

# European city tourism 2015

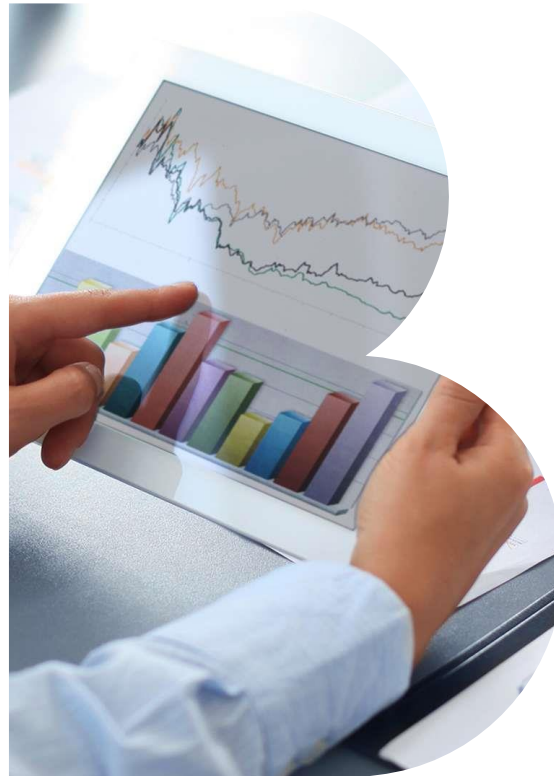
Study – Analysis and findings



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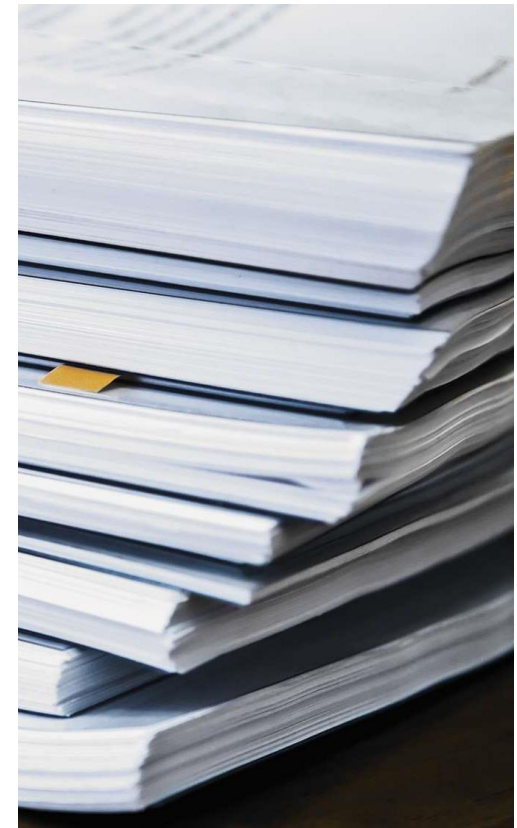
## A. Management summary



# The European city tourism study analyzes and compares the growth orientation of Europe's major city destinations

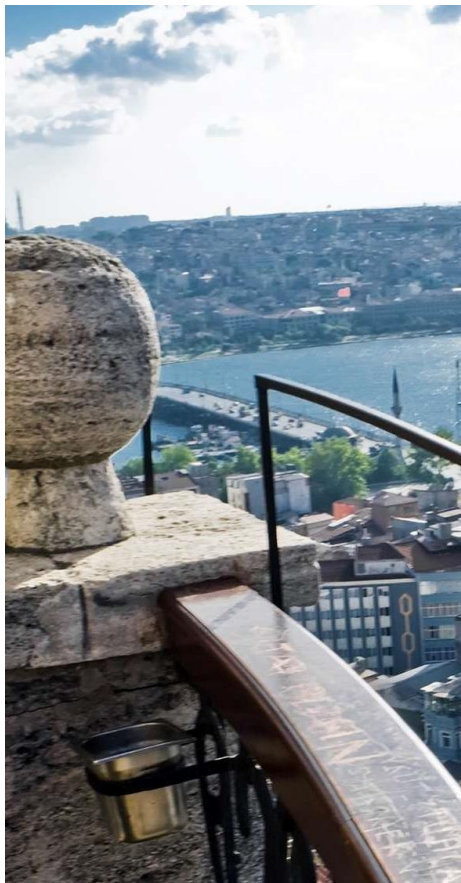
## Introductory information about this study

- > We would like to thank the **Austrian Hotel Association** and **STR Global** for the support in the conduction of this study by providing guidance and data
- > The **European city tourism study 2015** is the second study in a row after the European Capital city tourism study in the year 2012
- > While the study in 2012 analyzed 24 European Capital cities, the current study enlarged the city scope and **analyzed 45 cities in Europe**
- > The cities were selected based on the total number of overnights and segmented into **three equal clusters** based on number of overnights (Cluster 1: 13 cities with more than 10 m overnight stays, cluster 2: 17 cities with 2-10 m overnight stays; cluster 3: 15 cities with less than 2 m overnight stays). Cities where no comparable data was available or the data was insufficient were excluded from the scope
- > The **evaluation model favors cities which are oriented towards growth** (in overnight stays and in bed capacity) **and are successful in value creation** as well, as measured by the realized revenue per available room. It does not take into account growth frictions which might arise due to congestion aspects as result of a high number of guests in cities



# Istanbul scores best among the biggest European city destinations. Amsterdam and Paris follow on the ranks two and three

## Management summary – Cluster 1 cities



**The city of Istanbul leads the cluster 1** cities, followed by Amsterdam, Paris, London and Vienna

Istanbul is also the fastest growing city in terms of **overnight stays growth**, followed by Berlin, Amsterdam, Hamburg and Moscow

Concerning the tourism density as measured by the **overnight stays per inhabitant**, Paris has the highest tourism density, followed by Amsterdam, Prague, Munich and Rome

Istanbul records the fastest **growth in bed capacities**, followed by Amsterdam, Moscow, Vienna and London

Paris leads in the **value creation** as measured by the achieved revenue per available room. London, Rome, Munich and Amsterdam follow

Prague leads in criteria for **internationality**, followed by Barcelona, Amsterdam, Istanbul and Vienna

Looking at flight **accessibility**, London leads with Paris, Amsterdam, Moscow and Istanbul at the consequent ranks

Paris is the leader in the number of **congresses**, followed by Vienna, Madrid, Berlin and Barcelona.

# Brussels scores best in the cluster 2 cities, Copenhagen and Zurich follow

## Management summary – Cluster 2 cities



**The city of Brussels leads the cluster 2 cities**, followed by Copenhagen, Zurich, Lisbon and Stockholm

Copenhagen is the fastest growing city in terms of **overnight stays growth**, followed by Tallinn, Lisbon, Budapest and St. Petersburg

Concerning the tourism density as measured by the **overnight stays per inhabitant**, Salzburg has the highest tourism density, followed by Copenhagen, Dresden, Gothenburg and Tallinn

Gothenburg records the fastest **growth in bed capacities**, followed by Brussels, Oslo, St. Petersburg and Nuremberg

Zurich leads in the **value creation** as measured by the achieved revenue per available room. Copenhagen, Brussels, Athens and Salzburg follow

Tallinn leads in criteria for **internationality**, followed by Zurich, Budapest, Brussels and Lisbon

Looking at flight **accessibility**, Brussels leads with Zurich, Stockholm, Copenhagen and St. Petersburg at the consequent ranks

Brussels is the leader in the number of **congresses**, followed by Lisbon, and ex aequo Copenhagen, Stockholm and Budapest

# Dubrovnik scores best in the cluster 3 cities, Luxemburg and Lausanne follow

## Management summary – Cluster 3 cities



**The city of Dubrovnik leads the cluster 3 cities**, followed by Luxemburg, Lausanne, Lucerne and Belgrade

Dubrovnik is the fastest growing city in terms of **overnight stays growth**, followed by Zagreb, Luxemburg, Ljubljana and Bratislava

Concerning the tourism density as measured by the **overnight stays per inhabitant**, Opatija has the highest tourism density, followed by Dubrovnik, Bruges, Innsbruck and Luxemburg

Belgrade records the fastest **growth in bed capacities**, followed by Bergen, Ljubljana, Antwerp and Bratislava

Lausanne leads in the **value creation** as measured by the achieved revenue per available room. Lucerne, Luxemburg, Bruges and Antwerp follow

Ljubljana leads in criteria for **internationality**, followed by Dubrovnik, Luxemburg, Opatija and Bratislava

Looking at flight **accessibility**, Lausanne and Lucerne lead with Luxemburg, Belgrade and Dubrovnik at the consequent ranks

Belgrade is the leader in the number of **congresses**, followed by Genova, Zagreb, Ljubljana and Lausanne

## B. Study objective and approach

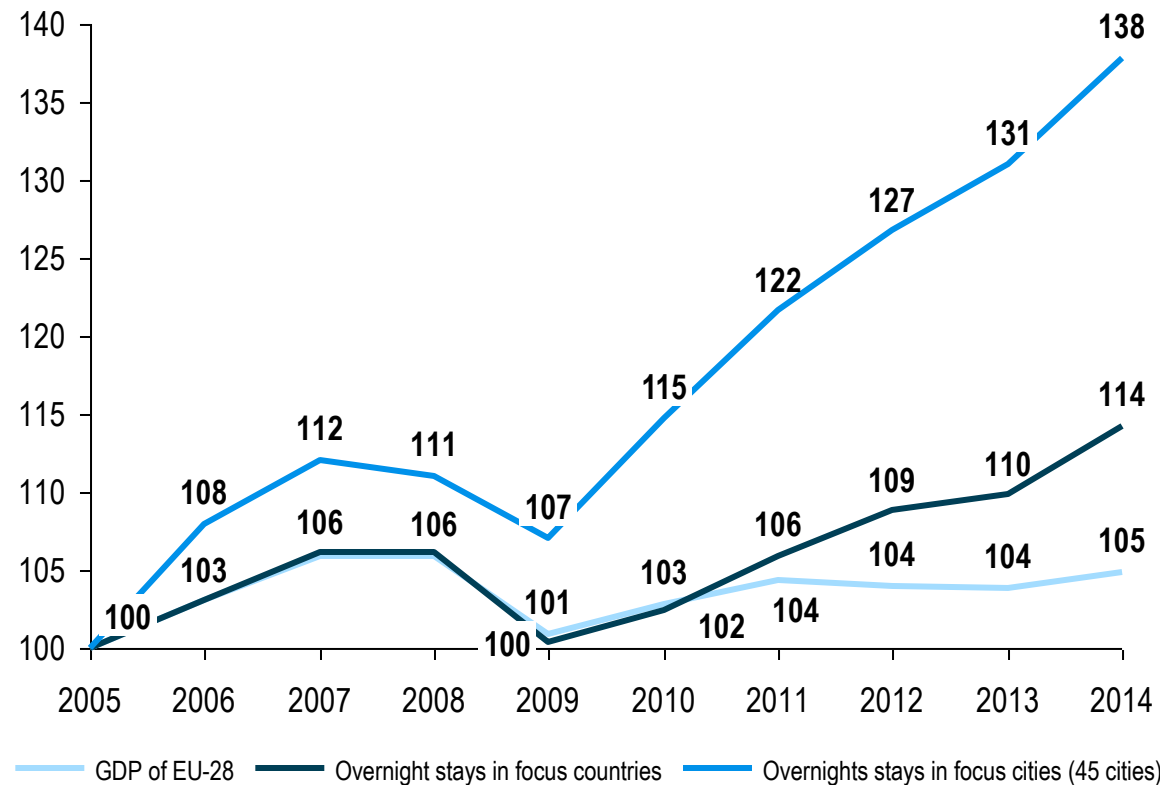




# Tourism has expanded much faster than the overall economy in Europe over the last years – City tourism has performed best

## Development of the tourism industry

### City tourism<sup>1)</sup>, CAGR 2005-2014 [index = 100]



### Comments

- > **Tourism grows faster** compared to the overall economic development in Europe
- > The GDP recovery over the last years remains low, while **tourism per se shows a much better performance**
- > However, looking at the development of the city tourism, it can be stated that it clearly outperforms the rest of the industry and clearly is a **continuous growth driver for each city (and country) if managed well**

1) Indicators are weighted by number of inhabitants

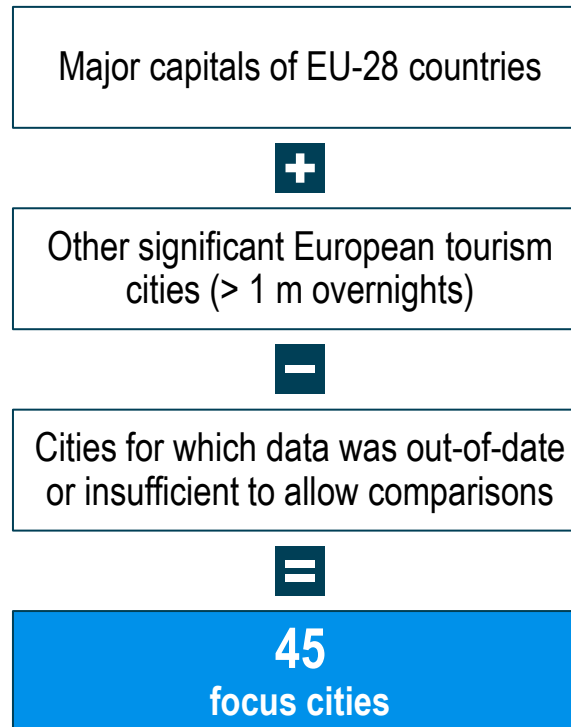
# The study analyzes 45 European cities' success in the area of tourism

## Objective and focus cities

### Objective

- > The objective of the study is to benchmark the success of European cities in the area of tourism, ...
- > ... to derive trends in the cities' tourism developments ...
- > ... and to produce findings on key developments, trends and challenges in the market

### Focus cities



For ranking purposes we grouped cities into three cluster to ensure we are comparing like with like

Clustering of cities based on number of overnight stays, 2014 [m]

Ranking cluster 1 >10 m overnight stays		Ranking cluster 2 2-10 m overnight stays		Ranking cluster 3 <2 m overnight stays	
1. London	11. Amsterdam	14. Lisbon	24. Oslo	31. Dubrovnik	41. Lucerne
2. Paris	12. Vienna	15. Stockholm	25. Valencia	32. Bratislava	42. Lausanne
3. Rome	13. Hamburg	16. Budapest	26. Helsinki	33. Antwerp	43. Opatija
4. Berlin		17. St. Petersburg	27. Zurich	34. Bergen	44. Luxemburg
5. Barcelona		18. Copenhagen	28. Tallinn	35. Bruges	45. Ljubljana
6. Madrid		19. Brussels	29. Nuremberg	36. Genova	
7. Istanbul		20. Athens	30. Salzburg (city)	37. Belgrade	
8. Prague		21. Dresden		38. Zagreb	
9. Moscow		22. Gothenburg		39. Cordoba	
10. Munich		23. Seville		40. Innsbruck	

- > Cities generally **compare** their tourism **performance** to a limited **set of comparable cities**
- > The **selection** of cities for comparison depends mainly **on performance, size, maturity** of the tourism industry and **visitor motivation**
- > In order to **increase** the **significance** of the **ranking** and compare like with like we have **clustered cities by number of overnight stays**

# The study is based on statistical data, public sources and expert interviews – ranking based on assessment of 7 quantitative criteria

## Methodology, sources and evaluation criteria

### Methodology

**Analysis of statistical data**



**Analysis of public services**



**Expert interviews**

### Sources

- > ECM Benchmarking Report 2014
  - > Eurostat data
  - > Intern. Congress and Convention Association (ICCA)
  - > STR Global
  - > TourMIS, statistical database for city tourism
  - > National Statistical Offices
  - > WTO Tourism Compendium Report 2014
- 
- > Websites of city tourist boards and marketing agencies
- 
- > Selected tourism managers of cities

### Evaluation criteria

<b>I</b>	<b>Growth in overnight stays</b> CAGR for overnight stays <sup>1)</sup>	<b>20%</b>
<b>II</b>	<b>Number of overnight stays</b> No. of overnight stays relative to inhabitants	<b>10%</b>
<b>III</b>	<b>Growth in bed capacity</b> CAGR for bed capacity <sup>1)</sup>	<b>15%</b>
<b>IV</b>	<b>Value creation</b> Revenue per available room	<b>20%</b>
<b>V</b>	<b>Internationality</b> Share of foreign tourists	<b>10%</b>
<b>VI</b>	<b>Accessibility</b> Number of direct flight connections <sup>2)</sup>	<b>15%</b>
<b>VII</b>	<b>Congresses</b> Number of congresses	<b>10%</b>
		<b>Σ 100%</b>

Ranking based on "parameter model" assessing the relative performance in each dimension within cluster

1) Over the last five years 2) Airports within a two hour driving distance around the city were taken into account

# We use a "barometer model" to evaluate and rank cities based on the relative performance within their respective cluster

## Evaluation method

Evaluation criteria	City	Published data	Calculation	Barometer results	Criteria weighting <sup>1)</sup>	Total barometer results	Rank	
<b>I</b> Overnight stays, CAGR 2009-2014 [%]	A	7.3	City with the highest value given 100 <b>100</b>	A	60%	A: $100 \times 60\% + 42 \times 40\% =$	1	
	B	3.5		B				51
	C	-0.5	City with lowest value given 0 <b>0</b>	C		0	B: <b>71</b>	2
	D	-0.4		D		1		
	E	4.3		E		61		
<b>II</b> # Overnight stays per inhabitant [no.]	A	6.1	Remaining values interpolated, e.g. E: $(7.0-1.0) / (13.0-1.0) \times 100$ <b>= 50</b>	A	40%	C: <b>18</b>	4	
	B	13.0		B				100
	C	6.4		C				44
	D	1.0		D				0
	E	7.0		E				50
						D: <b>1</b>	5	
						E: <b>57</b>	3	

1) Indicative only







## C. Study results



# In cluster 1, Istanbul, Amsterdam and Paris score best – Brussels leads cluster 2 while Dubrovnik leads cluster 3

## Cluster results – Top 10 cities per cluster

### Cluster 1

1	Istanbul		
2	Amsterdam		
3	Paris		
4	London		
5	Vienna		
6	Barcelona		
7	Berlin		
8	Munich		
9	Rome		
10	Moscow		

### Cluster 2

1	Brussels		
2	Copenhagen		
3	Zurich		
4	Lisbon		
5	Stockholm		
6	Oslo		
7	Budapest		
8	Salzburg (city)		
9	St. Petersburg		
10	Tallinn		

### Cluster 3

1	Dubrovnik		
2	Luxemburg		
3	Lausanne		
4	Lucerne		
5	Belgrade		
6	Ljubljana		
7	Zagreb		
8	Bruges		
9	Bratislava		
10	Bergen		

Note: cluster 1 consist of 13 cities, cluster 2 of 17 cities, cluster 3 of 15 cities

In the cluster 1, Istanbul ranks first mainly due to strong growth in overnight stays and bed capacity as well as in high internationality

### Cluster 1 – Ranking by category and total

	Total Ranking	Growth in stays	Stays per Inhabitant	Growth in bed capacity	Value creation	Internationality	Accessibility	Congresses
<b>Istanbul</b>	<b>1</b>	<b>1</b>	13	<b>1</b>	7	4	5	8
<b>Amsterdam</b>	<b>2</b>	3	<b>2</b>	<b>2</b>	5	3	3	7
<b>Paris</b>	<b>3</b>	13	<b>1</b>	12	<b>1</b>	7	<b>2</b>	<b>1</b>
<b>London</b>	<b>4</b>	11	8	5	<b>2</b>	8	<b>1</b>	6
<b>Vienna</b>	<b>5</b>	7	6	<b>4</b>	9	5	10	<b>2</b>
<b>Barcelona</b>	<b>6</b>	9	10	9	6	<b>2</b>	7	5
<b>Berlin</b>	<b>7</b>	<b>2</b>	7	6	10	11	11	<b>4</b>
<b>Munich</b>	<b>8</b>	8	<b>4</b>	8	<b>4</b>	10	6	11
<b>Rome</b>	<b>9</b>	6	5	11	<b>3</b>	6	8	10
<b>Moscow</b>	<b>10</b>	<b>5</b>	12	<b>3</b>	13	12	<b>4</b>	13
<b>Prague</b>	<b>11</b>	10	<b>3</b>	13	12	<b>1</b>	12	9
<b>Madrid</b>	<b>12</b>	12	11	10	11	9	9	<b>3</b>
<b>Hamburg</b>	<b>13</b>	<b>4</b>	9	7	8	13	13	12

**1** ... highest value in category    **13** ... lowest value in category



# Brussels, which ranks first in cluster 2 scores high on almost all dimensions assessed

## Cluster 2 – Ranking by category and total

	Total Ranking	Growth in stays	Stays per Inhabitant	Growth in bed capacity	Value creation	Internationality	Accessibility	Congresses
<b>Brussels</b>	<b>1</b>	12	9	<b>2</b>	3	4	<b>1</b>	<b>1</b>
<b>Copenhagen</b>	<b>2</b>	<b>1</b>	<b>2</b>	12	<b>2</b>	7	4	<b>3</b>
<b>Zurich</b>	<b>3</b>	13	11	9	<b>1</b>	<b>2</b>	<b>2</b>	8
<b>Lisbon</b>	<b>4</b>	<b>3</b>	13	8	9	5	8	<b>2</b>
<b>Stockholm</b>	<b>5</b>	11	10	6	8	13	<b>3</b>	<b>3</b>
<b>Oslo</b>	<b>6</b>	10	<b>6</b>	<b>3</b>	10	12	6	10
<b>Budapest</b>	<b>7</b>	<b>4</b>	14	17	14	<b>3</b>	10	<b>3</b>
<b>Salzburg</b>	<b>8</b>	9	<b>1</b>	15	<b>5</b>	6	16	16
<b>St. Petersburg</b>	<b>9</b>	<b>5</b>	17	<b>4</b>	16	14	<b>5</b>	12
<b>Tallinn</b>	<b>10</b>	<b>2</b>	<b>5</b>	14	17	<b>1</b>	15	9
<b>Gothenburg</b>	<b>11</b>	16	<b>4</b>	<b>1</b>	11	16	11	11
<b>Helsinki</b>	<b>12</b>	15	15	11	7	11	9	<b>6</b>
<b>Nuremberg</b>	<b>13</b>	<b>7</b>	8	<b>5</b>	<b>6</b>	15	13	17
<b>Seville</b>	<b>14</b>	8	7	10	13	9	14	15
<b>Dresden</b>	<b>15</b>	<b>6</b>	<b>3</b>	<b>7</b>	12	17	17	14
<b>Athens</b>	<b>16</b>	17	16	13	<b>4</b>	8	<b>7</b>	<b>7</b>
<b>Valencia</b>	<b>17</b>	14	12	16	15	10	12	13

**1** ... highest value in category    **17** ... lowest value in category

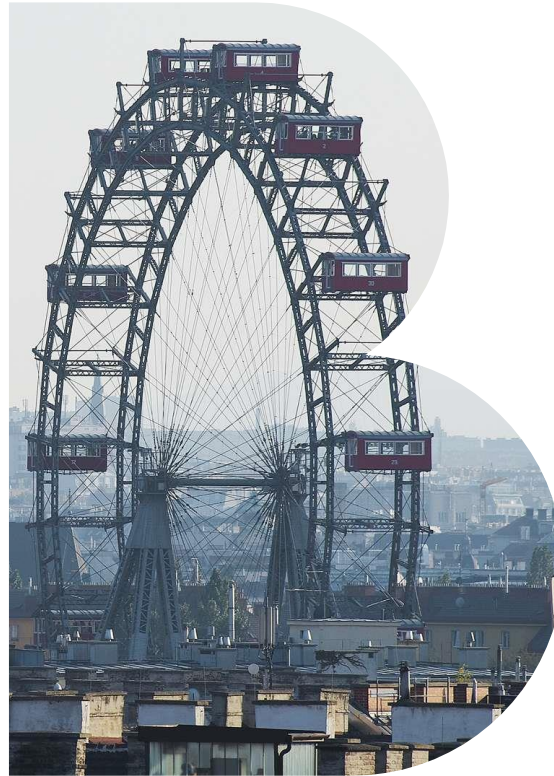
# Cluster 3 winner Dubrovnik shows strong relative performance with regards to growth in stays, stays per inhabitant and Internationality

## Cluster 3 – Ranking by category and total

	Total Ranking	Growth in stays	Stays per Inhabitant	Growth in bed capacity	Value creation	Internationality	Accessibility	Congresses
Dubrovnik	1	1	2	12	6	2	5	6
Luxemburg	2	3	5	15	3	3	3	9
Lausanne	3	14	8	14	1	12	1	5
Lucerne	4	12	6	6	2	8	1	14
Belgrade	5	9	15	1	12	10	4	1
Ljubljana	6	4	12	3	11	1	12	4
Zagreb	7	2	14	13	14	6	8	3
Bruges	8	6	3	8	4	7	13	13
Bratislava	9	5	9	5	13	5	10	7
Bergen	10	10	7	2	7	15	6	11
Antwerp	11	11	11	4	5	11	15	7
Cordoba	12	7	10	7	9	14	7	9
Opatija	13	13	1	11	15	4	9	15
Innsbruck	14	8	4	9	10	9	14	12
Genova	15	15	13	10	8	13	11	2

1 ... highest value in category    15 ... lowest value in category

## D. Selected city profiles



# Istanbul is ranked number one among cluster one cities, with highest growth in overnight stays and highest growth in bed capacity

## Management summary – Istanbul



- > Istanbul leads the cluster 1 cities in tourism development
- > Overall, Istanbul is experiencing strong growth in tourism and has achieved two number 1 ranks, namely in the growth of overnight stays as well as in the growth of bed capacities. In both criteria, it is outpacing the second cluster 1 city already significantly
- > On the contrary, looking at the tourism density as measured by the number of overnight stays per inhabitant, Istanbul is the weakest city indicating further strong growth potential
- > In the value creation, Istanbul is in the middle field
- > Internationality of its guest structure and a good accessibility are further characteristics of the city's tourism

<b>Total Ranking</b>	<b>1</b>
Growth in stays	1
Stays per Inhabitant	13
Growth in bed capacity	1
Value creation	7
Internationality	4
Accessibility	5
Congresses	8

1 ... highest ranked    13 ... lowest ranked

# Amsterdam is ranked number two among cluster one cities, with high stays per inhabitant and growth in bed capacity

## Management summary – Amsterdam



- > The city of Amsterdam achieved an excellent second rank among the leading European city tourism destinations
- > Interestingly, Amsterdam did not achieve a single number 1 positioning in the individual criteria. In fact, it has a sound positioning as a leader across all of the criteria used except for one. Amsterdam achieved two second ranks and three third ranks, giving the city a well rounded and harmonized performance across all relevant tourism criteria. Only in the number of congresses, the city lies in the middle field with a 7th rank
- > Amsterdam and Paris are the two cities in Europe with the highest tourism density (i.e. number of overnight stays per inhabitant), Paris with the highest, Amsterdam with the second highest. In contrary to the city of Paris however, Amsterdam still experiences significant growth in both the growth of overnight stays as well as in the growth on bed capacities. The growth in both criteria is on a number 3 respect. number 2 rank in the cluster 1 cities

**Total Ranking**

**2**

Growth in stays

**3**

Stays per Inhabitant

**2**

Growth in bed capacity

**2**

Value creation

**5**

Internationality

**3**

Accessibility

**3**

Congresses

**7**

1 ... highest ranked    13 ... lowest ranked

# Paris is ranked number three among cluster one cities, with highest stays per inhabitant, value creation and presence in congresses

## Management summary – Paris



- > Paris is on the excellent third place in the cluster 1
- > It is the city with most number 1 positionings amongst its peer group. It has reached three number 1 ranks, namely for the highest tourism density (i.e. number of overnight stays per inhabitant), the value creation measured by the value of the RevPar, as well as by the number of Congresses, where it has taken over this leading position from the city of Vienna
- > Its accessibility is very high, only surpassed by the city of London
- > Naturally, with this high tourism density, the growth in the number of overnight stays as well as in the bed capacity is the lowest

<b>Total Ranking</b>	<b>3</b>
Growth in stays	13
Stays per Inhabitant	<b>1</b>
Growth in bed capacity	12
Value creation	<b>1</b>
Internationality	7
Accessibility	<b>2</b>
Congresses	<b>1</b>

1 ... highest ranked    13 ... lowest ranked

# Vienna is ranked number five among cluster one cities, with strong congress presence and high growth in bed capacity

## Management summary – Vienna



- > Vienna is positioned on the good fifth rank in cluster 1, between London and Barcelona
- > A unique strength of Vienna's tourism is the high number of congresses conducted in Austria's capital city
- > The bed capacity growth is also amongst the highest in this cluster, even though it is twice as low as the growth of overnight stays, indicating pressure on the utilization and the achievable prices and margins
- > This can also be seen in the value creation criteria as indicated by the achieved RevPar, which is among the lowest compared to the other cities in this cluster
- > A major disadvantage of Vienna is the low accessibility in international comparison

<b>Total Ranking</b>	<b>5</b>
Growth in stays	7
Stays per Inhabitant	6
Growth in bed capacity	4
Value creation	9
Internationality	5
Accessibility	10
Congresses	2

1 ... highest ranked    13 ... lowest ranked

# Berlin is ranked on the seventh place and shows second fastest growth in overnight stays of all cluster 1 cities

## Management summary – Berlin



- > Berlin is ranked on the seventh place behind Barcelona and before Munich
- > The city shows outstanding growth in overnight stays, only surpassed by the city of Istanbul
- > The growth in bed capacity is at cluster 1 average, just as the total number of overnight stays per inhabitant.
- > Taking the points mentioned into account, the value creation as measured in terms of RevPar is rather low in Berlin and below most of its peers
- > Berlin is a leader in congresses hosted, being on place four
- > The weak point of the city is the low degree of accessibility via aviation connections

<b>Total Ranking</b>	<b>7</b>
Growth in stays	2
Stays per Inhabitant	7
Growth in bed capacity	6
Value creation	10
Internationality	11
Accessibility	11
Congresses	4

1 ... highest ranked    13 ... lowest ranked



# Prague is ranked on 11th place in the cluster 1 cities, having strengths in internationality and being on the peak of tourism density

## Management summary – Prague



- > Prague is ranked on 11th place and thus on the lower end of its peer group
- > The city stands out in two criteria: it is the leader in internationality and the city with the third highest tourism density as measured by the ratio of overnight stays per inhabitant
- > The value creation in terms of revenue per available room is very low
- > The growth is very low, both in overnight stays and bed capacity
- > Accessibility is very low compared to its peer group

<b>Total Ranking</b>	<b>11</b>
Growth in stays	10
Stays per Inhabitant	3
Growth in bed capacity	13
Value creation	12
Internationality	1
Accessibility	12
Congresses	9

1 ... highest ranked    13 ... lowest ranked

# Brussels is the leader in tourism development among the cluster 2 cities

## Management summary – Brussels



- > Brussels is leader in the cluster 2 cities
- > It has two number one positionings. It leads in the number of congresses and in the accessibility by plane
- > While the growth in the number of overnight stays is very low, the growth in bed capacity is ranked as second fastest in its peer group.
- > The value creation in the city of Brussels is third highest
- > The internationality is among the highest

<b>Total Ranking</b>	<b>1</b>
Growth in stays	12
Stays per Inhabitant	9
Growth in bed capacity	2
Value creation	3
Internationality	4
Accessibility	1
Congresses	1

1 ... highest ranked    17 ... lowest ranked

# Dubrovnik leads the cluster 3 cities, experiences strong growth and has a very high tourism density

## Management summary – Dubrovnik



- > Dubrovnik leads the cluster 3 cities
- > The city experiences the strongest growth in overnight stays among its peer group
- > However, the city shows the second highest ratio of overnight stays per inhabitant (across all three clusters) indicating an unhealthy structure of tourism compared to its size
- > Dubrovnik ranks on second place in terms of internationality.
- > The accessibility and the number of congresses are rather good, while the value creation is in the upper half of its peer group
- > Bed capacities grow slowly

<b>Total Ranking</b>	<b>1</b>
Growth in stays	1
Stays per Inhabitant	2
Growth in bed capacity	12
Value creation	6
Internationality	2
Accessibility	5
Congresses	6

1 ... highest ranked    15 ... lowest ranked

Roland  
Berger

