

Olympic Games

SYDNEY 2000: AN INVITATION TO THE WORLD

Tourism has joined sport, culture and the environment as an important dimension of the Olympic Games. Australia is the first Olympic host nation to take full advantage of the Games to vigorously pursue tourism for the benefit of the whole country. It's something we've never seen take place to this level before, and it's a model that we would like to see carried forward to future Olympic Games in Athens and beyond". (Michael Payne, IOC Marketing Director, 12 September 2000).

A number of records were set on 23 September 2000; and not just by Olympic athletes. On day eight of the Sydney Games, over 400,000 people attended Olympic Park, more than on any other day. The same Saturday also marked a peak at Sydney airport with the arrival of over 19,000 international passengers. This was a surprise to those who had been working on models to predict visitor numbers prior to the Games as it had been expected that more international passengers would arrive on the day before the Opening Ceremony, than on any other day. (Figure 1). In fact, 16,337 international passengers arrived at the airport on September 14 and this figure was exceeded on eleven of the seventeen days of the Games. According to the Australian Bureau of Statistics, there were 406,500 short-term arrivals in September 2000 which represents an increase of 15 per cent compared to the previous year. Many Americans

by Graham Brown*



visited Australia to attend the Games and the number of tourists from the United States of America nearly doubled from 27,100 in September 1999 to 53,600 in September 2000.

Figure 1 illustrates the relative size of tourist segments and their pattern of arrival. Not surprisingly the majority of athletes and media arrive between

the opening of the Olympic Village and the Opening Ceremony of the Games. The four peaks are largely caused by the arrival of sponsor guests who come in "waves" of four-five days duration. Some of the sponsor guests were accommodated in city hotels while others stayed onboard one of the nine cruise liners that were moored in the Harbour. The liners provided a colourful addition to the urban scene and provided 8,000 extra beds to the city's capacity. However, hotels in the metropolitan area still experienced a 98 per cent occupancy rate throughout the Games.

Sydney had every reason to hang a "City Full" sign from the Harbour Bridge and this could have been done by any of the 19,000 people

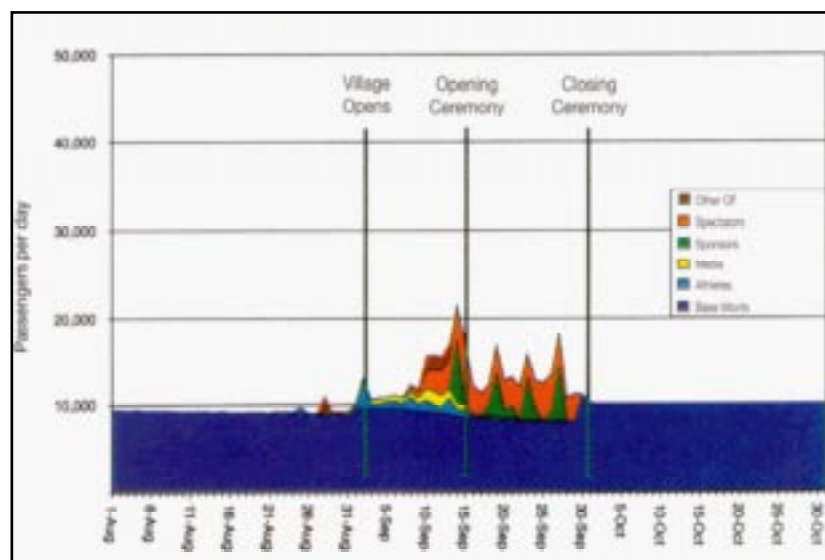


Figure 1: Forecast International Arrivals at Sydney Airport
Source: Sydney Airport Olympic Forecast Summary, 1998.

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who went on the Bridge Climb between 11 September and 3 October. During this period the attraction set records for the most people taking the climb in one day and the highest number during a week. Climbers included representatives of 312 media organizations from 42 countries. Buses, trains and ferries experienced more than double their normal loads during the Olympic

period, close to Circular Quay. This was almost double the number of people (452,000) who visited the area in the equivalent period in 1999. The Sydney Harbour Foreshore Authority, as landowner and manager of The Rocks precinct, undertook preparations for the additional visitors that ranged from additional garbage management, toilet facilities, signage and providore deliveries through to coordi-

ning. There were large numbers of the latter as many sponsors and National Olympic Committees located their main hospitality centres in The Rocks. Retailers in the area reported almost doubling their level of sales in the weeks of the Olympics and restaurants, cafes and pubs did very well after having experienced a slow trading period in July and early August.



The Olympic rings illuminate Sydney Opera House and the Harbour:

Destinations outside Sydney that were hoping to attract the day excursion market found business to be very slow. Fewer buses were available to make trips to the Blue Mountains due to allocations made as part of Games commitments and those who travelled on the train were spending very little money in the area. The operator of a local outdoor adventure company reported that “people are having to spend big money in Sydney so when they up come up here, they’re looking for a cheap day out”. Attractions in the Blue Mountains reported that attendance figures in the weeks preceding the Games had also been unseasonably low. Exceptions to this pattern were caused when tours by corporate groups were organized in conjunction with meetings held in locations outside Sydney such as the Hunter Valley wine region. These were normally arranged prior to the Games by hospitality organizations contracted by these same groups.

period and over half of all ferry passengers travelled from Circular Quay to Manly. After passing the Opera House, passengers on this route, were able to watch the Olympic yachting events from the deck before arriving at the famous Sydney beach resort.

During the Games, over 850,000 people visited The Rocks; the city’s his-

toric area, close to Circular Quay. This was almost double the number of people (452,000) who visited the area in the equivalent period in 1999. The Sydney Harbour Foreshore Authority, as landowner and manager of The Rocks precinct, undertook preparations for the additional visitors that ranged from additional garbage management, toilet facilities, signage and providore deliveries through to coordi-

ning. Tourism in regional areas of Australia was 10 per cent – 15 per cent below normal visitation levels during the Games mainly due to a decline in the school holiday market. The motel sector was particularly badly affected and it was reported that in some areas close to Sydney people who had arrived for an extended stay, returned to Sydney early; as soon as

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the excitement of the Games became apparent. The Gold Coast experienced an increase in bookings from families with very young children. However, a downturn in tourism was largely caused by a 20 per cent - 30 per cent decline in visitors from the countries in Asia that make up a large part of the Gold Coast's market. Bob Brett, the General Manager of the Gold Coast Tourism Bureau attributed this decline to detrimental pricing and scheduling policies adopted by international airlines.

The large influx of overseas visitors to Sydney was reflected in the attendance pattern at many of the city's attractions. Instead of attracting a mix of 60 per cent domestic and 30 percent international visitors at Taronga Zoo, the percentages were reversed during the Games. The number of international visitors to the Aquarium, in Darling Harbour increased by 54 per cent between 17 and 30 September 2000, compared to the same weeks in 1999. However, the number of domestic visitors fell by 23 per cent at the Aquarium between the same periods.

Darling Harbour proved to be particularly popular attraction and over two million people went into the Harbourside complex during September 2000. This was an increase of almost 200 per cent over the figure for the previous year but it does not include those who went to the many cafes and restaurants that line the ground floor of the complex. An even larger rise in retail sales was achieved although a 60 million Australian dollars redevelopment had increased the amount of available retail space. The physical layout and

mix of attractions at Darling Harbour presented an ideal setting for the festive activities that were organized during the Games and one of the six, highly successful, "Live Sites" was located there. Large screens showed coverage of Olympic events and live entertainment was programmed at different times of the day. The entertainment at each site was themed to appeal to different audiences. The

be served any time between midday and midnight, to accommodate the eating pattern of visitors attending events. Few restaurants raised their prices so regular customers would not be alienated but most experienced increased costs. Extra staff were employed to take deliveries that had to arrive before 7a.m. and waiting staff received a salary rise. Extra security, cool room space and an



The crowd at Darling Harbour.

"Live Sites" attracted large numbers of people and businesses located nearby benefited accordingly. Double sittings at lunch and dinner were offered at some of the restaurants in Martin Place, particularly those which took large corporate bookings. Operational practices were affected by the unique nature of the Olympic visitor market. Some restaurants extended their hours so meals could

increase in the price of some fresh produce also added to costs. Similar issues were faced by hotels with the operational responses shaped by the particular needs of the groups contracted to stay at the hotels. At one hotel where 60 per cent of its inventory was committed to a large media organization, the guests arrived before the Olympics and departed after the Games had finished.

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Consequently, few Front Office and Bell Services staff were required and Reservations was very quiet. Housekeeping experienced greater than normal demand but overall, the payroll was reduced during the period of the Games.

Many of the changes imposed on tourism and hospitality businesses were not unexpected as considerable work had been undertaken to prepare for the Games. As early as January 1994, the Tourism Olympic Forum was established under the direction of Tourism New South Wales. Major industry organizations were represented on the Forum which sought to improve collaboration between all sectors of the industry involved in planning for the Games. It also proved to be an invaluable way for information to be communicated between the Organizing Committee for the Olympic Games (SOCOG) and the large number of tourism organizations that had a critical role to play in ensuring that all elements of the Olympic city would function efficiently. The Forum met quarterly with a number of sub-committees working to resolve issues under the headings of Visitor Information, Visitor Attractions, Regional Dispersion, Retail/Shopping and Media Services. A major initiative of the Media group was to lobby for the establishment of a media centre for non-accredited journalists. Members of the Forum undertook three "Missions" to Atlanta; before, during and after the Games of the XXVI Olympiad, the Centennial Games, in 1996, to learn lessons to assist Sydney's preparations. They returned with a clear message that resources needed to be made available to those media

who would come to Sydney without accreditation from their National Olympic Committees. Without access to Olympic venues these journalists are more likely to report broader issues about the host country, its culture and ability to stage the Games and to require relevant information and support services. The very positive media coverage may be seen as a vindication of this view as many of the stories published around the world would have been produced by the more than 3,000 journalists who were registered at the media centre that was developed near Darling Harbour.

The Tourism Olympic Forum also commissioned a study to examine the adequacy of the supply of accommodation in the city. It was partly the findings of this study that gave rise to the provision of extra accommodation with over 11,000 rooms entering the market between 1997 and 2000. Some of the new rooms were in hotels built as part of renovations to landmark sites. They included the 418-room, five star Westin Hotel in the former GPO building in Martin Place and the 362-room, five star Merchant Court Hotel in the former Grace Brothers building. Many other projects were stimulated by deadlines associated with the Games. Two new terminals were completed at the airport, an underground train line was built to link the airport with the city and Sydney City Council spent A\$320 million upgrading footpaths, rebuilding squares and restoring parks.

One of the major beneficiaries of the investment made for the Olympics is likely to be the Convention sector. Although many of Sydney's major venues were unavailable for two

months over the Olympic period, the city still attracted 46 major international meetings in 2000, making it the number one convention city in the world. The city's ability to host conventions, exhibitions and special events, has been strengthened by many of the developments built to help stage the Games. These include the A\$57 million expansion of the Sydney Convention and Exhibition Centre at Darling Harbour that has added an auditorium and banquet hall for 1,000 delegates and a further 3,000 square metres in exhibition space. At Homebush, Stadium Australia provides a unique environment for corporate functions and product launches, the Sydney Superdome is a multi-use arena with seating from 5,000 to 20,000 and the International Aquatic Centre has already proved to be a popular venue for special events. These new facilities are likely to be put to good use as the Sydney Convention and Visitor Bureau has successfully bid to hold 86 events, worth almost A\$530 million, between October 2000 and 2005. According to Jon Hutchison, Managing Director of the Bureau, *"Our focus has been to ensure Sydney does not suffer the same post Olympic slow down as several previous Olympic Games host cities"*. Initial indications suggest that tourism to Australia is continuing to grow. There was a 9.7 per cent increase in visitor arrivals in October 2000 compared to October 1999 and the outlook over the next six months is strong with tour operators throughout Europe and North America reporting record interest and bookings to Australia following the Olympic Games. The Managing Director of a British tour operator, specializing in travel to Australia con-

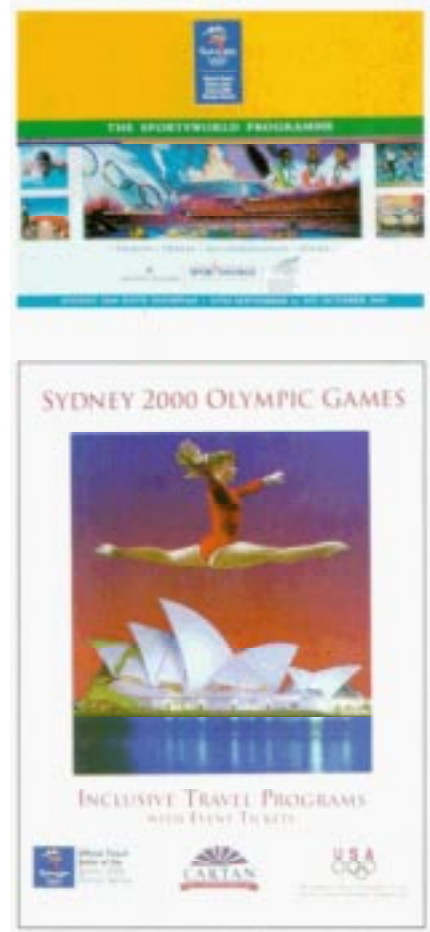
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firmed that “post-Olympic demand has been unprecedented with Travelbag seeing around 50 per cent growth in holiday bookings”. A prominent property developer in Port Douglas, north Queensland supported this view by stating in *The Bulletin* that “bookings for the January-March quarter are well above normal expectations. I am optimistic that a lot of us are underestimating the impact of the Olympics”.

If the predictions of tourism growth prove to be correct, a combination of factors are likely to be responsible, including the travel decisions made by those who came to Australia to attend the Games. Surveys, conducted by the International Olympic Committee have found that two-thirds of international spectators were first time visitors to Australia and of these half said they would definitely return within the next two years. Harder to quantify but potentially much more significant is the impact of the television coverage of the Games. With more than 3.8 billion people watching events, set against backdrops such as the Opera House, Sydney Harbour and Bondi Beach, it was a destination marketer’s dream. Tourism organizations are hoping that this exposure will convert an already high level of interest in Australia into increased visitor arrivals. This logic has driven much of the Australian Tourist Commission (ATC)’s extensive promotional activity in the lead up to the Games.

The ATC launched a A\$12 million four-year Olympic strategy in 1996 and it is this strategy that Michael Payne has advocated as a “model” for other host nations. In addition to working closely with overseas ticket

agents, such as Cartan in the United States of America and Sportsworld in the United Kingdom, to assist in packaging tours to the Games, the strategy included making extra resources available to expand the Visiting Journalists Programme (VJP). A heightened level of interest in the country among the world’s media had been created by the Games and in 1999 and 2000 more than 3,000 media were brought to Australia under the programme, generating almost A\$2.3 billion worth of publicity about Australia as a tourist destination. Opportunities to work with major broadcasters were pursued, particularly Olympic rights holders such as NBC in the United States of America, Globo in Brazil and China’s CCTV. Assistance was provided to develop programme ideas that provided opportunities to profile Australian lifestyles and to expand the media’s horizons to regions throughout the country. Collaboration with Olympic sponsors was a partic-



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ularly significant feature of the strategy and it generated an additional A\$160 million worth of publicity in the two years before the Games. Highlights of the ATC's promotional partnerships have included:

United Kingdom

- Visa International magazine promotions in 'Vogue', 'Conde Naste Traveller', 'Tatler' and 'Vanity Fair'.
- Holiday competition by Kodak involving point of sale promotions at 20,000 retail and duty free stores.
- United Kingdom Olympic sponsor Adidas produced a 16-page supplement linking sports to Australian experiences. It was inserted in 'Cosmopolitan', 'Esquire', 'She' and 'Zest' magazines with a total circulation of 1.3 million.
- 'The Sunday Times' published a 16-page Down Under supplement.

Germany

- German television network featured two Australian specials.

Japan

- Visa International ran a A\$2.5 million television and magazine promotion about the 2000 Sydney Games.

People's Republic of China

- Billboard campaign in 'Shanghai Bund' by Visa featuring images of Australian animals.
- Live broadcasts from Sydney including a quiz about Australia by CCTV.

Brazil

- A special programme about Australia shown every Sunday on Globo TV.

United States of America

- An "Enjoy the Best of Australia" promotion by Kodak in 'Gourmet Traveller'.
- Cover story in 'National Geographic Adventure' magazine.
- Bank of America "Down Under"

tour. A travelling exhibition that visited 21 states.

- "Postcards of Australia" shown across the NBC network.
- Television and newspaper advertisements for Visa featuring Australia.

The multi-year promotional activity by Visa was based on the tenet that substantial results can be achieved from marketing before the Games begin. Visa's substantial preparations for the Sydney Olympics began in 1997 when it formed a destination marketing consortium with the Australian Tourist Commission, the Sydney Convention and Visitor Bureau and Tourism New South Wales. The partnership resulted in more than US\$40 million in marketing value for Australia and included special travel offers for card holders as well as a three year global promotional campaign using the designation "Australia Prefers Visa".

Visa's activities during the Games included the operation of Visitor Centres at the airport and in the city and special promotions that featured Olympic pin give-aways. More than 500 key retailers participated in Visa's "Embrace the Spirit" campaign that was designed to drive business into the shops. A hospitality programme for over 1,200 guests provided an opportunity to reward employees and to cement relationships with representatives of member banks that had participated in pre-Games promotions. Visa's sponsorship success helped produce an increase of 23% in card usage by overseas visitors to Australia in 1999 and, during the Games, transaction levels at official Olympic sites surpassed those recorded by Visa at the Atlanta Games. At Olympic Park, A\$20 million was spent on Visa cards

at point of sale transactions and more than A\$5 million was withdrawn from Visa ATMs. The significance of the relationship between Visa and the tourism industry was summed by the Managing Director of the ATC who stated that it had provided "Australia with sensational exposure and an invaluable boost to the ATC's international promotional activities. This has delivered enormous benefits for the Australian tourism industry and provided Visa with an effective channel to leverage its Olympic sponsorship".

The importance of the Sydney Olympics for tourism has given rise to a series of studies by the Collaborative Research Centre (CRC) for Sustainable Tourism which is funded by the Federal Government. The three main projects seek to measure the effect of the Games on international visitation patterns to Australia, to learn more about the impact of the sponsor guest market and to measure the effectiveness of leveraging strategies employed by tourism organizations and regions around Australia. The research is being conducted by academics based at two universities in New South Wales; Southern Cross University and the University of New South Wales, Griffith University in Queensland and Victoria University in Melbourne. It is hoped that the findings will be of value to other host nations that wish to maximize tourism opportunities presented by the Olympic Games.

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