Summer Olympic Games 2012: Impact on Inbound travel

At a glance

- Air reservations to London with an arrival date during the period of the Games, booked to date, represent a **31% increase** when compared to previous year, confirming potential increase in arrivals to London during the Olympics.
- The impact of the Olympics is spreading throughout Europe, with destinations such as Paris and Amsterdam also benefiting from the event.
- The USA wins the Gold Medal for greatest number of bookings when compared to previous year, and Germans are leading the early-booking race.
- There is a confirmed trend of Londoners remaining in London during the Games, with a notable drop of outbound travel during the Olympics.

I. Future arrivals trends: 2012 Olympic Games in London

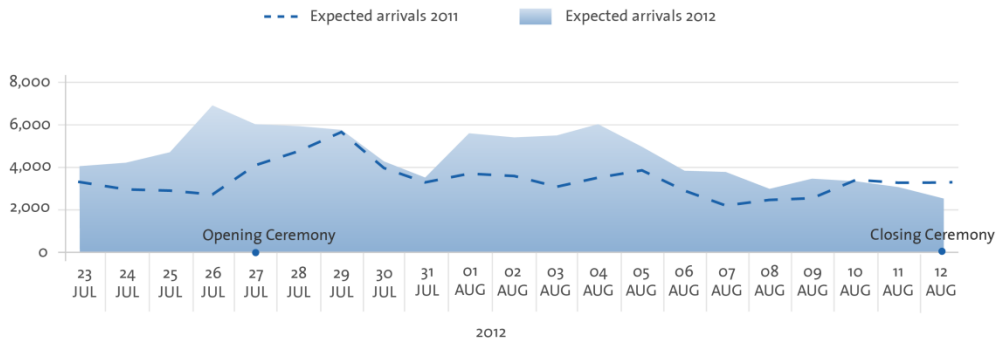
The 2012 Summer Olympic Games are taking place in London between 27 July and 12 August 2012. In order to monitor the impact of the Games on inbound travel, ForwardKeys considered global air reservations up to 22 February 2012 with an arrival in London scheduled for the period 23 July 2012 to 12 August 2012.

Reservations for this period, made up to the date of this study, have been aggregated from all major Global Distribution Systems worldwide (GDS) including Amadeus, Sabre and TravelPort. The total represents an increase of 17% when compared to actual arrivals for the same period in previous year (2011). As a point of comparison, by the same day in February 2011, only 13% of the total arrivals later observed for the period had been processed.

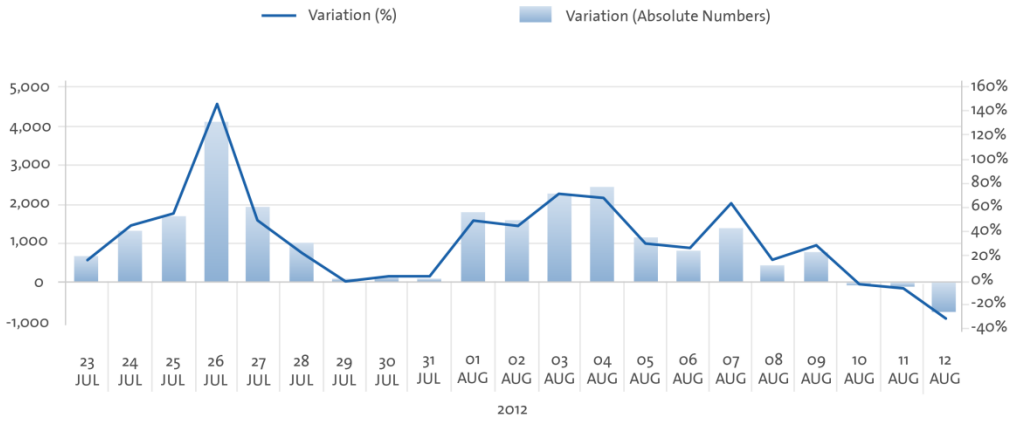
ForwardKeys' study anticipates massive arrivals numbers during the Olympic Games period, starting on 26 July 2012, the day before the Opening: this represents an increase of 143% on the same day in 2011, based on reservations already made. When the period of concern is widened to include the four days prior to the event, scheduled future arrivals show an increase of 31% when compared to 2011. The next peak in arrivals, for the second week of the event, is currently established as Saturday 04 August 2012.

Arrivals for the London 2012 Olympic period based on Reservations on the book (ROB)

Arrivals in London for the Olympic Games based on air booking data



Variation in 2012 expected arrivals compared to 2011



Source: ForwardKeys
Destination: All London airports
Length of stay: All except transits and day trips

II. Key source markets and variation with 2011

The number of air reservations made to arrive in London during the Olympics varies greatly from market to market. Some key trends have been identified; these are detailed below.

The 150 days that are left until the opening of the Games will see tremendous booking activity, which will continue to affect some of the trends currently observed. Long-haul destinations are naturally favoured in the study below, as these reservations tend to be made further in advance of the date of

travel. For this reason, long-haul source markets sometimes take the lion's share in a still-slim 17% population of early bookers.

Front-runners

Key contributing source markets for the period of concern

1. USA 17%
2. Germany 11%
3. Australia 7%

(in percentage total incoming travellers to London during the period of concern per source market)

The USA not only showed an early interest for the Olympics, with a 82% surge in bookings made as early as August 2011 compared with the previous year, but also showed a strong resilience in keeping the booking momentum going. Australia also showed a very dynamic early booking trend. However, this later fell to lower than normal, thus allowing ForwardKeys to predict that Australia will be under-represented by the start of the Games, despite the considerable volume already on the books.

The neighbours

Medium-haul source markets with strongest growth when compared to previous year

1. Estonia x9.3
2. The Netherlands x4.8
3. Hungary x4.3

(Multiplying factor of the number of travellers per source market and compared to previous year)

A tremendous growth for smaller countries has been artificially boosted by early booking, and the usually limited number of reservations to London from those source markets.

The motivated

Long-haul source markets with strongest growth when compared to previous year

1. Jamaica x5.1
2. Brazil x2.6
3. Japan x2.3

(Multiplying factor of the number of travellers per source market and compared to previous year)

Great sporting nations, such as Jamaica and Brazil, are confirming their strong commitment to the Games. Jamaica is showing a strong boost in 13- to 17-day stay category.

The Anticipators

Source markets booking far in advance: up to nine months before the Olympics opening ceremony

1. Germany 18%
2. USA 11%
3. Russia 7%

(In percentage of additional reservations observed until October 2011 compared to previous year)

Several countries "led the pack" in making early reservations: notably Germany, which showed a strong impulse from the get-go. Fewer "group" bookings were noted than in the previous year, with a focus on individual reservations. This is in contrast to Russian travellers, who appear to be visiting in groups, with a strong boost in January 2012 of reservations with a majority of six- to eight-night stays.

The deserters

Source markets with fewer reservations, indicating a "lower than usual" presence during the Games

1. Australia -25%
2. New Zealand -26%
3. Saudi Arabia -38%

(Variation of total bookers when compared to previous year)

Very long-haul source markets such as Australia and New Zealand, which traditionally *visit relatives and friends* in London showed a strong early pick up in August and September 2011, however as we move closer to the Games and reservations from other countries pick-up we expect Australia & New Zealand to represent a lower overall percentage of arrivals in relative terms.

Source markets to the London Olympic Games

Source Markets	Expected Arrivals	Variation from previous year (%)	(multiple)	Market Share (%)
WORLD	97,286	30%	1.3	100%
Strongest push to date				
USA	16,241	20%	1.2	17%
Germany	11,021	27%	1.3	11%
Australia	6,913	-25%	0.8	7%
The Neighbours				
The Netherlands	3,540	376%	4.8	4%
Hungary	1,693	331%	4.3	2%
Estonia	279	830%	9.3	0%
The Motivated				
Brazil	2,124	158%	2.6	2%
Japan	1,647	127%	2.3	2%
Jamaica	288	414%	5.1	0%
The Deserters				
Australia	6,913	-25%	0.8	7%
New Zealand	1,829	-26%	0.7	2%
Saudi Arabia	368	-38%	0.6	0%

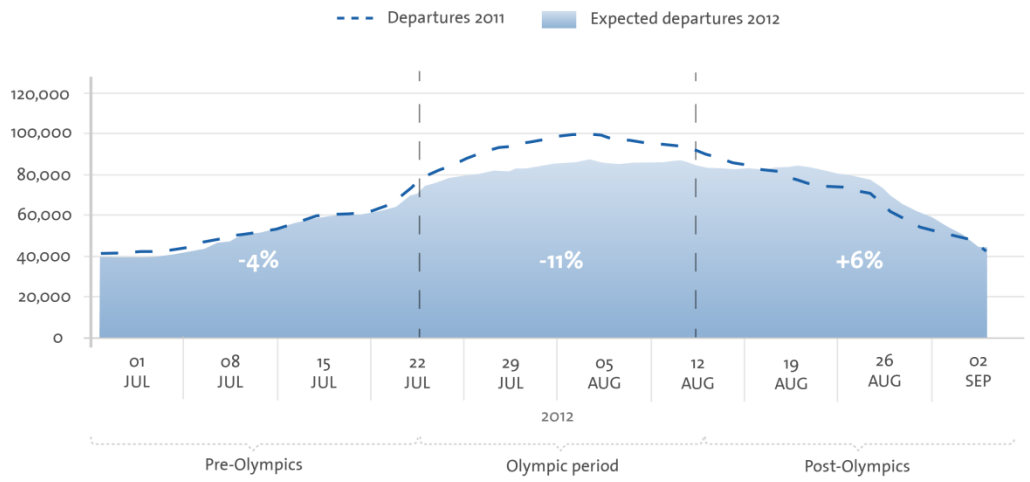
Source: ForwardKeys.
Destination: All London airports
Length of stay: All except transits and day trips
Period analysed: 23/07/2012 to 12/08/2012

III. Londoners' outbound behaviors

The study used ForwardKeys Outbound database to monitor travellers starting trips from one of the London airports. The results show that Londoners are currently planning to remain in London and organise their holidays around the dates of the Games.

According to the bookings made up until 22 February 2012 for stays lasting over one night, the number of stays before and during the Olympics period decrease respectively by -4% and 11% compared to the previous year, before increasing from mid-August (+6%).

Departures from London based on air booking data

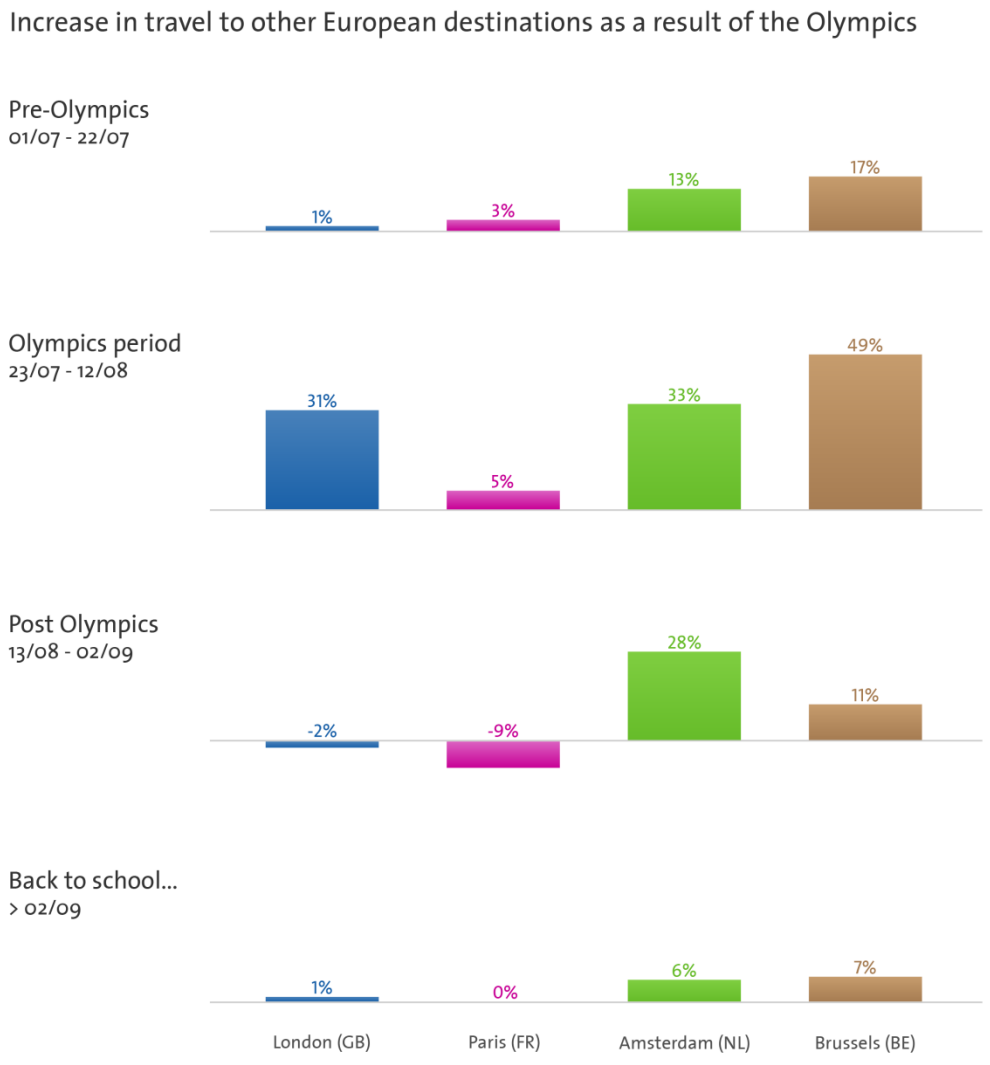


Source: ForwardKeys
Origin: All London airports
Length of stay: All except transit and day trips

IV. Impact of the London Olympics on other European destinations.

One issue that is often raised within Europe is the impact of the London Olympics on other European destinations. The study shows that capitals connected to London via high-speed rail seem to be benefiting – or, indeed, strongly benefiting - from the Olympics, because they show a surge in arrivals during the Olympics period.

Brussels and Amsterdam are enjoying to date a strong growth that is in sync with London: a 31% projected increase of traffic. The growth during the period of the Olympics is not only notable when compared to previous years, but also when put in perspective with pre- and post- Olympics period.



Source: ForwardKeys
Length of stay: All except transit and day trips

NOTES

METHODOLOGY

Market Research and Consulting Company for the Travel Industry Forward Data SL publishes ForwardKeys.com a web site and a database aggregating Air reservation information worldwide.
This study is based on air reservations processed through online and off-line Travel Agencies worldwide using one of the 4 leading reservations systems (GDS), as aggregated within ForwardKeys.com database until the (((12/02/2012))). For more information about ForwardKeys.com data, studies and methodologies, please contact us by email at market_info@ForwardKeys.com.

Facts, figures and observations published in this document are no projection or extrapolations, but concrete and factual information based on the information available at the time and market fluctuations.

The analysis is based on all reservations stored in ForwardKeys.com database for travelers around that world that have made an Air reservation to travel to London on the period of 23/07/2012 to 12/08/2012.

Reservations aggregated the day of the study represent a total of 17% when compared to actual arrivals for the period of concern in 2011 (As a matter of comparison, at same day and same week in 2011, only 13% of arrivals later observed in 2011 had been processed).

FORWARDKEYS BACKGROUND INFORMATION

Market Research and Consulting Company Forward Data SL, a company registered in Spain, publishes www.ForwardKeys.com, and an innovating service bringing a new approach to operational traveler data intelligence for Hotels Chains, Tourism boards and Destination Management Organizations (DMOs) leveraging non confidential Air reservation information.
ForwardKeys provides DMOs and Tourism Boards with travelers' trends information and means to monitor and measure the impact of their marketing efforts to drive more business to their destination
ForwardKeys provides Hotel chains with ways to quantify future demand and anticipate market trends to optimize sales, marketing and revenue management efforts, using traveler's reservation, source market, arrival, return date and future travel information.
For more information about our company and services, please contact us at info@ForwardKeys.com, or visit our web site at www.ForwardKeys.com.

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