA2570DE001929D3?open-document>

⁴⁴Tourism Forecasting Council (1998), 'The Olympic effect' report

⁴⁵Deloitte (2004), 'Tourism Hospitality and Leisure-Executive Report Issue 3, January 2004, pages 14-15 http://www.deloitte.com/dtt/cda/doc/content/UK_TTL_%20January%202004.pdf

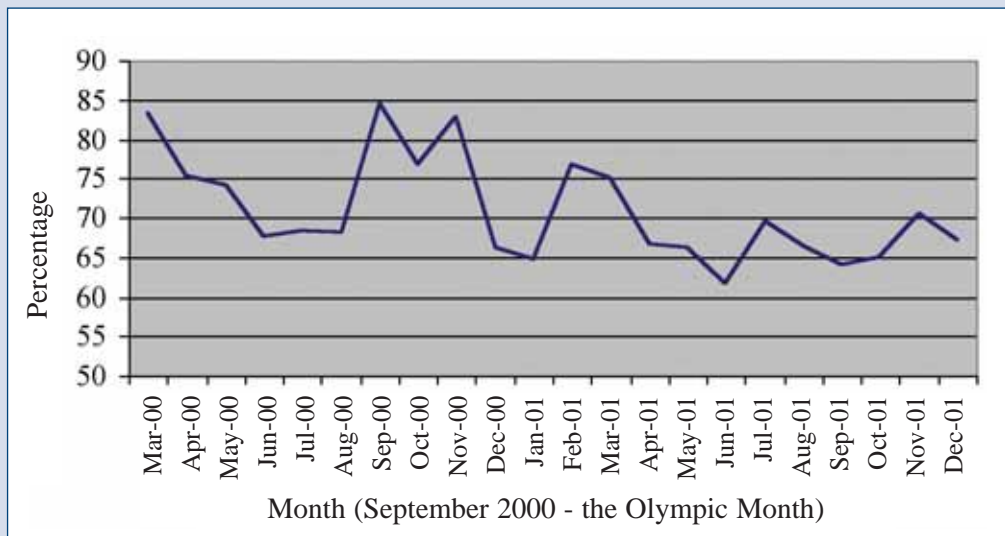


Figure 6. Sydney occupancy rates 2000-2001 (monthly)⁴⁶

After the event, in December 2000, occupancy rates fell even lower to 66.2%, as the visitor numbers declined and the city was left with oversupply of hotel capacity. Sydney had expanded its bed stock by approximately 30% to accommodate the Olympic visitors. Low demand was outstripped by supply⁴⁷. For three years afterwards, international visitor arrivals in Australia decreased⁴⁸. Deloitte reports that about 10 hotels in Sydney have been closed and turned into residential accommodation since the year 2000⁴⁹.

It has been asserted that this slump was caused by everything from SARS to the terrorist incidents in New York on September 11th. But the drop happened immediately after the games: before October 2001 only one month (July) showed an increase in visitor numbers. But increased media exposure did not lead to more visitors to Australia. According to David Mazitelli of the Australian Tourism Export Council (ATEC): *"The Sydney Olympics had few long term positive impacts beyond 2000 on the growth of Australian tourism. The impacts were short-term and were contained within a relatively tight geographic region. The forecast of a remaining strong impact for the four years following the Games did not eventuate. As soon as the Olympics finished, we started to see a fall away in inbound activity. Australia went into three years of negative growth (2001, 2002 and 2003). Many commentators put it down to terrorism, but we were in decline well before September 11, the collapse of Ansett (an official Olympic airline) on September 14 and Bali. The decline started the day the Olympic focus shifted to somewhere else (World Cup Football in Japan/Korea etc.)."*

⁴⁶ Deloitte (2004), 'Tourism Hospitality and Leisure-Executive Report Issue 3, January 2004, pages 14-15
http://www.deloitte.com/dtt/cda/doc/content/UK_TTL_%20January%202004.pdf, p15

⁴⁷ Ibid.

⁴⁸ Australian Bureau of Statistics,
<http://www.abs.gov.au/Ausstats/abs@.nsf/94713ad445ff1425ca25682000192af2/0795DF1FF2F158F5CA2570DE001929D3?opendocument>

⁴⁹ Deloitte (2004), 'Tourism Hospitality and Leisure-Executive Report' Issue 3, January 2004, page 14
http://www.deloitte.com/dtt/cda/doc/content/UK_TTL_%20January%202004.pdf

Indeed the poor performance of Australia is in marked contrast to the success of New Zealand in the same period.

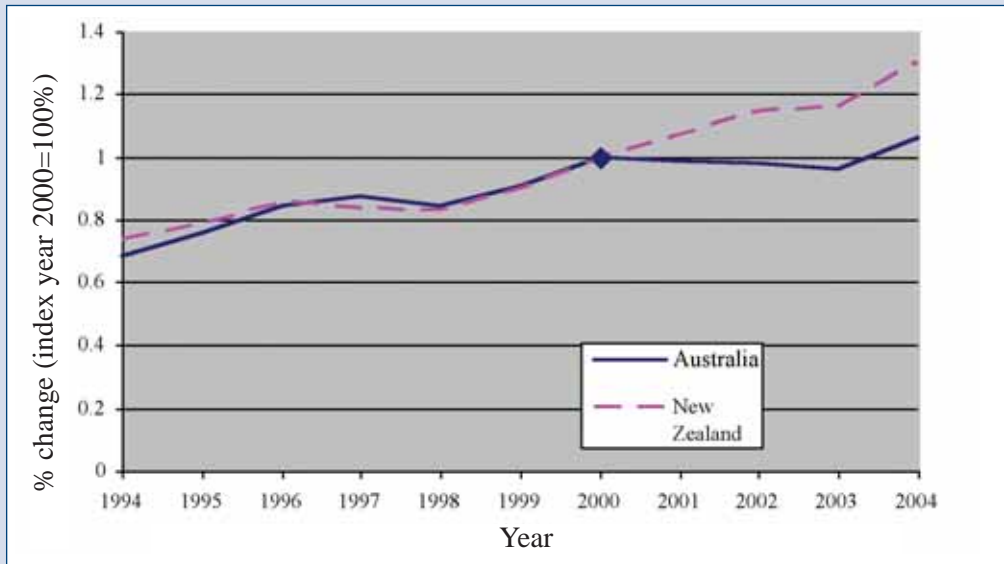


Figure 7. International visitor arrivals to Australia and New Zealand⁵⁰

If there is any benefit from the games in terms of tourism, then that benefit would be most marked in the principal markets for the television images. As we can see in Appendix I, the most important two countries for Olympic viewing were the United States and Japan. These two countries represent nearly 65% of the broadcast fees paid to the IOC. They are also two of the most important markets for Australia and New Zealand.

⁵⁰Australian Bureau of Statistics, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Previousproducts/0A41C3D685211114CA256F7200832F02?opendocument>; Tourism Research Council New Zealand <http://www.trcnz.govt.nz/Surveys/International+Visitor+Arrivals/Data+and+Analysis/>

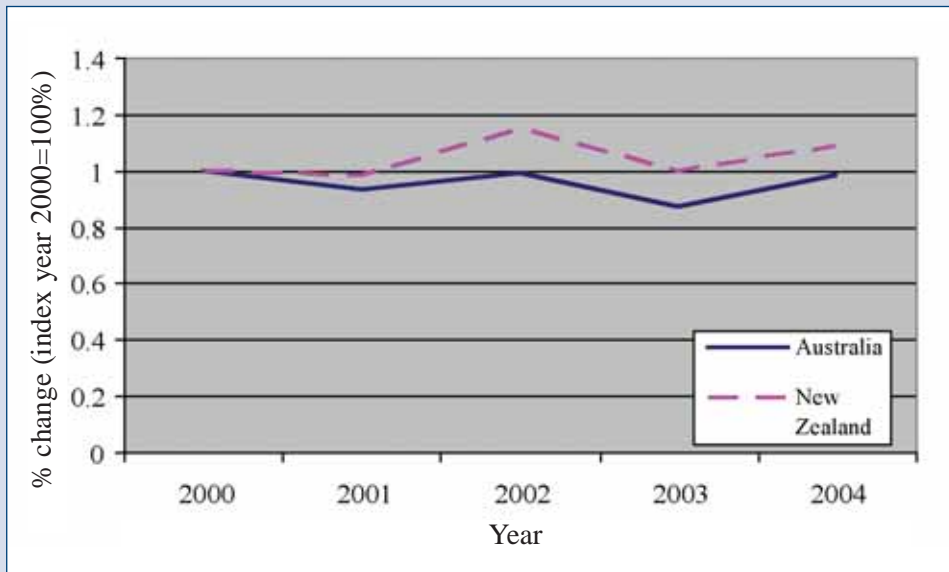


Figure 8. Visitor arrivals from Japan 2000-2004 (UNWTO)

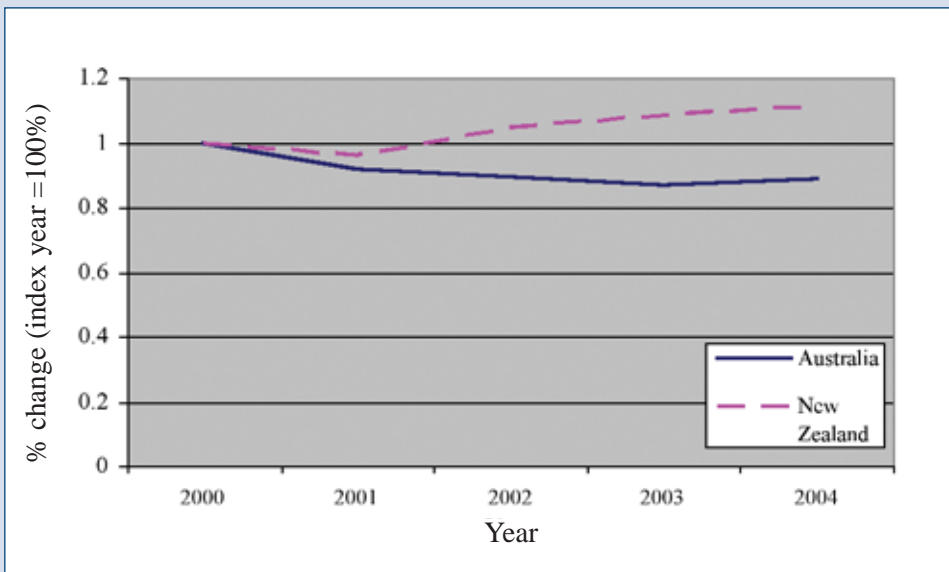


Figure 9. Visitor arrivals from the US 2000-2004 (UNWTO)

Whatever benefit there was in hosting the Games, they clearly pale when compared with the impact of "Lord of the Rings". The slogan "*So where the bloody hell are you?*"⁵¹, adopted by the Australian Tourism Commission indicates some of the problems encountered by Olympic host countries after the event.

⁵¹Tourism Australia, <http://www.wherethebloodyhellareyou.com/>

Appendix

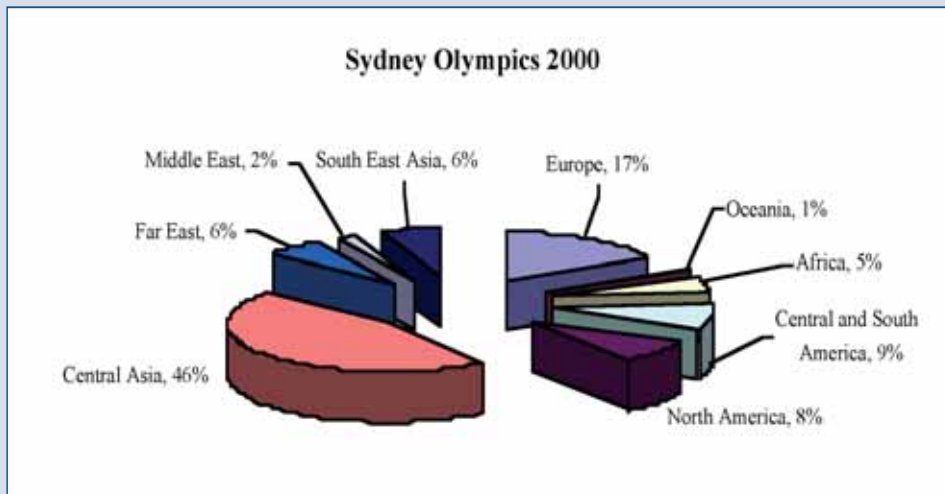


Figure 1. Global Potential Television Audience⁵²

This graph shows the breakdown of the audience that might be able to watch the Olympic Games if they wanted to. The total figure for Sydney for this potential audience was 3.5 billion people. Whilst few would claim to believe the numbers, it is an accurate picture of the proportional audience that the IOC feels it is addressing in holding the Games.

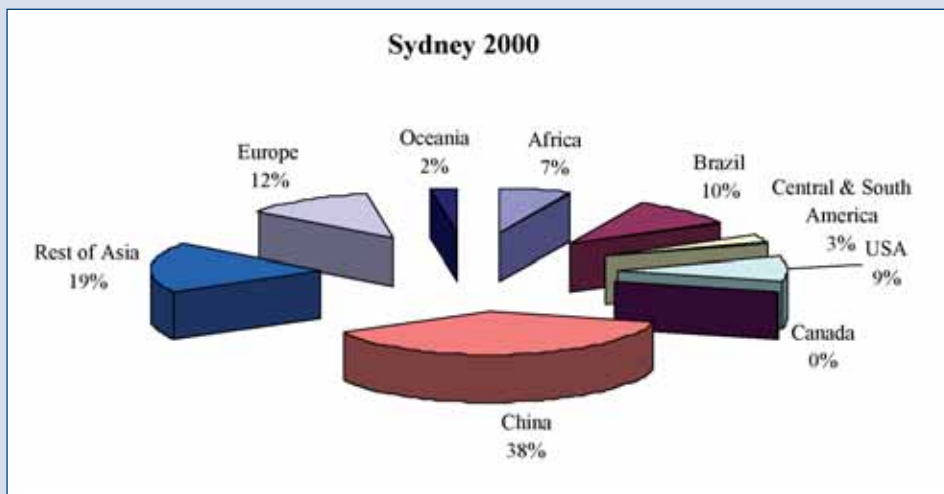


Figure 2. Global Audience – Average Viewing Figures “Prime Time”⁵³

⁵² Source: IOC, http://multimedia.olympic.org/pdf/en_report_567.pdf#search='IOC%20television%20coverage%20olympic

⁵³ Ibid.

The proportions in Figure 2 are slightly more realistic, but they probably exaggerate the number of people viewing in China and Brazil significantly.

What is more interesting for incoming tourism is the breakdown of revenue from the sale of broadcasting rights, for it gives an indication of the spending power of the audience.

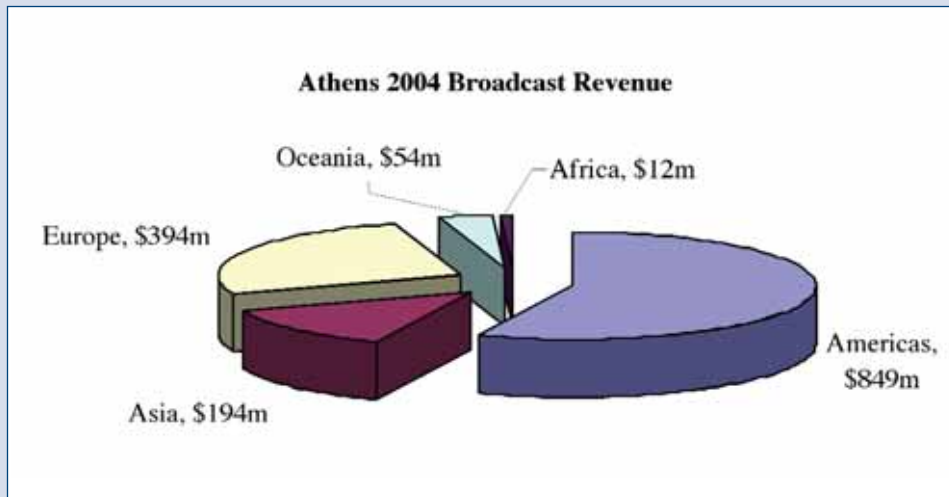


Figure 3. Proceeds from the sale of Television rights for Summer Olympics 2004⁴⁸

The United States paid over 50% of all the fees with NBC contributing \$793 million. Japan paid \$155 million, Australia \$50 million, Canada \$30 million, Korea \$15 million and New Zealand \$4 million. The EBU contributed just under \$400 million. The remaining 60% of “the planet” paid \$53 million, or 3.5% of the total.

⁴⁸ ETC (2001) www.etc-corporate.org. Accessed 6th October 2005

Bibliography

Research Papers and Studies:

Baade R. A. and Matheson V, "Bidding for the Olympics: Fool's Gold", 2002
<http://www.holycross.edu/departments/economics/vmatheso/research/olympics.pdf>

Blake A, Nottingham University Business School (2005), "The economic impact of the London 2012 Olympics", report funded by DCMS and LDA,
http://www.nottingham.ac.uk/ttri/pdf/2005_5.pdf

De Groote, "Economic and tourism aspects of the Olympic Games" in *Tourism Review*, Vol 60, Issue 1, p12-19, 2005 www.lboro.ac.uk/gawc/rb/rb154.html

French, Steven P. & Mike E. Disher (1997) "Atlanta and the Olympics: A One-Year Retrospective", *Journal of the American Planning Association* 63:379-392

Matheson V. A. and Baade R (2004), "Mega-sporting events in developing nations: Playing the way to prosperity?", working paper, College of the Holy Cross,
http://www.holycross.edu/departments/economics/RePEc/Matheson_Prospersity.pdf

Owen G. J., "Estimating the cost and benefit of hosting Olympic Games: What can Beijing expect from its 2008 Games?", in *The Industrial Geographer*, Vol 3, Issue 1, Fall 2005, p 1-18

Papanikos G (Economic and Social Council of Greece), Kartakoullis N (Cyprus Intercollege), Karlis G (University of Ottawa, Canada), "City and sport marketing strategy: The case of Athens 2004" in *Sports Journal*, 2003, Vol 6, Nu 2

Preuss H (2004) "Aspects of Olympic Games Tourism",
http://www.sete.gr/files/Ekdiloseis/041012_HolgerPreuss.pdf

Other sources:

Athens International Airport, "Passenger traffic statistics", 2005
http://www.aia.gr/EN/business/traffic_statistics/passengers/2005/body.shtm

Ajuntament de Barcelona, Tourisme de Barcelona, "Tourism Survey", www.bcn.es/estadistica

Australian Bureau of Statistics, "Yearbook Australia 2002 and Yearbook 2006",
www.abs.gov.au

Australian Tourism Commission, "Olympic Games Tourism Strategy 2001", 2001
<http://www.ausport.gov.au/fulltext/2001/atc/olympicreview.pdf>

Australian Broadcasting Corporation Online, 25 September 2000
<http://www.abc.net.au/worldtoday/stories/s187909.htm>

Barton L, "The Economic Impact of the Olympic Games", in *Pricewaterhouse Coopers* "European Economic Outlook June 2004, chapter 3, p18-25
http://www.pwcglobal.com/gx/eng/ins-sol/spec-int/neweurope/epa/EEOJun04_SectionIII.pdf

Cabrini L, "World Tourism Organisation Remarks by Luigi Cabrini, Regional representative for Europe on the occasion of The World Tourism Games", 2004

<http://www.world-tourism.org/regional/europe/PDF/SPEECHES/2004/Austria16-19June2004.pdf>

CBC Watch, February 25 2006, "Worldwide TV viewers left cold by Winter Games", <http://www.cbcwatch.ca/?q=node/view/1776>

CBS Sportsline.com, 12 October 2004, "IOC reports record global TV audience for Athens Games", <http://cbs.sportsline.com/olympics/story/7787174>

Czech Tourism, "Statistiky", www.czechtourism.cz

Deloitte and Touche LLP, "London weighs up the Olympic legacy" in Tourism, Hospitality & Leisure Executive Report 2004, p13-16, 2004

http://www.deloitte.com/dtt/cda/doc/content/UK_TTL_%20January%202004.pdf

Deloitte and Touche LLP, article "Athens hoteliers set a personal best at the Olympic Games/Deloitte Reports", 24th September 2004 on Wiredhotelier.com

<http://www.wiredhotelier.com/news/4020732.html>

DCCP, "Demographic and Epidemiological Characteristics of Major Regions, 1990-2001", www.dcp2.org

European Travel Commission, "Greek Tourism 2010 Strategy and Goals", <http://www.etc-corporate.org/modules.php?name=Content&pa=showpage&pid=31>

Greek National Tourist Office, "Athens Olympic Games – Frequently asked questions" (by email on 7th February 2006)

International Olympic Committee, "2006 Marketing Fact File", 2005, www.olympic.org

IOC - Official website of the Olympic Movement, "IOC activities", www.olympic.org

IOC – Official website of the Olympic Movement, Olympic Television Research Centre, "Sydney 2000 Olympic Games Global Television Report", January 2001

IOC – Official website of the Olympic Movement, 'Athens 2004 Olympic broadcast',

http://multimedia.olympic.org/pdf/en_report_899.pdf

Mazitelli D, Australian Tourism Export Council, "On the impacts of the Sydney Olympic Games on inbound tourism", by email on 21st July 2005 and 28th January 2006

Media Info 2004, "Athens Olympic ratings", www.mediainfo2004

MediaBistro.com, 27 February 2006, "Isn't it embarrassing that CNBC and MSNBC benefit from curling and hockey?",

http://www.mediabistro.com/tvnewser/the_olympics/default.asp

Ministry of Sea, Transport and Development Croatia, "Data and Statistics",

<http://www.mmtpr.hr/default.asp?id=363>

Morgan News "Carefully selected IOC, CBC statistics show world broadcasts of 2006 Games doing well", <http://www.morgan-news.com/2010/2010Bronze.html>

Nine Systems, "Releases", 3 December 2004, www.ninesystems.com

Olympic Winter Games 10-26 February 2006, www.torino2006.org

Republic of Turkey, Ministry of Culture and Tourism, "Tourism statistics", <http://www.kultur.gov.tr/TR/BelgeGoster.aspx?F6E10F8892433CFF670AAAC19264C5A8856F72A66C829B67>

Sport Business.com, 2 September 2004, "Olympics ratings boost", www.sportbusiness.com

Talmage J, article "The Olympics – Good or bad for London hotels?" on Hospitalitynet.com, 16th June 2005 <http://www.hospitalitynet.org/news/4023580.html>

The FA Cup, "FA Cup history: Broadcasting the Cup", <http://www.thefa.com>

The Wall Street Journal Online, 21 July 2005, "When it comes to TV stats, viewer discretion is advised", http://online.wsj.com/public/article/SB112180840215889963-0heH1LSDovgHdjc0ribnrPO2TbY_20060721.html?mod=tff_main_tff_top

Tourism Australia, <http://www.wherethebloodyhellareyou.com/>

Tourism Forecasting Council, "The Olympic effect" a report on the potential tourism impacts of the Sydney 2000 Games, Commonwealth of Australia, Australia, 1998

Tourisme de Barcelona Barcelona Convention Bureau, "Statistics and Surveys" www.barcelonatourisme.com

Tourism Research Australia, Australian, "Tourism Data Card", www.tra.gov.au

Tourism Research Council New Zealand, "Surveys", <http://www.trcnz.govt.nz/Surveys/International+Visitor+Arrivals/Data+and+Analysis>

Tourism Ireland, "International arrivals to Dublin 1990-2004", data from the Central Statistics Office (by email 16th February 2006)

UEFA Euro 2008, "Facts and Figures", www.uefa.com

Visit Britain, Press release on 6th July 2005, "Olympics win worth £2bn to British tourism" <http://www.visitbritain.com/corporate/presscentre/presscentrebritain/pressreleasesoverseasmrkt/>

Visit Britain, "Issue of the Month – London's Olympic Bid – Implications for British Tourism" in Foresight Market Focus 12 Oct 2004, http://www.tourismtrade.org.uk/Images/2004%2010%20Norway%20Sweden%20Denmark%200&%20Finland_tcm12-11888.doc

Visit Britain, "Market intelligence and research", www.tourismtrade.org.uk

World Tourism Organisation, "Facts and Figures", http://www.world-tourism.org/facts/eng/pdf/indicators/ITA_Europe_2004.pdf

European Tour Operators Association
6 Weighhouse Street
London W1K 5LT
United kingdom

T: +44 (0) 207 499 4412 F: +44 (0) 207 499 4413
www.etoa.org