

ETOA Report 2010

Olympic Hotel Demand

Sydney • Athens • Beijing

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EUROPEAN TOUR
OPERATORS ASSOCIATION

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Published by the European Tour Operators Association (ETOA), September 2010

Accommodating visitors is a principal purpose behind the expenditure at an Olympic Games. Stadia are erected to house them, boulevards constructed to channel their progression and new transport systems laid out to move them around. Visitors form the backdrop to the televised images that are broadcast around the world. Their enthusiasm defines an Olympiad. Their absence is a cause of world-wide comment.

The purpose of this report is to look at visitor numbers at previous Olympic Games, in particular what happened to hotel demand during the Games themselves.

This is important as the perception of what will happen to hotels affects demand not just for the Games period, but for the season surrounding the event. And the impact is not restricted to the city, but also the regions surrounding it.¹

It has often been pointed out that any city that hosts a major event displaces tourists. The event attracts attendees who are drawn to the event, not to the city and whose behaviour patterns differ from the normal visitor. As previous ETOA reports have shown, this is what happens during an Olympics.

What this report reveals is that the numbers of Olympic attendees are usually exaggerated. No city has yet predicted with any accuracy the number of people who attend.

One difficulty with doing so is that nobody has counted the number of foreigners who attend an Olympics. Because of this, we have had to infer likely patterns of demand from known capacity, monthly arrivals data and from occupancy surveys.

¹ For this, see ETOA Olympic Reports 2006, 2008 and 2009

Olympic visitors

“If you built it, who will come?”

Whilst the bulk of the attendees at any Games are domestic, it is assumed by host nations that there will be a huge influx of foreign visitors. These are expected to saturate the market for hotel space for the 18 nights of the event. Whilst this rarely takes on more than an assertion that this influx is part of the “obvious and immediate benefits to tourism” granted by a Games², attempts are made to put a number on it. Sydney predicted 132,000 foreign visitors specifically arriving for the Games, with an indeterminate length of stay.³ Athens felt that the numbers of visitors was “likely to amount to 1.9 million overnight stays during the 17 days of the Games”, amounting to 105,000 people per night⁴. Others felt that, given its unique position amidst areas of high wealth and population, Athens would receive up to 3.5 million visitors⁵. Beijing expected “between 400,000 and 450,000 foreign visitors” to attend⁶, and for them to spend \$4.5 billion. For London, Oxford Economics forecasted the arrival of 379,156 foreigners⁷, and felt that they would stay for an average of just over 14 days. Others have felt that “up to 1.9 million extra visitors” would be drawn to the capital because of the Games.⁸ Lord Coe said that he expected 1 million visitors “extra” to come into the capital for the Games.⁹

Cities have reacted differently to this prospect. Sydney increased its hotel capacity by 30%. The Sydney Organising Committee of the Olympic Games (SOCOG) chartered 15 cruise ships adding 5-7000 beds to the accommodation pool. In addition SOCOG inaugurated a Residential Accommodation Program (RAP) that had the goal of adding 20,000 beds in private houses.¹⁰ Athens, wary of any investment for 18 nights of demand, built a mere 8% more hotel space. Cruise operators docked ships in Piraeus.¹¹ In Beijing, the already explosive growth in hotel capacity was accelerated by adding nearly 10,000 four and five-star hotel rooms.¹²

In London, this perceived surge in demand has led to a request from the CAA to relax the curfew on night flights.¹³ “The potential is enormous” said Shaun Woodward, the then tourism minister, in 2006.

“Across London we have scores of parks...for lower-cost but high-quality camping and caravanning sites.”¹⁴ The north London borough of Waltham Forest has offered to make available 10,000 beds in local homes to boost London’s accommodation capacity.

There has also been recognition that London will experience tourism displacement. Both the Oxford Economics study and the Welcome>Legacy document produced by the Department for Culture Media and Sport concede that all these new visitors will not behave as “normal” tourists¹⁶.

² Lord Harris of Haringay, House of Lords debate, 2002, (Hansard: HL Deb, 18 December 2002), c. 72

³ Holger Pruess, *The Economics of Staging the Olympics*. (London, 2004), p. 51

⁴ The Sport Journal, *Marketing Sport and a City: The Case Of Athens 2004*, (2010) <<http://www.thesportjournal.org/article/city-and-sport-marketing-strategy-case-athens-2004>> [accessed August 2010]

⁵ Hadjichristodoulou (et al.) ‘The “Athens Circle” hypothesis expounded in: Mass Gathering Preparedness: The Experience of the Athens 2004 Olympic and Para-Olympic Games.’ *Journal of Environmental Health*, 67, 9 (2005), pp. 52-7

⁶ People’s Daily Online Accommodations ready for Olympic visitors, (2008) <<http://english.peopledaily.com.cn/90001/90776/90882/6448696.html>> [accessed August 2010]

⁷ This being the combined total of 57,285 members of the “Olympic Family” (see below) and 321,871 foreign tourists who attend the Olympic Games. These predictions are strikingly detailed.

Oxford Economics, *The value of the London 2012 Olympic and Paralympic Games to UK tourism*, (London, 2007)

<http://www.visitbritain.org/Images/VB%20VL%20Tourism%20Impact%20Study%20-%20full%20report_tcm139-166763.pdf> [accessed August 2010]

⁸ Waltham Forest <<http://worktogether.org.uk/tag/waltham-forest/>>

⁹ Karolos Grohmann, ‘London Games can expect 1 million visitors’, Reuters, (27 February 2010),

<<http://www.reuters.com/article/idUSTRE61Q2J620100227>> [accessed August 2010]

¹⁰ Deloitte, ‘Tourism Hospitality and Leisure-Executive Report’, 3, (January 2004), pp. 14-15

¹¹ Deloitte Hotel Benchmark Survey, quoted in <<http://www.wiredhotelier.com/news/4020732.html>>

¹² Work Together, ‘Waltham Forest Legacy’ <<http://worktogether.org.uk/2009/11/01/waltham-forest-olympic-legacy/>> [accessed August 2010]

¹³ Sri Carmichael, ‘Night flights over London to be allowed during Games’, London Evening Standard, (November 2009)

<<http://www.thisislondon.co.uk/standard/article-23767731-night-flights-over-london-to-be-allowed-during-games.do>> [accessed August 2010]

Categories of Olympic Visitor

There are distinct groups of people who arrive for a Games. These are usually gathered into two categories: those who are directly involved with the Games and those who come to watch the Games as spectators. The first category consists of athletes and team officials (who are accommodated in the Olympic Village), government representatives, sponsors, sponsors guests, media and the relatives of the participants. These people, sometimes loosely referred to as the “Olympic Family”, are a product of the Games. As such, they are considered by analysts to be reasonably constant in their attendance: they appear with the Games, wherever the Games take place. They are expected to stay for at least the duration of the Games.¹⁷ They also are largely “corporate” in their behaviour: with the exception of the relatives, they mainly occupy single rooms. Ostensibly they form an important base for demand, a constant throughout the Games period. As there is some confusion over whether the term “Olympic Family” refers to the whole group, or just those people directly involved with the International Olympic Committee and its adherents, we are using the term “Olympic Community”.

The total number of this Olympic Community has been estimated at between 55,000 and 70,000 visitors, and for whom up to 1,000,000 room nights are evenly distributed over the 18 nights, at 40,000 to 60,000 rooms per night. Their length of stay is assumed to be between 14 and 18 nights.¹⁸

Those who come to the Games because they want to watch can be split between local spectators, those who travel in from elsewhere in the host country and foreign visitors. The foreign spectators could be broken down into those that are specialists, who come to watch a specific sport, the patriots, who come to support their national athletes, and the Olympic enthusiasts, who come to experience the Games. Whilst their number fluctuates from city to city and from day to day, their total number is supposed to be nearly double those of the “Olympic Community”, with a length of stay of approximately 14 days.¹⁹

In 2008 Smith Travel Research conducted an occupancy survey that gives an indication of demand during the Games. As it is based on a sample, which must have been restricted to the luxury hotels, it is a distorted measure of absolute demand. (see below). But as a measure of day-to-day comparative performance it is revealing. Whilst the second week, containing the main athletic events, is popular, there is less demand in the first week and a marked dropping off for the closing ceremony.

Figure 1: Comparative room occupancy chart for Beijing Olympic Games²⁰



¹⁴ 'Call for 'tent cities' for 2012', BBC News, (June 2006) <<http://news.bbc.co.uk/1/hi/england/london/5108962.stm>> [accessed August 2010] Waltham Forest, Op. Cit.

¹⁵ DCMS: Welcome>Legacy, (London, 2006), p10

¹⁶ Preuss: Op. Cit. p52

¹⁸ Blake, Adam The Economic Impact of the London 2012 Olympics, (Nottingham, 2005) Blake proposes that there are 32,000 people in this category whose stay is of 32 days duration on average. Oxford Economics (Op. Cit.) adopts Preuss's assertion that their number runs at 55,000 for Barcelona; 72,543 for Atlanta; 57,000 for Sydney; 60,000 for Athens and 60,000 for Beijing. Oxford Economics suggest a figure of 55,000 for London.

¹⁹ Preuss: Op. Cit. p52 See below.

²⁰ Hotel Resource: Beijing Hotel Rates, Revenue Spike During 2008 Olympic Games.

This is a variation of only 5% between peak and non-peak days. Room requirements are not a uniform block from long staying guests: there are changes of demand even during the Athletics.

Games prior to 2000

There is lack of data on who comes to a Games and for how long. This becomes acute prior to 2000. We have information on city capacities, the hotel space available for visitors to stay in. For hotels Barcelona in 1992 was comparatively small. The total number of rooms was 13,352, with 25,055 beds²¹. There is some possibility that people used either hotels in the hinterland or cruise ships, but anecdotal evidence says that these were not heavily used. For the 1996 Games Atlanta boosted its bed stock by 15% to 60,000 rooms, or roughly 120,000 beds.²² For these cities we have been unable to determine the number of foreigners staying during the Games. But it is clear that the capacity constraints of these cities prevent anything like the number of visitors suggested in the literature. 55,000 officials and 110,000 fans cannot fit into the 60,000 rooms in Atlanta, let alone the 13,500 rooms of Barcelona.

Sydney 2000

The hotel capacity of the Sydney Tourism Region in September 2000 was 33,171 rooms, with 84,236 beds. This figure covers all establishments, including serviced apartments, motels and ungraded facilities. In these properties 313,500 guests registered, using 1,215,100 bed nights, occupying 805,100 room nights in September.²³

Between 14 September and 1 October 110,000 foreign visitors are said to have arrived for the Games.²⁴ This figure includes the 10,000 non-Australian Athletes who, together with 5,300 team officials, were accommodated in the Olympic Village.²⁵ 20,700 were the balance of the "Olympic Community" and 74,000 foreign spectators. The total count of foreigners at the Games seeking accommodation was 94,700.²⁶

368,000 domestic visitors are said to have come specifically for the Olympics.²⁷

For this second half of September, Arthur Andersen surveyed a number of 3 to 5 star hoteliers in Sydney and asked them, among other things, what the difference in room occupancy was between the first and second fortnights.²⁸ As the classification of the hotel rose, the surge in occupancy and room rate becomes more marked.

²¹ Ignatis: Athens 2004 Olympic Games - A challenge for the Hotel Sector of Athens and Greece. Gothenburg 2003 p 13.

²² Feddersen, Arne & Maennig, Wolfgang Mega-Events and Sectoral Employment: The Case of the 1996 Olympic Games. (Hamburg, 2010)

²³ Australian Bureau of Statistics: Tourist Accommodation, Small Area Data, New South Wales, September Quarter 2000, (Canberra, 2000). These figures cover September. The finals and closing ceremony, a peak day, was on October 1st. We have adjusted these figures by the city's capacity on this final day: an additional 33,000 rooms and 51,000 bed nights have been added to figure 1.

²⁴ Australian Bureau of Statistics: Year Book Australia, 2002, (Canberra, 2002)

²⁵ Host City, (2006) http://www.hostcity.co.uk/features/venues/ol_village.html [accessed August 2010]

²⁶ Cashman, Richard The Bitter-Sweet Awakening: The Legacy of the Sydney 2000 Olympic Games (Walla Walla Press, Sydney, 2006). Quoted in John Wilkinson: The NSW Economy: A Survey (New South Wales Parliamentary Research Service, 2007), p 8.

²⁷ Clark, Amanda Olympic Fever: Which Australians Were Infected? (Tourism Research Report, 4, 1, Autumn 2002) p 51 ff.

²⁸ The accommodation requirements for the games themselves run from 14th of September to the 2nd of October. The Arthur Andersen survey was a Benchmark sample, and does not correlate with the figures published by the ABS. We are using it as a measure of comparative confidence. Arthur Andersen: The Sydney Olympic Performance Survey November 2000

Figure 2: Hotel Usage Sydney Olympics 2000 ²⁹
14th September - 1st October

Hotel Grade	Bed Nights ('000)	Bed Occupancy	Room Nights ('000)	Room Occupancy
1-3 Star*	371.0	51%	234.7	84%
4 Star	326.3	54%	226.3	95%
5 Star	143.2	63%	100.8	97%
Total	840.6	55%	561.9	93.33%

*Includes Ungraded Property

If guest arrivals were distributed with the same concentration as hotel occupancy, then 218,500 guests arrived at hotels in the Olympic period. If 94,700 of these guests were foreign, then 123,800 were domestic. This implies that two-thirds of the domestic visitors came on day trips, slept outside the Sydney area or used some form of non-registered accommodation.

If the average stay for all domestic visitors matches the monthly average of 3 nights, they accounted for 371,400 of the 840,600 Olympic bed nights ³⁰. This leaves us with 469,200 nights to distribute between 94,700 foreign guests. It is implausible that any of the 74,000 foreign supporters would stay for less than three nights; most packages that are sold are for four nights. So it is unlikely that the average stay for these people is less than four nights: a minimum figure of 296,000 beds. This leaves a maximum of 180,200 beds for the Olympic Community of 20,700.

Figure 3: Estimated Sydney hotel use during Games
By Sector

	Guests ('000)	Av. Night Stays	Bed Nights ('000)		Room Nights ('000)	
			Total	Av. Night	Total	Av. Night
Domestic	123.8	3.0	371.4	20.6	232.1	12.9
Olympic Family	20.7	8.9	173.2	9.6	144.3	8.0
Foreign Supporters	74.0	4.0	296.0	16.4	185.4	10.3
Total	218.5	3.9	840.6	46.7	561.9	31.2

In this projection, the room usage is averaging 96%, very close to the limit of 33,171 rooms. But the usage of the rooms fell well short of the 84,236 beds available, leaving an occupancy rate of 57% for the Games period ³¹.

²⁹ We know that there is a ratio of Olympic room occupancy to non Olympic occupancy: this is a ratio of non-Olympic occupancy (α) to Olympic occupancy (β), or $\alpha = \beta / r$, where r denotes the ratio. We know that, for games in August, there were 18 nights of Olympic occupancy and 13 nights of non-Olympic occupancy: $13\alpha + 18\beta = 31$. If we combine these two formulae, we obtain this for the ratio of Olympic room occupancy to the average: in Athens, $\beta = 31 / (13/r + 18)$; in Sydney $\beta = 30 / (13/r + 17)$. In Sydney the numbers generated by this process have been increased by the addition of one night for October 1st. The occupancy surges, are derived from Arthur Andersen and STR (Op. Cit.). For Sydney: 3 Star hotels and under, 42.4%; 4 Star hotels, 46.4% and 5 Star hotels, 55.2%. For Athens it was 51.86% across all hotels.

³⁰ Australian Bureau of Statistics, Tourist Accommodation, Small Area Data, New South Wales, September Quarter 2000, (Canberra 2000) There is research on the length of time spent in New South Wales by domestic visitors cited in Clark, Amanda Op Cit, p54, where the average length of stay appears to be 4.03 days. But the information covers all domestic visitors (not just those staying in hotels) and refers to an area much larger than Sydney.

³¹ An improvement on the August 2000 figure of 38.7%.

Athens 2004

The Athens Olympics ran from 13th to 29th August.

There is considerable variation in reports of how many rooms were available in Athens. The official figures, based on declared returns to the Greek Statistical Office, show 15,850 hotel rooms containing 29,390 beds. A report in early 2005 widens the scope to Attica with 21,791 rooms and 40,420 beds. In either case, in terms of capacity, it was a return to Barcelona.

The scale of new hotel building was modest, an 8% increase in the available hotel space over 2004. Even allowing for the broader availability of the hotels in Attica, Athens had 50% of the capacity of Sydney. As it felt it had a much richer and more populous catchment area for its Games, it was felt that demand was sure to outstrip supply.

12 cruise ships were chartered (including the new Queen Mary) to berth in Piraeus, providing an additional space for 10,000 visitors³² and there was, as in Sydney, a home stay promoted of 2,000 homes. There were also flamboyant attempts by many hotels to increase hotel prices, in some cases by 400%. This latter policy came in for considerable criticism, and room rates were eventually reduced to being 250% of what they normally were.³³

Athens had undertaken major investment in refurbishment: almost two thirds of the city's hotel rooms were renovated³⁴. Even so, 70% of the hotels containing 50% of the beds were in the 1-3 star category. Unlike Sydney, with its range of family rooms, the average number of beds per room was in all categories was close to 1.85.

In the run up to the Games bookings were felt to be very disappointing. Despite a room price increase, revenue per available room (RevPAR) fell in July to 50% below that of the previous year.³⁵ By mid-July of the 2,000 homes offered for rental, only 60% had been taken.³⁶

Once the Games started, hotels in town reported a surge in occupancy from 55% of rooms taken to 84%. A rate yield of 261% increase on the previous year meant a RevPAR increase of 489%.

Figure 4. Estimates of Athens city hotel occupancy during Games³⁷
13th-29th August

Hotel Grade	Greek Residents Bed Nights (‘000)	Non-resident Bed Nights (‘000)	Total Bed Nights (‘000)	Total Bed Occupancy
1-3 Star*	50.8	101.5	152.3	56%
4 Star	26.9	62.3	89.3	72%
5 Star	11.3	68.9	80.2	63%
Total	89.0	232.8	321.7	61%

*Includes Ungraded Property

As the occupancy rate was 84.4%, across all hotel grades, it is likely that 241,000 rooms of all grades were used in the Olympic period in Athens: averaging under 13,400 per night.

³² Ignatis: Op. Cit. P49

³³ "After scaling Olympian price peaks, Athens hotels are reducing their rates to counter weak sales". CNN, Op Cit

³⁴ <http://travel.nytimes.com/2005/03/13/travel/13athens.html>

³⁵ Dr Aris Ikkos: The State of the Athens Hotel Industry, 2005. Athens 2005

³⁶ http://ehotelier.com/hospitality-news/item.php?id=A2336_0_11_0_M

³⁷ August data supplied by Hellenic Statistical Authority. For methodology of Olympic period, see note 29 supra.

Figure 5. Estimate of Athens city hotel use by sector

By Sector

	Guests (‘000)	Av. Night Stays	Bed Nights		Room Nights	
			(‘000) Total	(‘000) Av. Night	(‘000) Total	(‘000) Av. Night
Domestic	19.6	4.54	89.0	4.9	71.5	4.0
Olympic Family	20.0	4.23	84.6	4.7	70.5	3.9
Foreign Supporters	49.4	3.00	148.1	8.2	98.8	5.5
Total	89.0		321.7	17.9	240.8	13.4

The data is specific to hotels in the city centre, if similar levels were being experienced throughout Attica, and upon the cruise ships and in the private residential properties, it may be that the average room use was over 20,000 during the Olympics.

Many explanations were given for this comparative lack of attendees, which was less than half that of Sydney. The pre-Games publicity concerning unpreparedness was not good, but few felt that the Games themselves would be harmed, and that was the main attraction. Demand was affected by the fact that this was the first Games after the events of 2001, and process of travel had been transformed with new stringent controls that treated every customer as a potential violent criminal. The Eastern Mediterranean is not an easy sell in such an environment. The Greek authorities spent approximately \$1.5 billion on security, ostentatiously stationing 70,000 security police and troops in Athens. As a response to public perceptions it was a natural reaction, but it did not promise a party atmosphere.

No doubt some of this affected the attendance of the foreign spectators and of the Olympic Community, some of whose presence is clearly discretionary. But the biggest shortfall was in domestic demand: Greek residents occupied 89,000 bed nights, 75% less than in Sydney. And a low proportion of these people were normal spectators: their length of stay (over 4.5 nights) and room use (averaging 1.3 to a room) imply that these were people staying on Olympic business.

Beijing 2008

The 2008 summer Games ran from 8th August to 24th August. Mainly to cater to the growth in demand from business users, Beijing had embarked on a building programme that added over 11,000 rooms in 2008. The total stock available to Games visitors was 138,732 rooms. This was four times as many rooms as Sydney and eight times Athens.³⁸

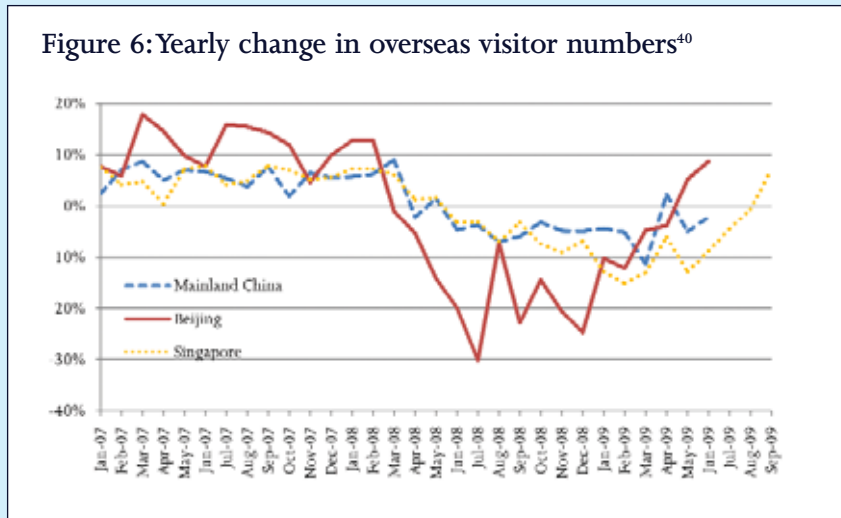
In the run up to the Games, China started to experience concern that forward bookings were not as high as anticipated. Eventually, foreign arrivals in August were 30% below the previous year’s figure.

In August 2008 Beijing hotels checked in 943,000 hotel guests, who stayed a total of 2.5 million bed nights. Of these, 23% (235,000)³⁹ were “foreign” tourists, occupying 939,000 bed nights. 708,000 were domestic, and used 1.56 million bed nights.

³⁸ Source STR data sourced September 2010.

³⁹ The figure includes Hong Kong, Macau and Taiwan

Figure 6: Yearly change in overseas visitor numbers⁴⁰



The slump in arrivals is covered in detail in ETOA's report on the Beijing Games: Beijing averaged a 20% drop in year-on-year visitor arrivals in the six months surrounding the Games. Even during the Games themselves they had nearly 10% fewer visitors than in an Olympic year. The rise in arrivals in 2009 is only spectacular because of the preceding slump.

It is usual to blame the slump in demand on the economic situation and on the more stringent visa regime that China introduced in response to concerns that the Olympics might become a focus for protestors. But what is striking about the Beijing figures is that the city underperforms both other cities in Asia and other Chinese cities.

Figure 7: Tourism arrivals throughout August in Beijing hotels by category⁴¹

1st-31st August

Hotel Grade	Occupancy ('000)	All Tourists ('000)	Foreign ('000)	Domestic ('000)
1 Star	31.3%	15	0	14
2 Star	34.5%	165	10	155
3 Star	40.4%	279	32	247
4 Star	50.7%	304	95	209
5 Star	64.4%	180	98	83
Total	46.9%	943	235	708

The change in hotel occupancy was even more striking. Compared with 2007, there was a drop of 39% in the number of people checking into hotels.⁴² STR supply data which give a Games average of 76% room occupancy. The day by day flow of this data is shown in Figure 7.

⁴⁰ Source CNTA and Singapore Tourist Board <http://app.stb.gov.sg/asp/tou/tou0201.asp>. The Beijing Municipal Bureau of Statistics have been quoted as putting the decline in arrivals at 39%.

⁴¹ Beijing Tourism Administration, sourced by COTRI China Outbound Tourism Research Institute, March 30th 2010.

⁴² Beijing Municipal Bureau of Statistics, sourced by COTRI China Outbound Tourism Research Institute, March 30th 2010.

**Figure 8: Room Occupancy and Annual Change, Beijing
14th-24th August 2008⁴³**



This data gives the average occupancy during the non Games period as 32%. Out of the total 2.47 million rooms sold in August, 584,000 rooms were for the 13 non Games nights, 1.89 million for the 18 nights of the Games.⁴⁴ This is consistent with reports of spectacular drops in demand before and after the Games.⁴⁵

Assuming that the foreign guests conform to this occupancy pattern, we have a plausible total of 164,000 foreign hotel residents in Beijing during the Games, staying roughly 670,000 bed nights. And if they occupied 23% of the rooms, they used 435,000 room nights.

We know that an unprecedented number of officials and other government representatives attended⁴⁶. There was considerable international interest in this being China's projection of itself to the world, and so the press attendance was large.⁴⁷ So it is possible that there was an increase in the "Olympic Community" to 25,000.

Beijing remained the political capital of the most populous country on earth, and a commercial centre of enormous importance. In August 2007, Beijing hotels received 311,000 foreign guests. Even if there were a fall of 70%, in this demand it would leave a statistically significant 3,000 guests per night during the games. We have assumed these visitors stay for the 2008 visitor average. We have taken 7,000 people arriving each day and staying an average of 3 nights.

**Figure 9: Foreign Visitor Estimates: Beijing Games period 2008
By Sector**

	Guests (‘000)	Av. Night Stays	Bed Nights		Room Nights	
			Total	Av. Night	Total	Av. Night
Domestic	54.0	3.00	162.0	9.0	106.1	5.9
Olympic Family	25.0	6.72	168.0	9.3	140.0	7.8
Foreign Supporters	85.0	4.00	340.0	18.9	188.9	10.5
Total	164.0		670.0	37.2	435.0	24.2

⁴³ STR data sourced September 2010. This is data based on a 25% sample of the hotels: as it seems to be 10% higher than the overall data provided by the Beijing Tourism Administration, there is a strong argument that the occupancy figures are lower than described in the graph.

⁴⁴ Ibid.

⁴⁵ "42% on the first day after the Games and declined further to 33% the following day". <http://www.hotelnewsnow.com/Articles.aspx?ArticleId=94>

⁴⁶ "Beijing Olympics to welcome more NOCs and heads of state than ever" in <http://english.peopledaily.com.cn/90001/90776/90883/6466194.html>

⁴⁷ Beijing was expecting 21,000 journalists (see the presentation on the Accreditation Strategic Plan at http://www.dif.dk/ForPressen/Forside/OL/Beijing%202008/~media/Interressenter/DIF/difdk/pdf/presseOL/10_accreditation%20pdf.ashx). The press centre claimed to have issued 23,936 passes, but the foreign proportion of these was unknown, see <http://en.beijing2008.cn/venues/n214538308.shtml>

This situation was undoubtedly affected by the adverse economic situation, the visa restrictions and the substantial increase in hotel capacity. Outside the Games time in August, hotels were experiencing 35% occupancy at best. Beijing offers an abject lesson on the dangers of relying on mythical Games demand to overcome all obstacles of price, distance and visa restrictions.

The 2008 Olympic Games may have been a triumph of planning and showmanship. Posterity will see it as the moment when Beijing announced itself as the world city for the 21st century. But for tourism in the Chinese capital, the Olympic Games were a toxic event that crushed normal demand, both business and leisure. The foreign visitors that replaced this “normal” traffic amounted to a probable average of 37,000 bed nights per night in the Games. This is nearly double the numbers who attended Sydney, three times those that went to Athens, but for Beijing it was 39% less than the previous year’s monthly total.

Conclusions

For the two main sectors of Olympic Visitor, we can see distinct characteristics.

Figure 10: Combined estimates of stay by Olympic Community
By City

	Number Visitors (000)	Average Stay (000)	Bed Nights (000)	Room Nights (000)	Average Rooms per Night (000)
Sydney 2000	21	9	173	144	8
Athens 2004	20	4	85	71	4
Beijing 2008	25	7	168	140	8

This “Community” contains a wide variety of people: from officials (who may stay for the entire period); the media (who may be covering a specific sport); the sponsors (whose guests may behave as if they were Olympic Supporters) and the athletes’ relatives (who may stay only to watch a single event). So it is clear that, whilst their number shifts slightly, the ease of access and prestige of a location are determining factors behind their length of stay. Athens can be reached (and left) very promptly. Beijing less so; Sydney was a long haul destination from all international markets.

Figure 10: Combined estimates of stay by Foreign Supporters
By City

	Number Visitors (000)	Average Stay (000)	Bed Nights (000)	Room Nights (000)	Average Rooms per Night (000)
Sydney 2000	74	4	296	185	10
Athens 2004	49	3	148	99	6
Beijing 2008	85	4	340	189	10

Foreign supporters’ behaviour is determined by location and by perception of value. Where many international fans can arrive and leave quickly, you obtain a situation such as Athens. The comparative remoteness of Sydney, and the comparative difficulty of obtaining visas in Beijing, made the number of visitors much less.

No host city has ever predicted the demand for an Olympics correctly. They have invariably over-estimated the number of foreign visitors. This inaccuracy has had repercussions in the expectations of hotels, and in the wider tourism economy of attractions, sightseeing companies, restaurants and shops. Availability is restricted and prices rise. This problem is not restricted to the city of the Games. As hosts cities tend to be the most important gateways and destinations in their region, entire countries can be affected.

The Olympic Games is a big event, but not overwhelmingly so. According to our estimates, every Games destination sold less than an average of 20,000 rooms per night to international guests. But as the destination thinks it is going to be full, so do potential tourists. During an Olympics the normal motivation they have to come is modified by a fear of crowds, disruption and high prices. The result of this combined misperception can be a catastrophic mix of high expectation and low demand.

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