

# The case of the London Olympics: what happened to the accommodation sector ?

## Introduction

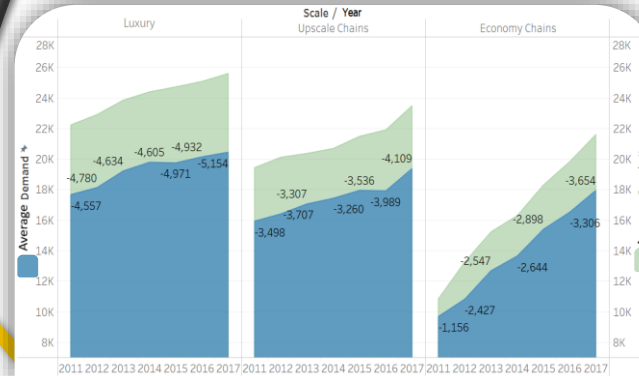
- The effect of London 2012 Olympic Games, which is a mega event, will be assessed
- Mega events are perplexing to define, however it is considered having over three million tickets sold (Roche, 2000), and can be viewed as a tourist attraction (Müller, 2015).
- The results are segmented into class categories, which are based on price, service and star ratings

## Objectives

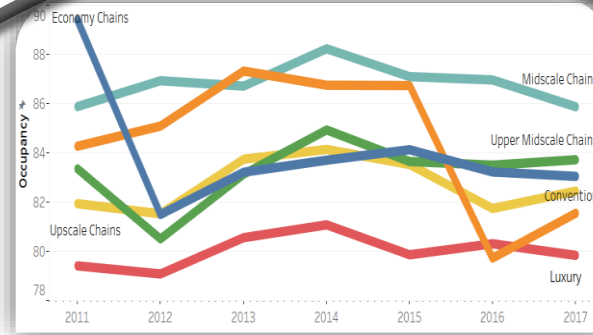
- To understand the present and potential growth of different classes
- To provide recommendations based on managerial implications



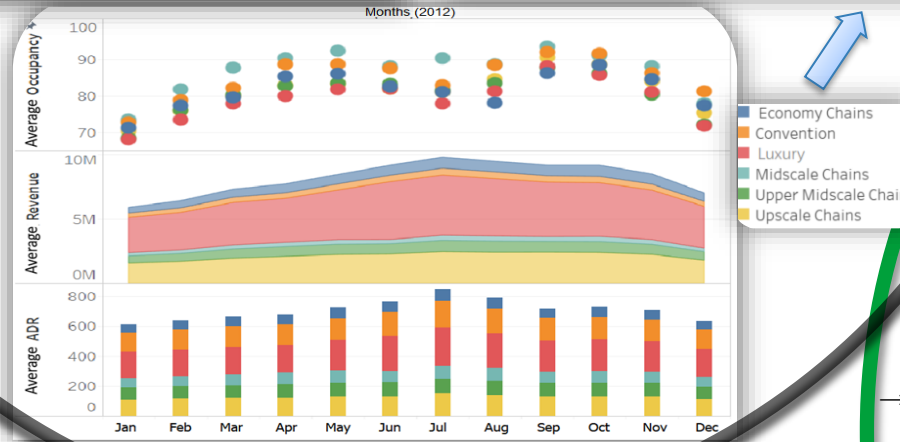
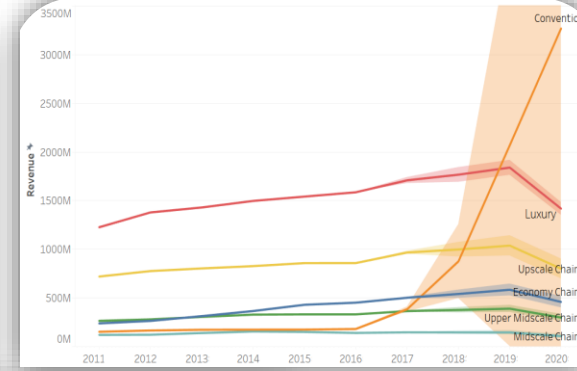
## 2. Supply and Demand



## 1. Occupancy Rate



## 4. Revenue 2011-2016 and Forecast 2017-2020



3. Monthly Occupancy, Revenue and ADR of 2012

## Conclusion

Tourism is an infinite growing industry and it exerts pressure on the accommodation sector.

The London Olympics 2012 had a prodigious potential to contribute to the economy.

Nonetheless, evidently, this failed, as prices sky rocketed and occupancy plummeted.

Consequently, the luxury class were the only beneficiaries of the mega event, while others struggled to maintain their market shares.

## Managerial Implications

- Exceeding gap between demand and supply delays revenue maximisation
- Could novelty be a marketing solution (ABTA, 2018)?
- Product differentiation will be essential due to an expected increase in demand of convention class (Kuo, 2009).
- Predictions from PWC attribute to the uncertainty of Brexit with a growth depression of around 1.6% in the following years (Redefine BDL Hotels, 2016).
- ADR is expected to grow, while occupancy rate is envisioned to fall (Harmer, 2018), due to price inflation.