

# City And Sport Marketing Strategy: The Case Of Athens 2004

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## **INTRODUCTION**

The opportunity for a city to host the Olympic Games constitutes an enormous economic social and cultural commitment, as it is the world's biggest sporting event. It is an opportunity that, if properly managed and marketed, will bring a number of positive long-term benefits to the rest of the country as a whole.

While the games last only for a period of two to three weeks, ten years of preparation will have gone before to ensure both a successful bid and the smooth operation of the Games, once the bid has been accepted. The experience of cities that have hosted the Olympic Games has demonstrated that, if they are carefully planned and promoted, they can generate significant growth over a long period of time. A primary factor for the expected increase in growth is an expected increase in Tourism, which the nation will continue to enjoy long after the Olympic Games have been hosted. The aim of this paper is to examine briefly the nature of the impact that hosting the Games will have on tourism and discuss some of the marketing strategies the city of Athens should follow in order to maximize the tourism positive impact.

## **IMPACT ON TOURISM**

The Olympic Games can be considered to be the most important Tourism Sport - Event . Frequently, the purpose of undertaking the organization of such events is to increase the level of tourism in the city of the entire country. In general, the benefits from organizing such events are:

- a. The attraction of high-income tourists and the creation of a new generation of tourists who will make several visits to the host country.

- b. The creation of a favorable tourist image for the destination country.
- c. The creation and modernization of the tourism infrastructure.
- d. The unique opportunity of the host country to use the presence of the international media to send out various messages to the rest of the world.
- e. The creation of a skilled work force in the organization, management and funding sectors, with a special emphasis on hosting special sport and tourist attractive events.

If managed properly, the Olympic Games can have both significant and long-term impact on the tourism industry of a country. The effects can be analyzed in three different categories:

- A. The Olympic Market
- B. The Internal Tourism Market
- C. The International Tourism Market

#### A. The Olympic Market

The Olympic Market consists of a network of economic activities, which are the result of the organization of this tourism-sport event. The activities associated with this event require ample time and significant funding. For example:

- Marketing, mainly promotion and public relations.
- Funding and donations.
- Tickets and other services for the spectators.
- Transportation and accommodation for the spectators, the athletes and the dignitaries.
- Safety and emergency services.
- Preparation of sport and other facilities.

For every Olympiad, a special workforce is formed to undertake the above tasks, creating thousands of jobs and extensive activity in the host city. In the last chapter, a brief estimate of the economic and non-economic effects is attempted, which is based on previous studies relating to the subject.

#### B. The Internal Tourism Market

The impact of hosting the Olympics on the internal tourism Market is considered to be important for large countries, such as the USA and even Australia. However in the case of Athens, this effect is not considered to be significant. Greece is the smallest country chosen to host the Olympic Games, in terms of population and size. Thus, we may refer to Greece as a "city" that has undertaken the responsibility of hosting the Games.

#### C. The International Tourism Market

Hosting the Olympic Games brings long-term effects to the respective economy's International Tourism Market. They begin once a country has won the right to host the Games and last several years after the Games have occurred. In the case of Athens, this period covers the years from 1998 to 2011. The international tourists can be classified in the following three categories:

- Visitors before the games,
- Visitors/Spectators of the games,
- Visitors that are attached to the country because of the publicity.

The first category is made up of those who will visit Greece before the Games, Such as the members of the International Olympic Family, people of the media, sponsors, athletes, dignitaries and spectators.

The second category is the same but they are expected to reach a peak during the period in which the Games are held. Finally, the third category includes all those foreign tourists who visit the country because of the publicity/promotion resulting from the Games. This category is said to last from 1998 to 2011.

### **ESTIMATION OF DIRECT DEMAND**

The direct impact of the Olympic Games on the tourism concerns the arrival of all those directly involved in the athletic events and is chronologically placed before and during the Games. This demand is common for all the Games and depends mainly on the number of sports included, which currently number 28. Even though the estimation of this demand is arbitrary, it does not influence the final overall result, as it is very small size. Moreover, the relevant figures have been slightly increased, in order to allow for tourists that will arrive for the cultural Olympiad. Table 3 gives the number of tourists who are directly associated with the Games of Athens 2004, for the period 1998-2003.

The most important category of visitors are the numbers of the International Olympic Committee, Who, in Accordance with contractual obligations, will visit Greece regularly, in order to conduct audits and the check of progress of the organization of the Games. The second largest category of visitors includes members of the International federations of the various sports who will monitor the development of the facilities, where the sports will take place. The third category consists of the athletes, who, as the Games approach, will visit the country, in order to become accustomed to the climate and the sporting facilities. The final category is made up of sponsors and, people from the media.

The total number of visitors, who will visit Greece in the period 1998-2004 for the Games, will number 111 thousand, which constitutes a very small percentage of the number of tourists who will visit Greece, as a result of the country's publicity due to the Games.

### **INTERNAL DEMAND**

The effect of the Olympic Games on the number of tourists visiting Greece has relevance for both Greece and for the wider area of Athens. Initially, the forecasts are made for the number of arrivals in Greece as a whole. These forecasts are then used to estimate the possible arrivals in Athens, using three scenarios.

### **CONSEQUENCES FOR THE ENTIRE COUNTRY**

There are three scenarios concerning the level of induced demand. The first one is confined to the arrivals directly linked to the Games and is based on the assumptions that the level of demand will be minimal.

The second scenario, which is the most likely, assumes that there will be a steady increase in the induced demand, which will stabilize a few years after the Games. The third scenario assumes that there will be a small increase before and during the Games, a large increase after the games and a small decrease a few years after the Games. These scenarios are presented below.

### **CONSEQUENCES FOR ATHENS**

The Olympic Games of 2004 will present a great opportunity for the rehabilitation of the wider area of Athens and Attica. The infrastructure projects already underway, together with the city's international promotion in the following seven-year period, will help Athens maintain and possibly even increase its share of the Greek tourism industry (as a percentage of the total numbers of tourists in Greece) that it has had in the last few years. Three scenarios have been developed, in order to estimate the number of tourists who will visit Athens.

1st Scenario (16% of the country's arrivals)

Athens will be able to maintain its share in the total number of tourists arriving in Greece, which has decreased from 40% in the early 1980's, to 16% in the mid 1990's.

2nd scenario (22% of the country's arrivals)

Athens will significantly increase its share in the total number of tourists arriving in Greece and its average share for the period 1998-2011 will reach 22%. It should be noted that in the 1990's Athens' average share was 18.22%, while its maximum share reached 22.3%.

3rd scenario

This scenario forecasts an increase in Athens' share in the numbers of foreign visitors to Greece, from 18% in 1998 to 22% in 2004, followed by a decrease to its initial percentage of 18% in 2011. The average percentage forecasted for the whole period, is 16.9%. The scenario is considered to be the most likely to occur.

Each one of these scenarios for Athens is combined with the three scenarios for the whole country. Thus, the total number of possible outcomes for Attica comes to nine. The fluctuations of these effects are the same as the fluctuations relating to Greece as a whole and are not presented here. This is due to the facts that the effects for the area of Attica are estimated as a percentage of the whole. In the first two scenarios the percentage is assumed to follow a distribution ranging from 18% to 22% and then back again to 18%.

## **STRATEGIES TO MAXIMIZE BENEFITS TO THE TOURIST INDUSTRY WHEN HOSTING THE OLYMPICS**

The Olympic Games is a unique "tourism-sport event", as it presents an outstanding opportunity to develop the strategies to bring long-term comparative advantage gains for a nation's tourism Industry. It should be realized that an understanding of the marketing system, namely the system of supply and demand, is required, in order to develop and implement a strategy to market the Olympic Games successfully. In the case of Greece it is important that the accommodation infrastructure can meet the demand generated by the increased of tourists, while at the same time ensuring that there is no overestimation of the number of tourists who will visit Greece.

The marketing system by which the Games will be marketed, as described in the diagram below (diagram 6) consists of three basic and interdependent elements.

The first element is supply, which includes the preparation for and the organization of the Games, the choice of the host city/country and all services that are required, the media (television, radio and press) and the various grants offered by the I.O.C. and the host country.

The second element of the marketing system of the Olympic Games is the intermediaries between the demand and supply. Often these intermediaries participate in the process of securing a successful bid for the Olympics, by for instance finding sponsors, helping to attract spectators and in general organization of the athletic events.

The third element of the marketing system is demand, which includes all national teams and their athletes, all federations of the Olympic sports, the spectators, the tourists, the television audience, the radio audience, those following events in the press and all the official sponsors of the Game. The Los Angeles Games proved the importance of sponsorship as a source of funding.

Given the above framework for marketing the Olympic games, the question that arises is how Athens could best take advantage of the publicity generated by the games? When the Games come to an end in Sydney, Athens and Greece could develop a series of strategies with the aim of maximizing the related benefits. Examples of such strategies are:

The organization of athletic events before the Games in 2004, which will give the athletes the opportunity to experience the Greek climate. These events can be organized in various areas of Greece.

The organization of events from non-Olympic sports in cooperation with their international federations.

The organization of participative athletic events, without the cooperation of the respective federations that could attract many tourists for recreational reasons.

The organization of special "Olympic" excursions, before and after the Games, which will include all historical areas associated with athletics in ancient Greece.

The organization of non-athletic events, such as international exhibitions, scientific and professional conferences.

The use of "news broadcasts" to supply the international media with information, before and after the Games.

The above are examples of events and activities, which seek to help Greece maximize the benefits deriving from the Games, constitute only one part of the strategy that should be developed to ensure the best management of the Games. The forecasts made in the previous section are based on the assumption that all the above strategies will be implemented with the maximum benefits derived from them.

## **CONCLUSION**

Hosting the Games in 2004 will bring important economic effects for Athens, by increasing the rate of GDP growth, creating new jobs and promoting the region throughout the world. This publicity is expected to increase the flow of foreign tourists from 1998 to 2011.

The forecast of this study is that the Olympic Games will add 0.8% to the annual growth rate of the GDP from 1998 to 2011, increasing employment by 32 thousand, annually.

The most important source of the increase in economic activity are money inflows from the induced foreign tourists, who will visit both Athens and Greece as a result of its exposure. The prediction of this study is that these inflows will come to 2.3 trillion drachmas for the 14-year period 1998-2011 or an average of 161 billion drachmas, in 1999 prices.

The increase in the tourism will create a need for accommodation. According to this study, this will be satisfied by the natural increase in the supply of accommodation, without the need for additional investment. What will be needed is the improvement of the existing accommodation units, especially those in the wider area of Attica.

According to the central scenario of this study, the additional increase in the tourism, due to the Olympic Games, will come to 440 thousand, annually, for the period 1998-2011 or 6 million for the whole period.

The Games will take a peak demand in the area of Attica during the Games, in August 2004. This demand will amount to 1.9 million overnight stays during the 17 days that the Games will last. The hotel accommodation of the surrounding area of Attica, along with the temporary accommodation, such as camps, students dorms, cruise ships, Apartments and private residences, make available accommodation 2.6 million, which is more than adequate to cover the respective.

What is important, however, is not the satisfaction of the demand during the Games, but to ensure the proper management of the various categories of accommodation. One of the conclusions of this study is that although Greece may be able to cope with the number of tourists arriving this does not ensure that there will be no problems hosting them. In order to avoid any problems, the coordination of the government, the organizing committee the hotel manager is required. These agencies should collaborate immediately after the end of the Games in Sydney, to ensure the best coordination in the management of this event. It is critical that the quality of high-class hotel is increased.

The long-term increase in the demand for accommodation due too the Olympic Games is expected to be very small. At the end of the examined period, the supply of beds in Attica will amount to 100 thousand, while the respective demand will be at the same level (103 thousand beds). The demand for beds in Greece will come to 858 thousand, while the supply will come to 834 thousand.

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