



R.O.I. OF OLYMPIC PROPORTIONS

DATE : **AUGUST 2012**

FEEDING A GROWING HUNGER

Just days ago, in east London's new 80,000 seat, full-to-capacity Olympic stadium, with an estimated three billion viewers watching worldwide, her royal highness Queen Elizabeth II officially declared the 2012 Olympic Games 'open'. The moment had finally arrived. Following years of intense planning and immense investment, London took centre stage as the host to the world's coming together of the best of sporting competition and national pride.

In the days building up to the highly anticipated opening ceremony, tens of thousands of excited Olympians, Olympic family members and officials, media, and games followers, flooded into the UK, testing each and every seam of the carefully stitched together visitor experience infrastructure. Over 70 days and 8,000 miles, the Olympic torch crossed the kingdom, its flame fuelling interest and excitement around the mega-event. And finally as media centres switched on their cameras and coverage, with increasing surprise, locals confessed to their sense of pride around the honour of hosting the games, whatever the price tag.

London is where it was at, again!

First it was the Royal Wedding in April of 2011, then the Queen's Diamond Jubilee in June of 2012, and now the 2012 Olympic and Paralympic Games. With each event, Londoners have admitted to feeling a growing sense of pleasure in seeing the array of flag-dressed foreigners walking their streets (*often overt crimes of fashion*), enjoying a pint in their pubs (*excuse me, is my beer supposed to be warm?*), shopping on their high streets (*this is a once in a lifetime occasion. You must buy two!*), pausing sight-seeing to enjoy high tea (*was that milk first and then tea, or tea first and then milk? Oh, bother!*), and cautiously looking both ways when crossing the street, just in case what one thought was the right way of traffic was in fact the wrong way.

At a time when economies are suppressed, societies are depressed, voters are unimpressed, perpetrators of inconceivable acts of violence in even the most developed of western communities are under arrest, and the only signs of relief are 2014, at best, how remarkable it is to feel inspired again. What a rare treat it is to feel part of a larger community again, and how delicious it is to have one's hunger for hope fed again.

With this sense of connection to community - local and global, and general positivity, pessimism turns to possibility. Apathy turns to appreciation. Profile turns to preference. Inertia turns to inspiration. And passive skepticism turns to participation.

The net effect: economic and social stimulus of unprecedented proportions. And the opportunity to maximize not just traditional R.O.I. - *return on investment*, but *return on inspiration*.

MAKING THE ASSETS SWEAT

This is why events matter, far beyond the bunting, billboards and banners. It is the opportunity to maximize the power of inspiration as a fuel for increased, ongoing interest, appreciation, investment and participation. They are the ultimate stimulus package.

For this reason, all events, regardless of the surrounding passion, pomp, pageantry or promotion, must be treated as critical assets of a destination. While often packaged as tourism attractions, these assets should be taken as seriously as the levels of attention and funding they receive.

The asset base goes far beyond the infrastructure of the destination. It also includes iconic places, personalities and past-times.

Together, these assets bring to life, and bring to destinations, people from across the world seeking a chance to be a part of the magic of the moment.

Take the UK for example. With three mega-events in smooth succession over the past 15 months alone, the UK has inspired the interest of travelers, and viewers, worldwide wishing to see, to feel, *even if just for a moment*;

- The romantic allure of a fairytale, as a beautiful commoner becomes a princess when she finds, and marries, her prince
- The timeless tradition and pageantry of a royal celebration of the life's work of a globally adored elder
- The power of pride and patriotism as a showcase of the prowess of a people and their flag unfolds

For tourists, *'being there'*, as and when the magic was occurring, made the personal investment of time, energy and money worth it. Especially in these challenging times of economic and social upheaval, when hope has been a painfully limited resource, and heart-smiles are hard to find.

The challenge for destinations comes in turning those often fleeting moments of inspiration into on-going sources of destination attraction, investment and promotion, thereby increasing the return on investment.

Once again looking at the UK, *VisitBritain*, the nation's tourism agency tasked with marketing Britain worldwide and developing Britain's visitor economy, estimates the tourism sector as being worth £115 billion a year and 2.6 million jobs. From a destination marketing perspective, the focus of *VisitBritain* is clear. As shared by the organisation, it is about the legacy of the Games – the ability to inspire sustained interest, preference and visitation to the UK. The real tourism benefit is to come after the Games. *VisitBritain's* GREAT campaign has set key deliverables: 4.6 million extra visitors and £2.3 billion extra spend by 2015.

During the Games, with over 20,000 journalists covering the Games in London and the UK, showcasing the event and the destination to an estimated 4 billion viewers during the Games period alone, *VisitBritain* estimates:

- 8.8 million spectators are projected to come for the Olympics, of which 600,000 will be visiting from overseas with an average stay of 4 to 5 days.
- 2.2 million spectators will come for the Paralympic Games

Visitor spend during the summer of 2012 is estimated by VISA as an incremental £804m, with overall increase in economic activity of £1.2 billion.

Importantly, the Olympic spirit will inspire not only sport viewing but personal play, within London where some of the world's finest theatre, galleries, historical sights and stylish shopping can be found, to locations across the UK, from Scotland to South West.

Dr Steve Perry, Commercial Director at Visa Europe has been recently quoted as saying:

"The London 2012 Olympic and Paralympic Games represent a fantastic opportunity for the whole country. While the host city will be the centre of Olympic activity and the initial spending beneficiary, The Games are a showcase for the whole country. Visitor spending and associated economic output will rise on the back of the nation's higher profile as a desirable destination in coming years. This economic legacy will be distributed across the country: from 2013 to 2015, 79% of the £4.12bn economic output will flow to areas outside of London."

Inspiring results considering the ongoing concerns of worldwide economic instability.

Equally inspiring, the economic impact of the Games from a development legacy perspective. *VisitBritain* proudly shares just how significant the Games have been, and will continue to be, for London and the UK in the following statistics:

- London is transforming itself to accommodate for a 1 million growth in population over the next two decades, investing over £6 billion across London and a further £6.5 billion in transport improvements. 2012 is a key catalyst for this development – especially east London
- £11bn has been invested into the regeneration of London with a further £6.3bn into London's transport infrastructure
- 73 % of the new investments went into Central London with 14 % choosing East London for their London location. The majority of the new investments were in the technology or creative industries sectors (31% and 21% respectively).
- To date, 5,226 jobs have been created as a result of the 2012 work and campaigns carried out by Think London and now London & Partners. These jobs have been created from 106 different companies setting up or expanding their presence in London between October 2007 and June 2011.

Noting the losses of jobs, expenditure, investment and hope over the past few years of global economic (and emotional) crisis, and fears of more of the same, were it not for the Games, there would simply be no gains.

THE INVISIBLE RETURN ON INSPIRATION

Underlying the statistics and the visible gains to the destination, the invisible gains should never be overlooked. Especially for the travel and tourism sector.

Over and above destination brand awareness, appreciation and equity, there are numerous dimensions of invisible, invaluable return on inspiration. These include, *inter alia*:

1) Destination Culture:

- Strengthening spirit of invitation and host to visitors
- Increase in pride of place, decreasing civil damage to place
- Appreciation of the tourism sector, and of tourists as critical enablers of tourism economy stimulation
- Social inclusion and interaction, especially in areas formerly felt 'out of bounds' for social separation or safety reasons
- Enthusiasm of exploration as a pedestrian
- Embracing of public transport systems

2) Tourism Community Connectivity:

- Coming together of critical links of the tourism experience delivery chain to allow for efficient, effective activation and, when/as required, problem solving
- Understanding, trust and appreciation of role players
- Identification of areas of stakeholder strategic and operational cooperation
- Incorporation of SMEs for greater inclusivity and opportunity creation
- Collective focus on the visitor
- Rebuilding of confidence in (and appreciation of) the tourism economy

3) Visitor Experience Upliftment:

- Heightened understanding of visitor experience touchpoints
- Trouble shooting areas of experience delivery weakness
- Audit of scope of product and service offerings to allow for culling of those needing removal as inferior or obsolete, and incorporation of new offerings
- Identification and investment into tourism (and related) infrastructure

And of course:

4) Destination Asset Appreciation:

- Regeneration and celebration of cultural, historic and traditional attractions
- Creation of tourism routes to connect experiences in hub visitor centres with outlying areas

The invisible benefits inspired by events make crystal clear that in the same way the value of tourism should be seen beyond the tourist, the value of events should be examined well beyond the event itself. Events – *cultural, sporting, historical, technical, business, spiritual, professional, etc.* – yield invaluable inspiration for the sector and the geographic centre in which they occur.

In today's troubled times, return on investment is directly linked to the return on inspiration. Now that is something to be excited about.

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