THE "EUROPEAN CITY TOURISM MONITOR "

20th Report

January 2014

DEDICATED TO ECM'S ASSOCIATION MEMBERS

By ECM Research & Statistics Group

EUROPEAN CITIES MARKETING

MEET EUROPEAN CITIES

Head Office | 29D rue de Talant – 21000 Dijon – France

Tel : +33 380 56 02 04 / Fax : +33 380 56 02 05

headoffice@europeancitiesmarketing.com / www.europeancitiesmarketing.com

Introduction

City tourism experts are optimistic: 64% of respondents are expecting a positive 1st quarter 2014

The results of the 20th European City Tourism Monitor show that a total of 64% of the city tourism professionals participating in the survey expect bednights in the 1st quarter of 2014 to increase, compared to the same period in 2013. Expectations for the whole of 2014 compared to 2013 are significantly more positive than for the 1st quarter. As many as 94% are expecting growth in total bednights for the whole of 2014.

Growth in the 1st quarter is expected to come predominantly from the leisure segment and from the international markets, however, with regional differences. Overall 72% of all respondents are expecting international growth. In comparison only 40% are expecting growth in domestic bednights.

Looking at the six markets included in this report, growth is expected to come mainly from the British and the German markets, whilst bednights from the American, French, Italian and Spanish markets in particular are expected to remain at almost the same level.

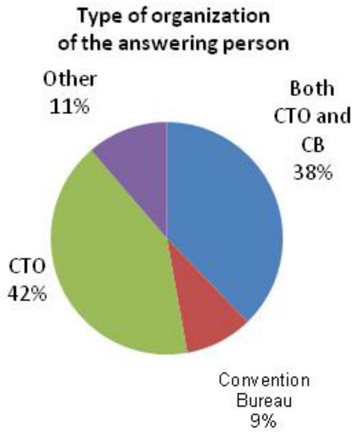
Overall, expectations for hotel prices are not as positive as expectations for bednight volumes. For most of the regions, experts expect hotel prices to stay the same, though there are regional differences: worth mentioning are the Central and the Southeastern regions, where by far the majority believes prices will remain the same.

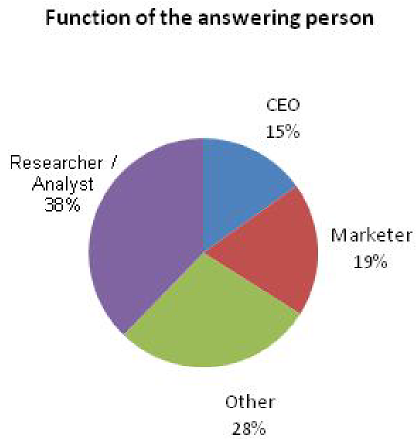
11% of respondents are positive about the economic outlook, which is less than the 18% who are pessimistic. Nevertheless, the economic situation in Europe and the rest of the world continues to be a key issue. 18% of experts believe this to be the most significant factor that will influence city tourism in 2014. This is slightly higher than in the 4th quarter of 2013 when the same figure was 10%.

The sample

All ECM members were asked to participate in this survey. A total of 53 valid answers were collected from 46 destinations from all parts of Europe. In order to produce regional results, the participating cities were classified according to the European region they belong to. The participants, to whom we express our sincere thanks, were:

Central Europe	Northern Europe	Southeastern Europe	Southern/ Southwestern Europe	Western/ Northwestern Europe
Hamburg	Helsinki	Cyprus	Paris	York
Belgrade	Copenhagen	Split	Zaragoza	Amsterdam
Berlin	Malmo	Rijeka	Lisbon (2)	Ghent
Budapest	Reykjavik (2)	Ljubljana	Valencia	Brussels
Cracow	Goteborg	Lviv	Vicenza	Leuven
Dresden	St Petersburg	Bratislava	Torino	Antwerp (2)
Geneva			Zaragoza	
Geneva			Barcelona	
Heidelberg			Bordeaux	
Kaunas			Madeira	
Luzern				
Montreux-Vevey (2)				
Munich (3)				
Salzburg				
Stuttgart				
Vienna				
Vilnius				
Zurich (2)				

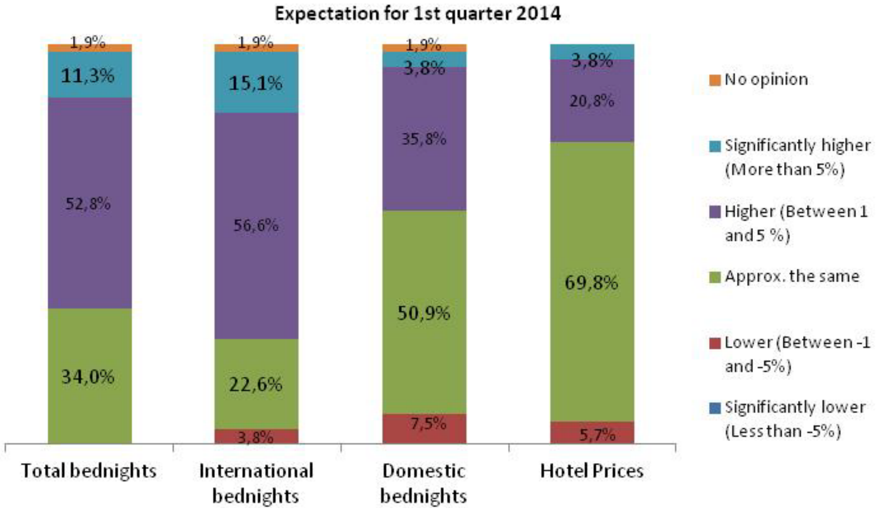


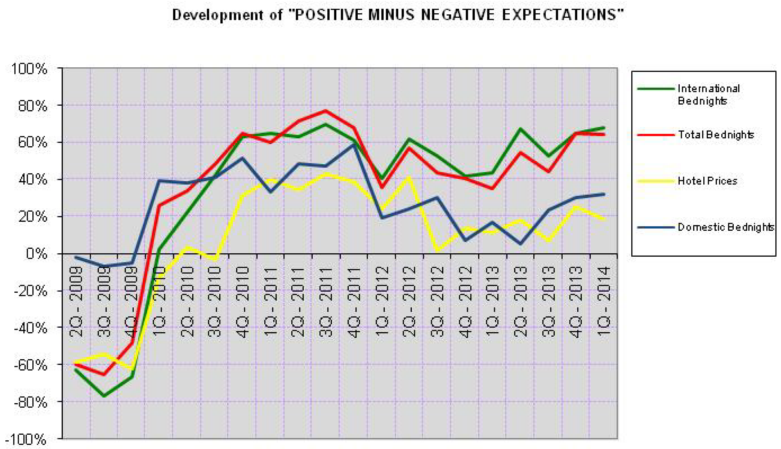


The charts above illustrate the distribution of type of organisation and working field among respondents and respondent organisations. Slightly less than half of the sample (42%) was composed of professionals working at a CTO. 9% belonged to a Convention Bureau, whilst 38% worked in an organisation that is both a CTO and a Convention Bureau. In terms of working fields, about 38% were researchers and analysts, 19% were marketers, whilst 15% were CEOs.

Total sample results

Bednights and hotel prices





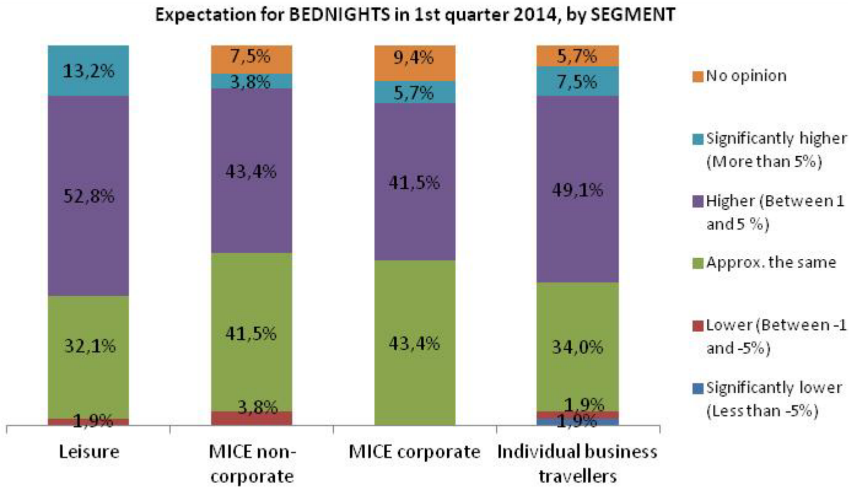
64% of those interviewed expect bednights in their city destinations to grow in the 1st quarter of 2014. This is a decrease compared to the 4th quarter of 2013 expectations, where 73% expected a growth in total bednights.

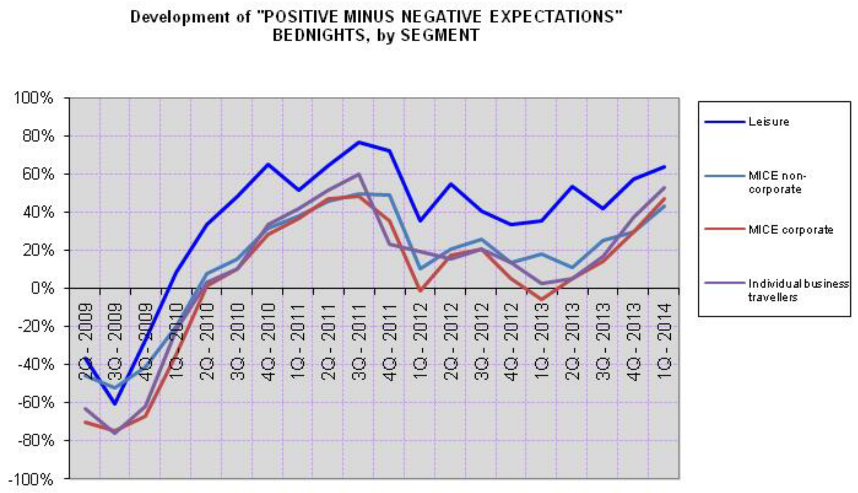
The majority of experts (53%), expect growth to be of between 1 and 5%, whilst 11% believe that bednight volumes will grow by more than 5%. 34% believe the number of bednights will be similar to last year, and none of the experts are expecting a decrease in total bednights in the 1st quarter of 2014. Compared to the previous survey, the difference between positive and negative expectations has remained more or less the same.

It is particularly international bednights that are expected to grow, with 72% of those interviewed expecting growth in this segment, whilst somewhat less (40%) expect growth in the domestic markets. The majority (51%) expects the domestic market to stay the same, whilst 8% expect a decrease. Compared to the results of the last report, expectations for both the international market and the domestic market are slightly less optimistic.

With regards to expectations for hotel prices, the majority (70%) expect hotel prices to stay the same. This figure in the previous survey was 57%. 25% expect an increase, whilst 6% expect prices to decrease.

Total sample results
Bednights by segments



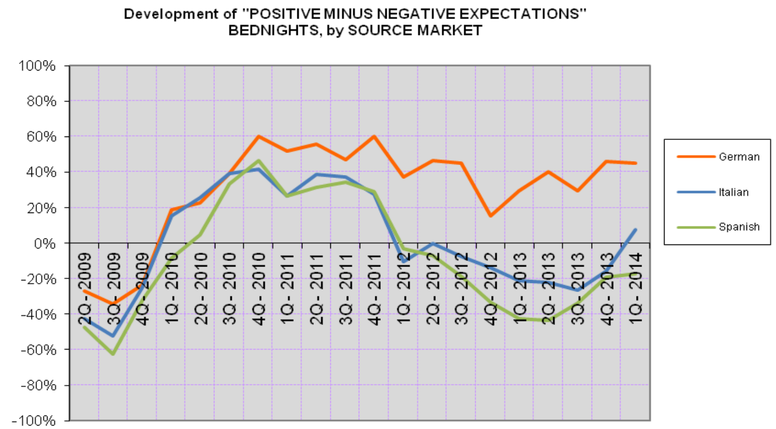


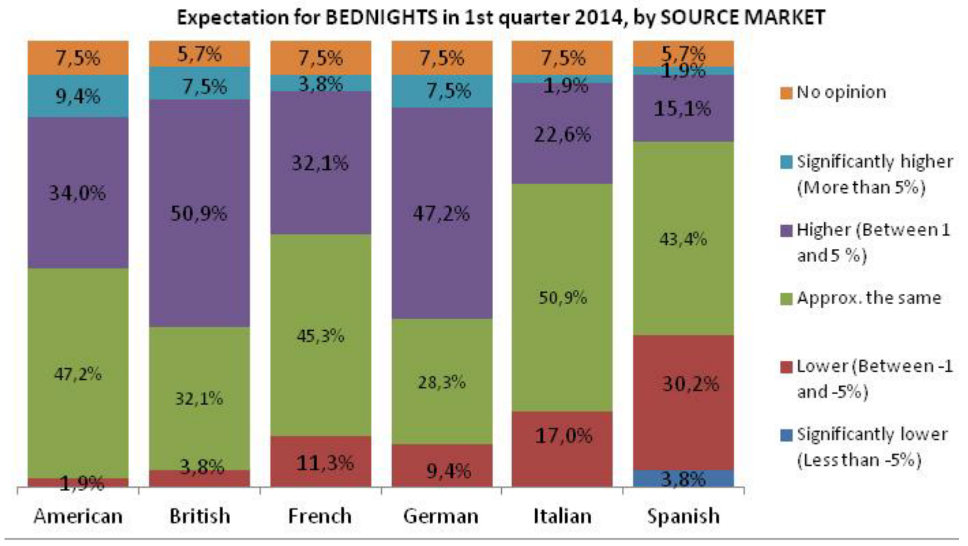
Expectations for growth in bednights are highest within the leisure segment. 66% of the sample is expecting this field to show growth compared to the same period last year. This was also the case in the previous report, where 68% expected a growth in the leisure segment. 32% expects the leisure segment figures to stay approximately the same and 2% expect leisure bednights to decrease.

For the business tourism segments (MICE), of non-corporate, corporate and individual travellers, between 42% and 49% of respondents believe all three segments will grow compared to the same period last year. However, considerably more (between 34% and 42%) believe these segments will remain the same. Between 2% and 4% expect the MICE segments to decrease. The highest decrease is expected in the MICE non-corporate segment.

The gap between negative and positive expectations for the development of MICE bednights has increased and the same applies to individual business travellers and leisure travellers.

Total sample results
Bednights by source markets

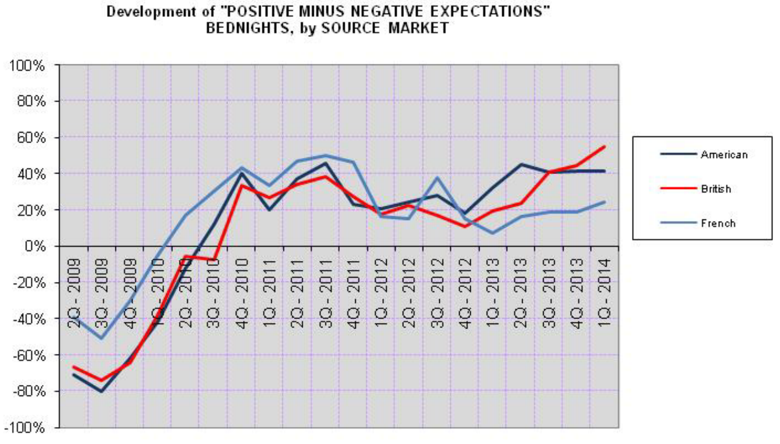




The results by source market for the 1st quarter of 2014 compared to the 1st quarter of 2013 show that the market expected to grow by the most respondents (58%) is the British market. This is followed by the German and American markets, which are expected to grow by 54% and 53% of respondents respectively. In the previous report, the German market was the market expected to grow by the most respondents (57%). 37% expect the French market to grow.

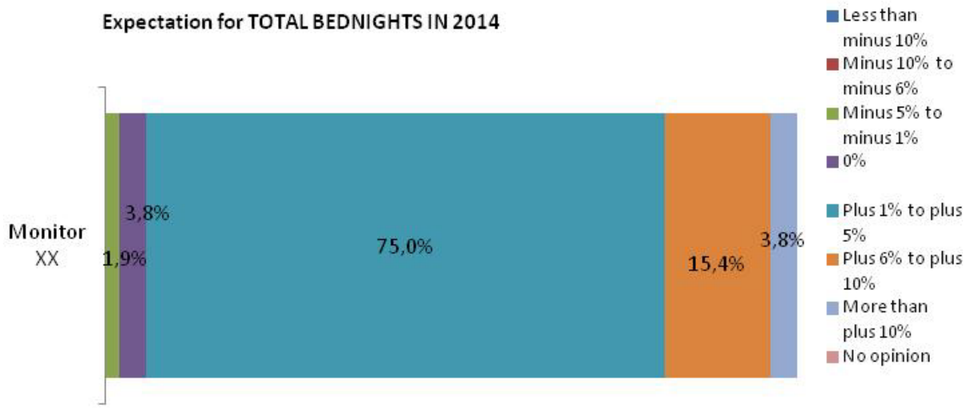
Expectations for growth for the Italian and Spanish markets are once again considerably lower than for the other markets mentioned above, with only 25% and 17% respectively expecting a growth in these two markets. The Spanish and the Italian markets are also the markets most experts expect to decrease, with 34% and 17% respectively believing these markets will decrease.

This can also be seen in the graph above "Development of positive minus negative expectations", which shows the Spanish market on the negative side and the Italian market moving above the line this quarter. However, the Spanish market continues in a slight upward trend, recovering after the rapid decline in expectations beginning in the 3rd quarter of 2011. For the other markets, the gap has expanded further on the positive side for the British and French markets, which show an upward trend compared to the 1st quarter of 2013, whilst the American and German markets shows a less marked development.



Total sample results

Total bednights 2014



Expectations for the whole of 2014 in terms of total bednights are considerably more positive than expectations for the 4th quarter of 2013. As many as 94% expect a growth in total bednights in 2014, with the majority (75%) expecting a growth of plus 1% to plus 5%. Just 4% expect the total number of bednights to stay the same, whilst 2% expect a decrease in the number of bednights in 2014.

Compared to the findings of the previous report, significantly more respondents are expecting growth for the whole of 2014 over 2013: 80% expected growth for 2013 last quarter whereas this quarter 94% expect growth for 2014.

Key factors affecting tourism in the 1st quarter 2014

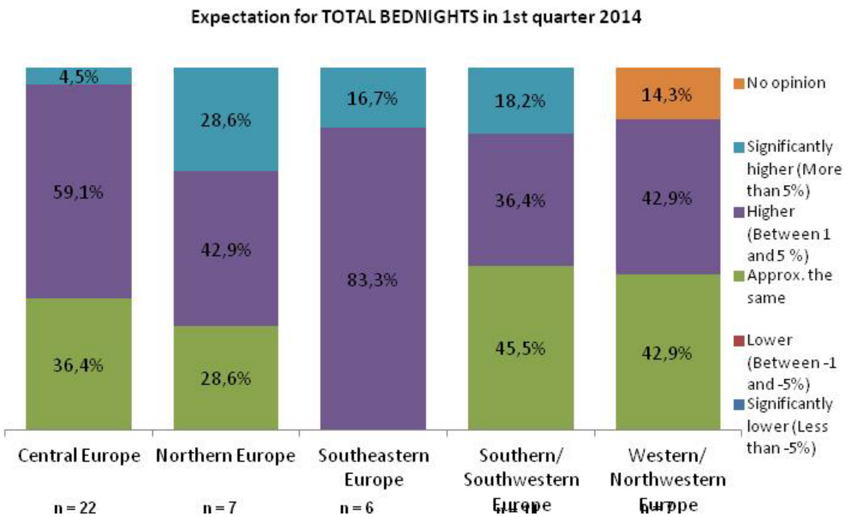
Economic situation	18%
Economic outlook	11%
BRIC tourists	9%
Exchange rates	9%
Marketing and communication campaigns	9%
Accessibility	7%
Events	7%
Increasing capacity	7%
Meetings and congresses	7%
Climate	4%
Expected increase from domestic market	4%
Increase compared to last year	4%
Increasing demand	4%
Increasing knowledge	4%

11% of respondents are positive about the economic outlook. Nevertheless, the positive expectations do not outpace the negative expectations, as 18% of experts believe the economic situation in Europe to be a significant factor that will influence city tourism negatively in the 1st quarter of 2014. In the previous report, the reverse was true with 19% positive about the economic outlook and only 10% concerned by the economic situation.
'Tourists from the BRIC countries' (9%) and 'exchange rates' and 'marketing and communications campaigns' (9%) are also key factors believed to influence tourism in the 1st quarter of 2014. 'Accessibility', 'increasing capacity', 'planned meetings and congresses' are all factors expected to be influential by 7% of respondents.

Results by incoming region

Bednights in the 1st quarter 2014

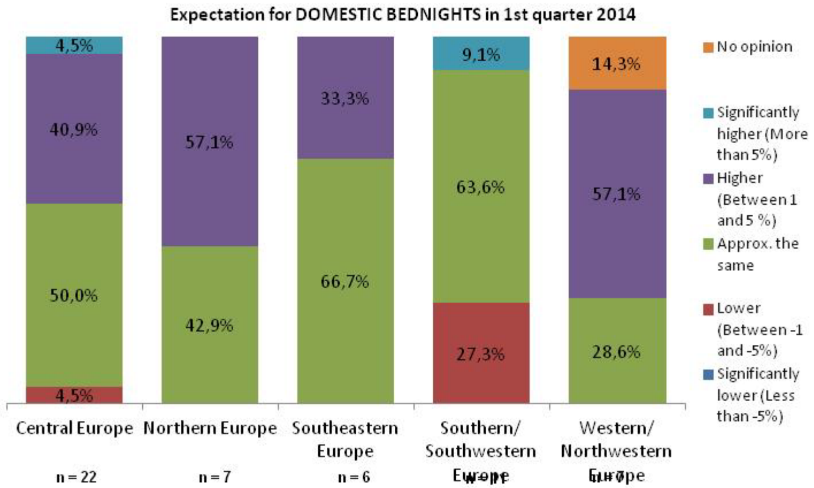
Total bednights in the 1st quarter of 2014



There are very high expectations for growth in the 'Southeastern' and 'Northern Europe' regions, with 100% and 71% of respondents from these regions respectively expecting a growth in bednights in the 1st quarter of 2014.

Growth is least expected in the 'Western/Northwestern Europe' region the 'Central Europe' and the 'Southern/Southwestern Europe' regions. The previous report showed very high expectations in 'Western/Northwestern Europe' and 'Central Europe' with 100% and 86%.

Domestic bednights in the 1st quarter of 2014

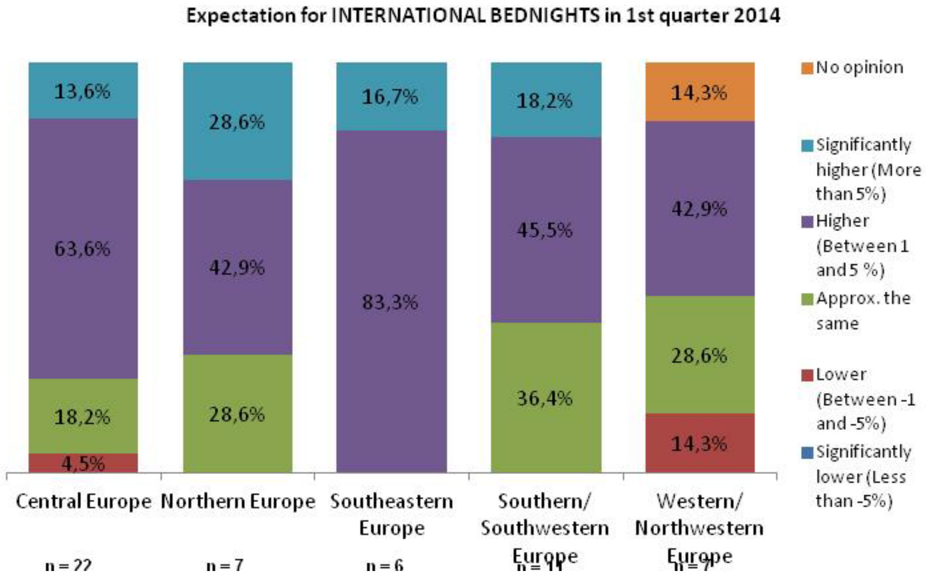


57% of the respondents in both the 'Northern Europe' and 'Western/Northwestern Europe' regions are expecting a growth of between 1% and 5% in domestic bednights, followed by the 'Central Europe' and 'Southeastern Europe' regions, with 45% and 33% of the respondents respectively expecting growth in domestic bednights. In the 'Southern/Southwestern Europe' region the expectations for a decrease overshadow the expectations for an increase, at 27% and 9% respectively. In 'Southeastern Europe' and 'Southern/Southwestern Europe', respectively 67% and 64% of respondents believe that these markets will stay approximately the same.

Results by incoming region

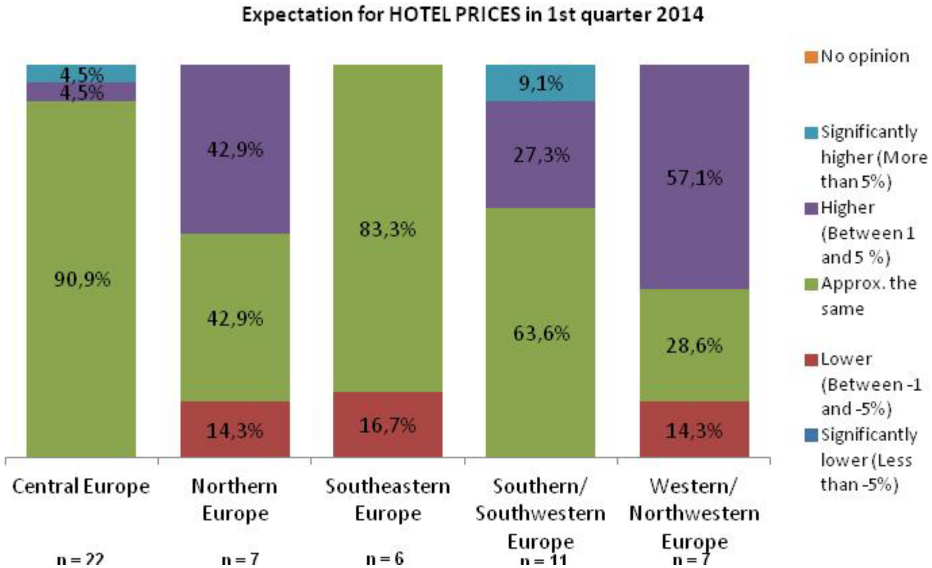
Bednights in the 1st quarter 2014

International bednights in the 1st quarter of 2014



International bednights are expected to grow quarter-on-quarter in all regions by between 43% and 100% of the respondents. In 'Southeastern Europe' 100% of respondents expect growth. In both the 'Central Europe' and 'Northern Europe' region, 7 out of 10 respondents expect growth. 'Western/Northwestern Europe' is the region where the smallest number expects growth in international bednights – yet even then, 43% are expecting growth compared to 29% expecting more of the same and just 14% expecting a decrease. In the 'Southern / Southwestern' region, 64% expect international bednights to increase.

Hotel prices in the 1st quarter of 2014



Overall expectations for hotel prices are not as positive as expectations for the development in bednights. The 'Western/Northwestern Europe' region is again the region where the most experts (57%) are expecting an increase in hotel prices in the 1st quarter of 2014. This is followed by the 'Northern Europe' region where 43% expect a rise in hotel prices. In the 'Southern/Southwestern Europe' region, 36% are expecting hotel prices to increase, followed by 'Central Europe' where only 9% expect an increase. In the 'Southeastern Europe' region, no growth is expected: 83% expect hotel prices to stay the same and 17% expect hotel prices to decrease by between 1 and 5 percent, exactly the same as in the previous monitor.

Methodology and contact details

About European City Monitor

The European City Tourism Monitor is a project carried out by ECM's Research and Statistics Knowledge Group. Every quarter, a report is produced, illustrating the results of the City Monitor survey. The survey is sent to all ECM members and asks about their expectations for tourism performance in their respective cities for the following three months. The next survey – Monitor no. 21 – will take place in April 2014.

For further details on this report, or the project, please contact:

Olivier Ponti: o.ponti@iamsterdam.com
Lone Alletorp Callard (Author of this report): lac@woco.dk

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