

MEASURING THE IMPACT OF CITY TOURISM AND CITY MARKETING

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BEST DESTINATION MARKETING

FIRST LVIV TOURISM CONFERENCE OCTOBER
2009

FORMAT

- INTRODUCTION TO CITY TOURISM
- MEASUREMENT PARAMETERS
- TRIPS, BEDNIGHTS, AND ACCOMMODATION OCCUPANCY – **industry** MEASURES
- EXPENDITURE, INCOME AND EMPLOYMENT – **community** MEASURES
- MARKETING EFFECTIVENESS – **marketing** MEASURES
- **benchmarking** PERFORMANCE
- CONCLUSIONS

INTRODUCTION TO CITY TOURISM AND CITY MARKETING

- 80% OF EUROPE'S POPULATION LIVE IN TOWNS AND CITIES – THE GREAT OUTDOORS
- 1980'S ONWARDS SAW THE BEGINNINGS OF A SUSTAINED GROWTH IN URBAN TOURISM – THE GREAT INDOORS
- CITIES ACCOUNT FOR 40% OF ALL INBOUND TOURISM ARRIVALS GLOBALLY (UNWTO WORLD TOURISM BAROMETER)

TOURIST ARRIVALS AT SELECTED EUROPEAN CITIES 2006

RANKING		(MILLIONS)
1	LONDON	15.6
1	PARIS	9.7
1	BARCELONA	4.7
1	PRAGUE	3.7
150	TURKU	0.9

SOURCE: EUROMONITOR

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- CITIES ACCOUNT FOR 40% OF ALL INBOUND TOURISM ARRIVALS GLOBALLY (UNWTO WORLD TOURISM BAROMETER)
- CITIES ACCOUNT FOR NEARLY 40% OF EUROPEAN OUTBOUND VOLUMES (IPK WORLD TRAVEL MONITOR)
- URBAN TOURISM HAS ALSO GAINED MARKET SHARE

MARKET SHARE OF CITY TOURISM IN THE UK 2000-2007

CITY TOURISM	EXPENDITURE €BILLIONS 2007	%AGE OF ALL EXPENDITURE 2007	MARKET SHARE + /- SINCE 2000
DOMESTIC	9.6	42%	+4%
OVERSEAS	12.8	62%	+1%
DAY VISITS	35.4	83%	+1%

SOURCE: THE CITY TOURISM REPORT
2009

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- URBAN TOURISM HAS ALSO GAINED MARKET SHARE
- KEY DRIVERS - AFFLUENCE, LOW COST TRANSPORT, AND URBAN REGENERATION
- DESPITE YEAR-ON GROWTH BEING HALTED 2008 -9 CITY TOURISM NOWADAYS REPRESENTS A MASSIVE ECONOMIC FORCE !
- WE NEED SYSTEMATICALLY TO MONITOR AND MEASURE CITY TOURISM AND THE ASSOCIATED MARKETING ACTIVITY – SO HOW BEST TO DO IT?

MEASUREMENT PARAMETERS

- THE COSTS AND BENEFITS OF TOURISM

THE ECONOMIC, SOCIAL AND ENVIRONMENTAL COSTS AND BENEFITS OF CITY TOURISM

	Costs	Benefits
Economic		
Social		
Environmental		

THE ECONOMIC COSTS AND BENEFITS

COSTS



BENEFITS



SOCIAL COSTS AND BENEFITS

COSTS



BENEFITS



I'M NOT A TOURIST...I LIVE HERE IN PARADISE

ANNA MARIA ISLAND, FLORIDA

ENVIRONMENTAL COSTS AND BENEFITS

COSTS



BENEFITS



MEASUREMENT PARAMETERS

- THE COSTS AND BENEFITS OF TOURISM
- ASSESSING PERFORMANCE VERSUS GUIDING MANAGEMENT
- PERFORMANCE OF THE CITY TOURISM SECTOR – TRIPS, BEDNIGHTS, OCCUPANCY, EXPENDITURE, INCOME, AND JOBS
- PERFORMANCE OF THE CITY TOURIST ORGANISATION – RETURN ON MARKETING INVESTMENT
- INTER-CITY COMPARISON OF PERFORMANCE - BENCHMARKING

TRIPS, BEDNIGHTS, AND OCCUPANCY

- TOURIST TRIPS ARE DISAGGREGATED BY INTERNATIONAL/DOMESTIC AND BY STAYING/DAY E.G. EUROPE'S TOP 10 TOURIST CITIES 2006

TOURIST TRIPS TO EUROPE'S CITIES 2006

		OVERNIGHT TOURIST TRIPS * (MILLION)	%AGE +/- SINCE 2000
1	LONDON	26.6	-16
2	PARIS	16.3	+11
3	ROME	11.1	+77
4	MADRID	8.6	+50
5	BARCELONA	7.2	+99
6	BERLIN	7.1	+41
7	DUBLIN	5.7	+33
8	AMSTERDAM	4.7	+16
9	VIENNA	4.4	+24
10	MUNICH	4.4	+17

SOURCE:
ECM/TOURMIS

* TOURISTS – DOMESTIC AND INTERNATIONAL STAYING VISITORS USING COMMERCIAL ACCOMMODATION FORMS, EXCLUDING VFR.

TRIPS, BEDNIGHTS, AND OCCUPANCY

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- TRIPS - ALONGSIDE BEDNIGHTS AND ACCOMMODATION OCCUPANCY DATA - ARE KEY INDICATORS OF TOURISM VOLUME

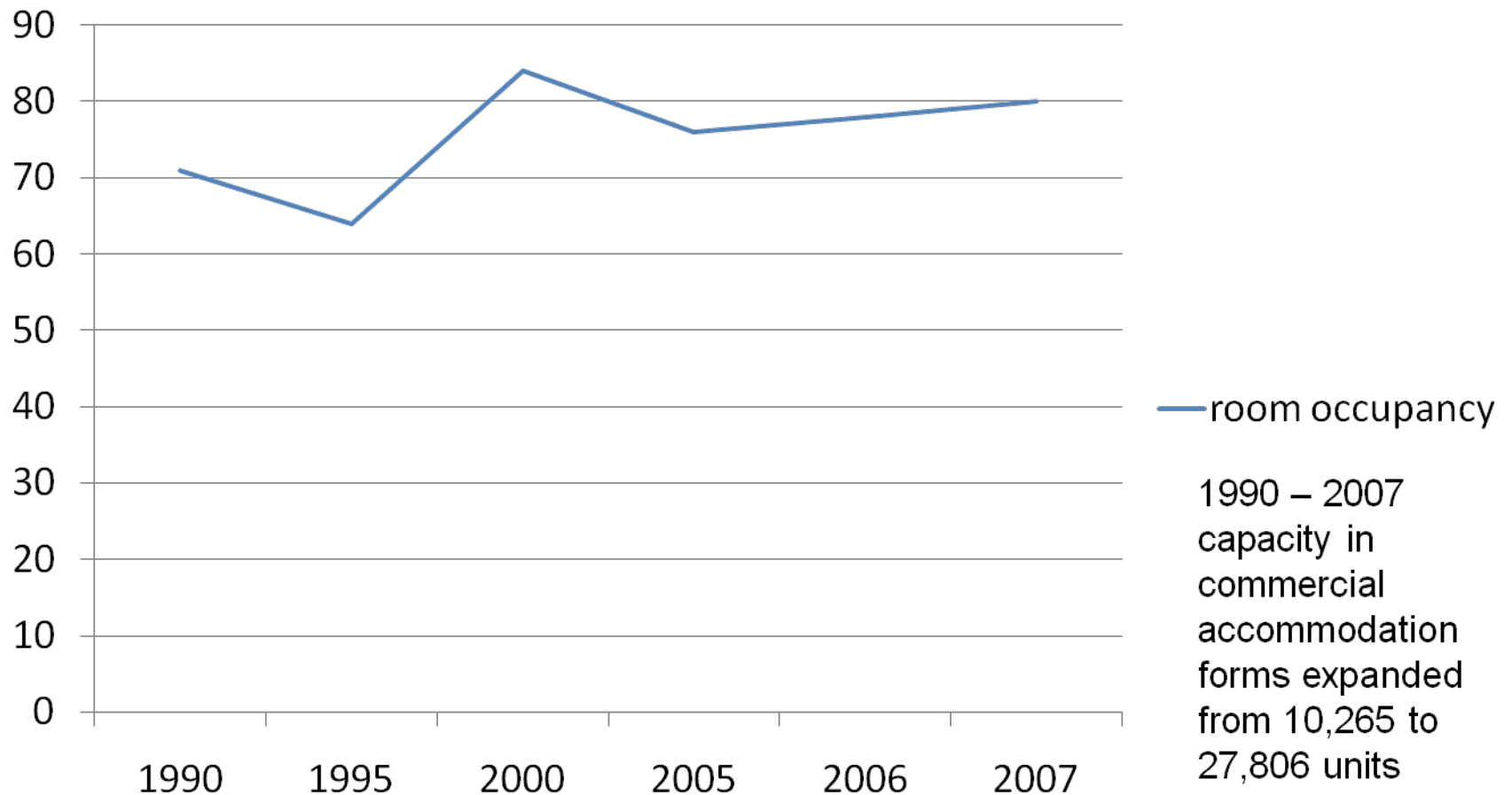
BEDNIGHTS GENERATED IN SELECTED EUROPEAN CITIES IN 2007

	BEDNIGHTS* (MILLIONS)	%AGE DOMESTIC	%AGE INTERNATION AL
BERLIN	17.3	62	38
BARCELONA	15.2	32	68
VIENNA	10.4	18	82
MUNICH	9.5	57	43
AMSTERDAM	8.8	17	83
BUDAPEST	6.1	15	85
STOCKHOLM	5.6	59	41
BRUSSELS	5.1	14	86
COPENHAGEN	1.9	38	62
DUBROVNIK	1.8	10	90

SOURCE:
ECM/TOURMIS

* TOURISTS – DOMESTIC AND INTERNATIONAL
STAYING IN COMMERCIAL ACCOMMODATION
FORMS

ACCOMMODATION OCCUPANCY (%) AND CAPACITY IN BARCELONA 1990 - 2007



Source: Barcelona Turisme

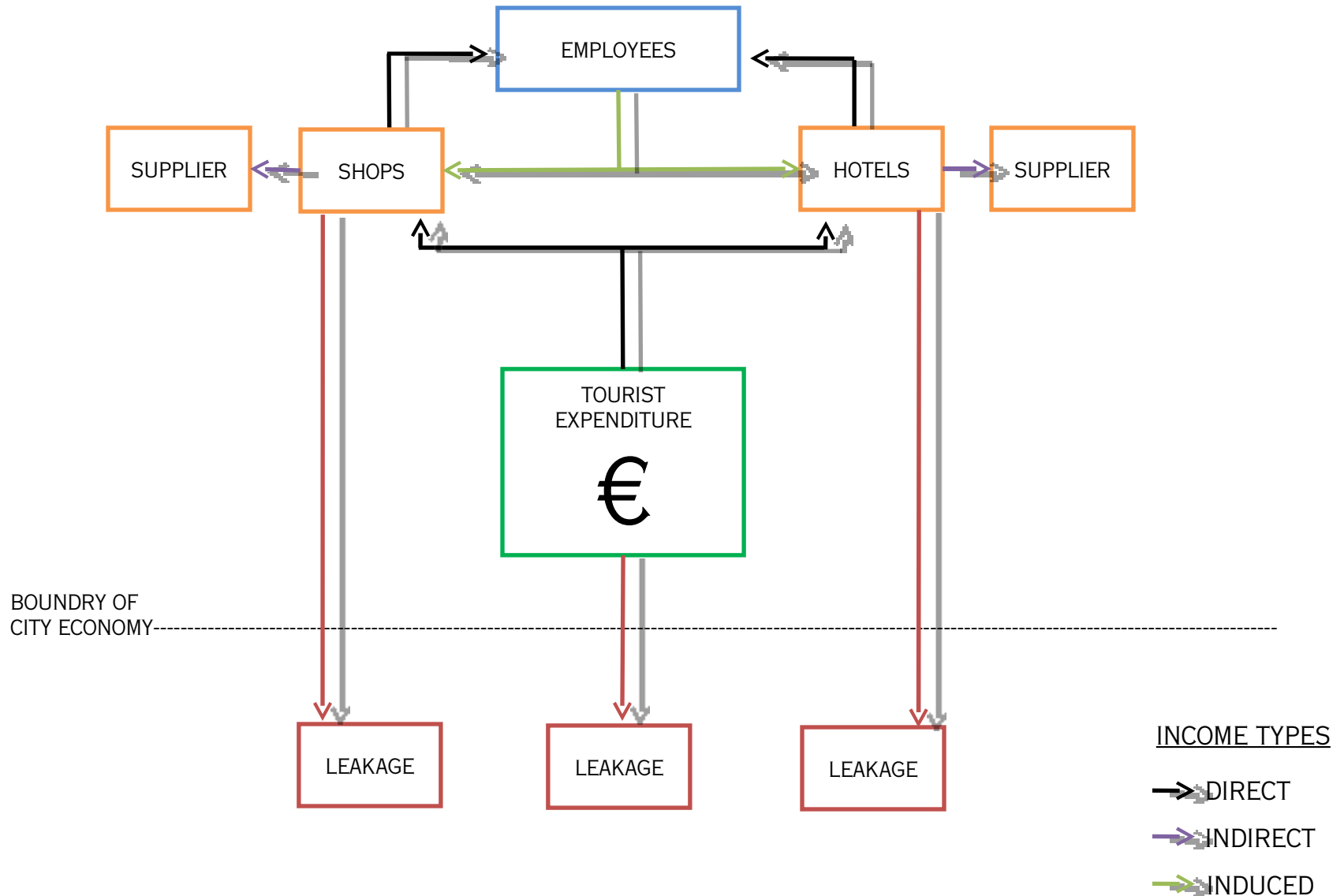
TRIPS, BEDNIGHTS, AND OCCUPANCY

- TOURIST TRIPS ARE DISAGGREGATED BY INTERNATIONAL/DOMESTIC AND BY STAYING/DAY E.G. EUROPE'S TOP 10 TOURIST CITIES 2006
- TRIPS - ALONGSIDE BEDNIGHTS AND ACCOMMODATION OCCUPANCY DATA - ARE KEY TO MONITORING TRENDS AND PERFORMANCE OF THE SECTOR
- ESSENTIAL INDUSTRY MEASURES

EXPENDITURE, INCOME AND JOBS

- VALUE AS OPPOSED TO VOLUME – TOURISM SURVEYS/TOURIST MULTIPLIER STUDIES/TOURISM SATELLITE ACCOUNTING
- DIRECT, INDIRECT, AND INDUCED EFFECTS OF TOURIST EXPENDITURE

IMPACT OF CITY TOURISM



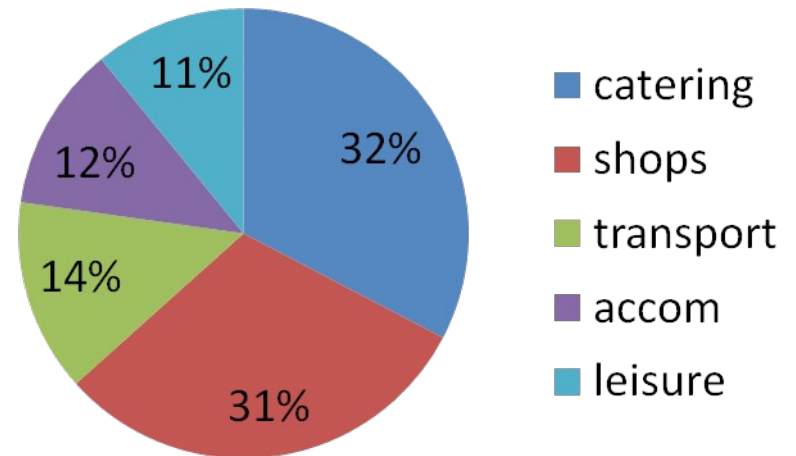
ECONOMIC IMPACT OF TOURISM, CITY OF CANTERBURY - 2006



- €339.2M EXPENDITURE
- €321.5M DIRECT INCOME
- €64.3M INDIRECT/INDUCED INCOME
- €385.8M LOCAL HOUSEHOLD INCOME
- 5,393 JOBS (FTE) - 13% OF WORKFORCE

ECONOMIC IMPACT OF TOURISM, CITY OF CANTERBURY - 2006

tourist expenditure



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- MEASURING EXPENDITURE, INCOME AND JOBS IS ESSENTIAL IN ORDER TO MONITOR TRENDS, INFORM ADVOCACY, AND PROVIDE INDUSTRY LEADERSHIP

THE PRESSURE TO QUANTIFY GROWTH!

Think big! New chief's pledge to transform Nottingham's tourism into £600m industry

By RICHARD BAKER

**ON
THE
UP!**

TOURISM in Nottingham will be worth at least £600m within ten years — an increase of 50%.

That is the pledge of John Heeley, the man charged with making it happen.

The newly-appointed chief executive of Experience Nottingham says the city must start taking risks if it is to join tourism's leading destinations.

The high-flier is credited with turning around Birmingham, Sheffield and Coventry.

He said: "I've made it clear that I will be thinking big and that anything second rate for Nottingham is just not on my agenda."

He starts with a budget of just £600,000 but plans to build that to £3m to £4m within two years.

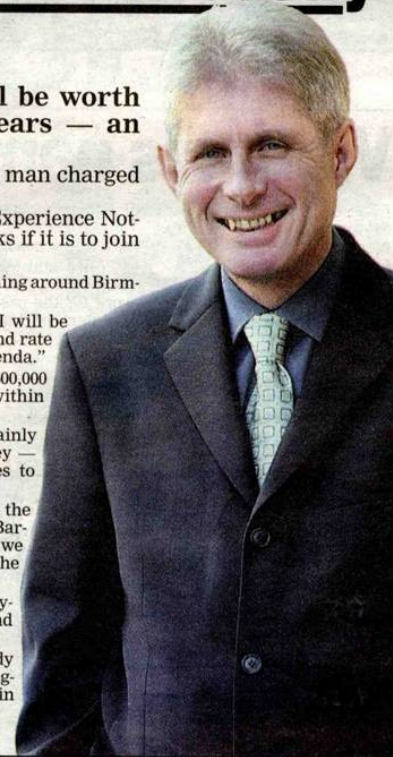
He says he'll achieve that mainly through grants and European money — and by persuading Notts businesses to make donations.

Mr Heeley does not see the city in the same league as places like Paris or Barcelona, but adds: "It's important that we benchmark ourselves against, say, the Rotterdam, Newcastle and Lyons."

Nottingham attracts 2.5 million staying visitors each year, who spend £434m.

Experience Nottingham is the body which takes over from Profile Nottingham and Conference Nottingham in promoting the city.

Full story: Pages 6&7



KEY PERFORMANCE INDICATORS AS AT MARCH 2009 – EXPERIENCE NOTTINGHAMSHIRE

	2003	2004	2005	2006	2007	2008	2009
1	1,219	1,264	1,374	1,378	1,437	TBA	TBA
2	21,622	21,576	22,547	22,132	22,476	TBA	TBA
3	4.1	4.1	4.3	4.6	4.8	TBA	TBA
4	256	259	288	310	331	TBA	TBA
5	N/A	N/A	N/A	63	64	86	58*

- 1 DAY AND STAYING VISITOR EXPENDITURE IN NOTTINGHAMSHIRE (£M)
- 2 NUMBER OF FULL TIME EQUIVALENT JOBS
- 3 NUMBER OF STAYING VISITORS USING COMMERCIAL ACCOMMODATION FORMS (MILLIONS)
- 4 DISCRETIONARY SPENDING OF STAYING VISITORS USING COMMERCIAL ACCOMMODATION FORMS (£M)
- 5 PERCENTAGE ROOM OCCUPANCY

* YEAR TO DATE FIGURE (COMPARABLE YEAR TO DATE FIGURE FOR 2008 WAS 64%)

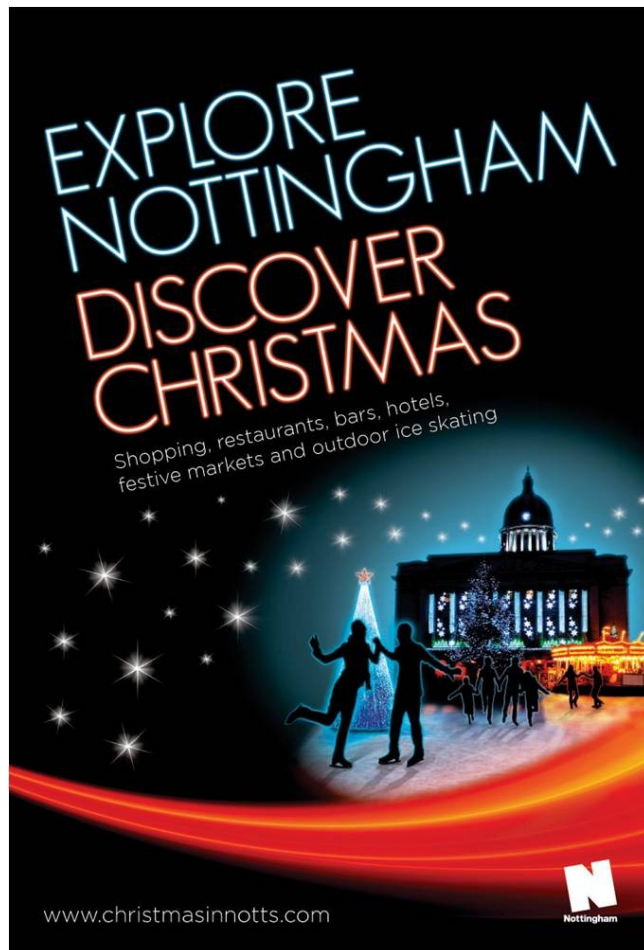
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- ESSENTIAL COMMUNITY MEASURES

MARKETING EFFECTIVENESS

- “NEVER MIND THE QUALITY, FEEL THE WIDTH” – THE NEED FOR CONVERSION DATA AND ROI (RATE OF RETURN) CALCULATIONS
- MARKETING CAMPAIGNS AND THEIR EVALUATION – E.G EXPLORE “NOTTINGHAM:DISCOVER CHRISTMAS” MARKETING CAMPAIGN

MARKETING EVALUATION STUDY – “EXPLORE NOTTINGHAM, DISCOVER CHRISTMAS” 2008



- AUDIENCE TARGETTED
- SAMPLE 4,789
- MAILING LISTS AND WEBSITE HITS
- 40% GROSS CONVERSION RATE
- 18% NET CONVERSION RATE – “DEFINITE”, “PROBABLE” AND “POSSIBLE” WEIGHTINGS
- ROI 5.6 : 1
- CAMPAIGN COST £42,000
- €252,805 RETURN

MARKETING EFFECTIVENESS

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- MARKETING CAMPAIGNS AND THEIR EVALUATION – E.G EXPLORE “NOTTINGHAM:DISCOVER CHRISTMAS” MARKETING CAMPAIGN
- THE ROI CALCULATION IS ONLY AS GOOD AS THE EXTENT TO WHICH THE SAMPLE MIRRORS THE AUDIENCES TARGETED
- MARKETING EVALUATION STUDIES ALSO SUPPLY VALUABLE MARKET INTELLIGENCE
- MARKETING EVALUATION STUDIES GIVE YOU NOWHERE TO HIDE!
- ESSENTIAL MARKETING MEASURES

BENCHMARKING PERFORMANCE

- IS RARELY DONE IN RESPECT OF THESE 3 SETS OF MEASURES WITHIN REGIONS AND NATIONS AND ACROSS INTERNATIONAL FRONTIERS
- DESTINATION PERFORMANCE UK WWW.DPUK.ORG.UK
- ECM AND THE EUROPEAN CITIES' VISITORS REPORT
- KNOWLEDGE SHARING SUCH AS THIS IS A CHALLENGE DUE TO THE LACK OF COMPLETE AND COMPARABLE DATA
- THERE ARE ALSO “CULTURAL” AND COMPETITIVE SENSES IN WHICH CTOS TEND TO BE LOCAL IN OUTLOOK
- CTOS ARE ALSO OPERATIONALLY DRIVEN!
- SO IT'S WORK IN PROGRESS!

CONCLUSIONS

- ACCURATELY AND CONTINUOUSLY MEASURING IMPACT IS FUNDAMENTAL – WE MUST ASSESS THE ECONOMIC SIGNIFICANCE CITY TOURISM, MONITOR TRENDS AND PERFORMANCE, AND QUANTIFY STAKEHOLDER “PAYBACK”
- PUTTING “HEADS IN BEDS” BY GROWING DISCRETIONARY OVERNIGHT STAY BUSINESS AND LEISURE TOURISM
- VITAL TO PUT IN PLACE APPROPRIATE MEASUREMENT VEHICLES
- SERIOUS COST, “CULTURAL” AND DATA COMPARABILITY ISSUES
- GET SMARTER BY WORKING TOGETHER AND SHARING KNOWLEDGE AND EXPERIENCE

THANK YOU!

DIAKUIU!