

Report:

Economic impact of
Rotary International Convention
Copenhagen/Malmö 2006

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VisitDenmark
Wonderful Copenhagen
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&
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Summary

The key findings of the report are:

- The total direct turnover of the Rotary International Convention in Denmark and Sweden was approximately 224 million DKK. Hereof 70 million DKK in Scania.
- The derived socioeconomic effects of the convention were a gross value increment of 140 million DKK, an employment effect of 351 full-time jobs (hereof 39 jobs in Sweden); and a contribution to the public funds of 75 million DKK (hereof 23 million DKK in Sweden).
- The Rotary is a highly international event with big national and regional economic effect. Non-Danish/Swedish participants represented over 95 % of the tourism turnover.
- The participants in the convention had an average daily spend of 2,503 DKK (including participation fee and social activities arranged by Rotary). Americans had the highest spend of 2,973 DKK, while Danish participants had a considerably lower spend of 1,040 DKK per day.
- The average length of stay in the region by participants was approximately 6 nights.
- The total travel budget per participant was 15,869 DKK. This is very high compared to the travel budget of typical MICE tourist in Copenhagen.
- Around 89,000 bed nights were spent in the region in connection with the convention. Almost 80% of the bed nights were in hotels, followed by private accommodation (home stay).
- On average the satisfaction level with the transportation to/from Copenhagen was 4.3 on a 5-point scale (5 = very satisfied). People who had to cross the Oresund to get to the convention were least satisfied with the transport connection. The transportation pass was used on average twice a day.
- The overall satisfaction level with the participants' stay in the region was 4.1 on a 5-point scale (5 = very satisfied).

Background

In June 2006 Rotary International held their yearly convention in Copenhagen at the Bella Centre Conference and Convention Centre. In total approximately 14,500 Rotarians participated in the convention.

The regions' tourism organisations: VisitDenmark, Wonderful Copenhagen and Malmö Tourism decided to analyse the tourism economics effects of the convention on the region.

The analysis was carried out in corporation with the tourism organisations and Rotary International as well as an external analytical agency, Epinion Ltd. who carried out the data collection process.

The survey, which forms the basis of the economical analysis, was carried out over three days during the convention. In order to minimise bias and to ensure that the sample was representative of the population, face to face interviews were conducted among randomly selected participants at the convention.

In total 656 valid interviews were conducted, hereof 62 respondents were from Denmark, 36 from Sweden and 558 from other countries. In total 35 nationalities are present in the survey, hereof 43 % from the USA. Of the sample 506 respondents or 77 % stayed in Denmark and 150 or 23 % in Sweden during the convention. (For a nationality breakdown of the sample see appendix 1).

Before calculating the results, a weighting of the sample was implemented from background knowledge of the nationality division among participants in the convention. (For a nationality breakdown of all participants in the convention see appendix 2).

Results and findings

Expenditure and economic impact

Participants at the convention had a direct expenditure in Denmark and Sweden of app. 224 million Danish Crowns (DKK), hereof 215 million from international guests (non-Danish/Swedish). The amount includes social arrangements planned by Rotary of app. 5 million DKK and participation fees of app. 27,5 million DKK

Participation fees are included in the total turnover in the same manner as other expenditures. The income from the fees, in this case, has solely been used in the production of the convention,

such as rent of conference facilities, catering and transport. Of the total participation fee 20% is assumed spent in Sweden and the rest in Denmark. The participation fee has not been divided into different expense components. However, participants' expenses for social arrangements have been divided with one third in the entertainment group and two third in the local transport group.

The net effects of the Rotary convention have been estimated in table 1. These are based upon model calculations for derived socioeconomic effects of event generated turnover in the capital region of Copenhagen. The effects are shown at a regional and national level. It should be noted that the net turnover effect is higher on a regional level than on a national level, because the spending of domestic participants in the host region counter balances a corresponding fall in other regions. Hence the national economic effects of domestic participants are assumed to be zero, whilst they will be positive for the host regions.

The total turnover minus turnover from domestic participants gives the total employment effect of the Rotary convention for Denmark and Sweden of 351 fulltime jobs. The value added is 140 million DKK and the contribution to the public funds is 75 million DKK. See table 1.

Table 1. Socioeconomic effects nationally and regionally

	Socioeconomic effects					
	Denmark		Sweden		Total	
	Re- gional Copen- hagen	National	Re- gional Scania	National	Regional Copen- hagen + Scania	Den- mark + Swe- den
Turnover (Mill. DKK)	154	151	70	69	224	219
Gross value added (Mill. DKK)	88	101	40	39	128	140
Employment affect (full- time) (Mill. DKK.)	210	240	96	110	306	351
Contribution to public funds in total (Mill. DKK)	13	50	4	23	17	73
Government (Mill. DKK)	*	39	*	*	*	*
County (Mill. DKK)	3	3	*	*	*	*
Council (Mill. DKK)	10	9	*	*	*	*

Note: Sum of direct, indirect and induced effects according to the LINE model

Non-Danish/Swedish participants represented over 95 % of the tourism turnover and the convention therefore is a highly international event with big national and regional economic effect.

Of the 224 million DKK that the convention has created, approximately two thirds is spent in Denmark; while the rest is spent in Sweden. These amounts represent the extra tourism turnover the convention has contributed to the region. As the main part of the turnover comes from participants from other countries rather than the host countries the national economic effect is similar to the regional effect.

Table 2. Tourism turnover by country and derived effects

	Tourism turnover by country of origin	Hereof spent in Denmark	Hereof spent in Sweden
	Million DKK		
USA	104,6	66,7	37,9
Other countries	110,5	77,9	32,6
Denmark	3,7	2,9	0,9
Sweden	5,4	3,8	1,7
Total	224,3	151,3	73,0

The convention, however, can have driven away other tourists in the same period, for instance by occupying the hotels etc. and hence reduce the net effect of the convention. Furthermore, there is the possibility that some participants at the convention might have visited the region anyway.

While only few arguments speak for the latter, there are signs that the participants in the convention have driven away other tourists to a certain extent, specifically around centrally located hotels in Copenhagen. Thus hotel occupancy levels in the period only increased significantly outside Copenhagen city centre and in Malmö.

Of the extra tourism turnover of 224 million DKK, 76 million DKK or approximately one third is spent on accommodation, see table 3 & figure 1. One fourth is spent in restaurants or similar and 17 % on shopping. In the distribution of the turnover into components the participation fee has not been divided into groups, but is illustrated as one whole post.

Table 3. Total turnover by country and component

	Accom- moda- tion	Res- taur- ant	Attrac- tions/a muse- ments	Shop- ping	Local trans- port	Other	Par- ticipa- tions fee
USA	35,4	29,3	5,1	17,8	6,6	0,5	10,0
Other countries	38,0	24,7	7,3	19,3	5,0	2,4	13,9
Denmark	0,2	1,0	0,2	0,3	0,2	0,0	1,7
Sweden	2,3	0,8	0,1	0,7	0,2	0,0	1,3
Total	75,9	55,8	12,7	38,1	12,0	2,9	26,8

Figure 1. Tourism turnover by component

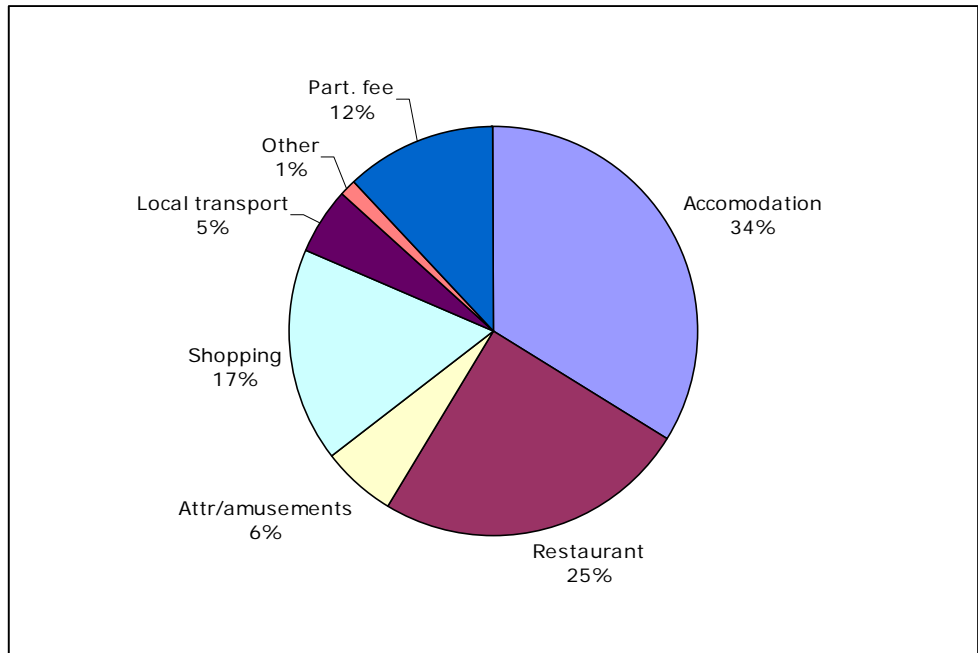


Table 4 shows the average daily spend per participant by country of residence and component. The table shows that American participants had the highest average daily spend of 2,973 DKK, while Danish participants had a considerably lower spend of 1,040 DKK per day. The reason for this is that Danish participants in most cases stayed in private accommodation and correspondingly spent less money on shopping and entertainment. The average daily spend of foreign participants at the convention are in line with a MICE tourist's average daily spend in Copenhagen in general. However, length of stay is considerably longer and hence the total turnover per participant is considerably higher than that of an average MICE tourist.

This is furthermore remarkable, as the Rotary participants, in contrast to the typical congress participants, personally pay for attending the convention and all other expenses.

Table 4. Daily expenditure by country and component

	Accommodation	Restaurant	Attractions/amusements	Shopping	Local transport	Other	Participation fee*	Total
USA	1.005	832	145	507	186	15	283	2.973
Other countries	793	516	152	402	105	49	289	2.305
Denmark	62	286	69	92	66	0	465	1.040
Sweden	800	269	36	249	69	0	468	1.890
Average	847	623	142	425	134	32	300	2.503

* Average fee (1.900 DKK) divided by length of stay.

The participants had an average weighted daily spend of 2,503 DKK (including participation fee and social activities arranged by Rotary). This combined with an average length of stay of 6.3 nights resulted in a total travel budget of 15,869 DKK per participant. This is a very high budget compared to that of a typical MICE tourist's budget.

Excluding the Rotary activities, 89 % of the participants expected to spend money either in Denmark or Sweden on the day of the interview. 56 % expected only to spend money in Denmark, 3 % only in Sweden and 27 % expected to spend money both in Denmark and in Sweden.

Among those staying overnight in Denmark 68 % expected only to spend money in Denmark, whilst only 11 % of those who stayed in Sweden expected to spend money only in Sweden.

Travel group

59 % of the participants had a spouse accompanying them, whilst 33 % travelled alone. Among the non-Danish or non-Swedish participants 64 % had a spouse accompanying them, whilst 26 % travelled alone. Among the Danish/Swedish participants only 21 % had an accompanying spouse with them, whilst 77 % travelled alone. In total 67 % were accompanied by one or more persons.

Table 5. Personal group size by country

	Denmark	Other countries	Sweden	USA	Avg.
	In per cent of all groups				
Accompanied by five or more persons	.	2	3	2	2
Accompanied by four persons	.	2	.	1	1
Accompanied by three persons	.	3	.	2	2
Accompanied by two persons	2	3	.	4	3
Accompanied by one person	28	58	24	69	59
Alone	70	32	73	22	33
Total	100	100	100	100	100

Type and length of stay

The participants at the convention had in total around 89,000 bed nights in the region in connection with the convention. Americans accounted for approximately 40 % of the bed nights, whilst other non-Danish/Swedish accounted for 54 %. Almost 80 % of the bed nights were spent in hotels, followed by private accommodation. Especially Danes and to some extent also Swedes stayed privately either at home or in other forms of private accommodation (home stay).

Table 6: No. of bed nights by type and country

	Bed nights in total	Ho-tel	Staying privately v/ friends/ relatives	Youth hostel	Bed & Break-fast	Cara-van site	Oth-er	Don't know /can't answer	Total
USA	35.178	89	5	1	2	1	1	2	100
Other nationalities	47.958	76	9	6	5	2	2	.	100
Denmark	3.595	29	58	12	.	.	.	1	100
Sweden	2.874	61	26	3	5	.	3	1	100
Total	89.605	79	10	4	4	1	1	1	100

The typical participant had a length of stay of seven nights in the region in connection with the convention. 71 % of the participants had between five and seven bed nights, whilst 16 % had between eight and 14 bed nights. On average the participants had six bed nights in total (see table 7).

Table 7: Average length of stay by country

	USA	Other countries	Denmark	Sweden	Average
Length of stay (nights)	6,7	6,6	4,1	4,1	6,3

Use and means of local transportation

63 % of the participants expected to use the transportation pass/badge for the shuttle bus service during the convention, 54 % the metro, 52 % the train, whilst 39 % expected to use the transport pass/badge to the 999 Malmö bus (see table 8). On average the transportation pass/badge was used 13 times per participants during their stay in the region. Divided by the average stay this results in the pass/badge being used on average twice a day.

Table 8. Use of transport means during convention * by place of residence

	Residing in Denmark	Residing in Sweden	Total
	Per cent		
Shuttle bus service	68	40	62
Metro	56	49	54
Train	53	50	52
Malmö 999 bus	36	49	39
Public bus	29	28	29

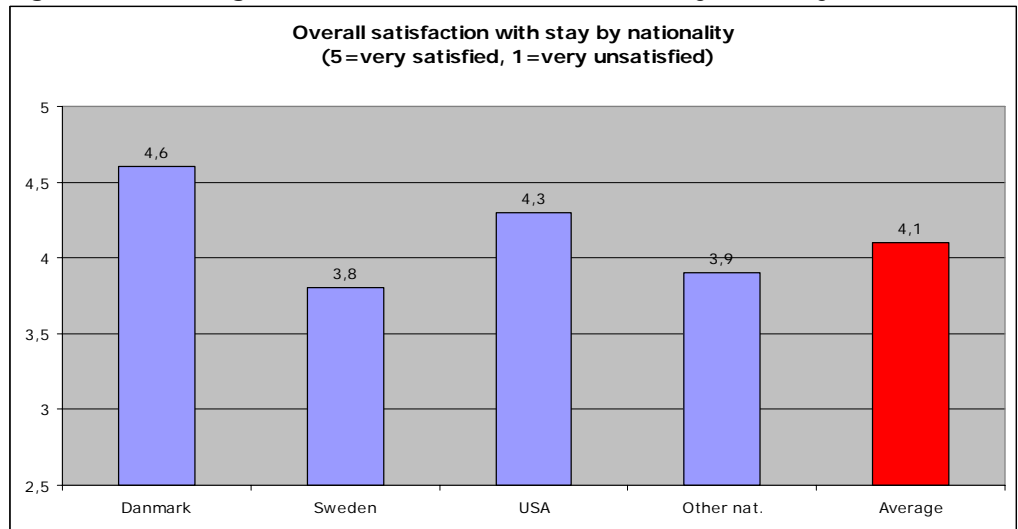
*By use of transportation/convention badge

With regards to the transportation to and from Copenhagen, 51 % were "very satisfied", 26 % "satisfied" and only 4 % "very dissatisfied". On average the satisfaction level was 4.3 on a 5-point scale for participants staying in Denmark and 3.7 for participants staying in Sweden. Participants who had to cross the Oresund to get to the convention were hence considerably less satisfied with the transport connections.

General satisfaction and comments

To the question regarding the overall satisfaction level with the stay in the region, 41 % of the participants were "very satisfied", whilst 29 % were "satisfied". The biggest group of dissatisfied participants was among the participants staying in Denmark, where 5 % were "very dissatisfied". Overall, the highest satisfaction levels were found among the Danish participants (4.6), followed by Canadians (4.4), British and Americans (4.3), Nigerians and Norwegians (4.1). Least satisfied were Indians (3.5), Swedish (3.8) and Australians (3.9). The average satisfaction level on a 5-point scale was 4.1 (see figure 2).

Figure 2. Average level of overall satisfaction by country



Finally participants were asked if they had any other comments to add. In total 66 participants offered additional comments/statements (see appendix 3). Of the open-ended statements the majority were negative. The criticism was mainly regarding the transportation to and from the Bella Centre and across the Oresund. Furthermore, participants found Copenhagen/Malmo an expensive destination in general. Hotel rooms were moreover, criticised for having a low standard and lacking air conditioning. The relatively few statements should, however, be seen in connection to the overall high satisfaction level stated in figure 2.

Appendix 1

Nationality breakdown of survey sample

Permanent country of residence	Survey sample
United States	288
Denmark	62
Other countries	45
Nigeria	44
Sweden	36
Canada	31
United Kingdom of Great Britain and Northern Ireland	21
Australia	19
Norway	15
India	14
Germany	11
Finland	9
South Africa	8
New Zealand	7
Brazil	6
France	6
Netherlands	4
Italy	3
Mexico	3
Romania	3
Belgium	2
Chile	2
Iceland	2
Philippines	2
Poland	2
Argentina	1
Bulgaria	1
China	1
Ireland	1
Japan	1
Luxembourg	1
Russian Federation	1

Singapore	1
Slovakia	1
Thailand	1

Appendix 2

Total number of participants in the 2006 Rotary International Convention – divided by country

Club Country	Count
Algeria	4
Angola	2
Argentina	32
Australia	388
Austria	17
Azerbaijan	1
Bahamas	18
Bangladesh	160
Barbados	9
Belgium	61
Benin	11
Bosnia-Herzegovina	1
Botswana	5
Brazil	123
British Virgin Islands	4
Bulgaria	38
Burkina Faso	1
Burundi	16
Cambodia	2
Cameroun	8
Canada	508
Cape Verde	1
Cayman Islands	5
Chad	4
Chile	6
Colombia	10
Congo, Democratic Rep. of	56
Congo, Rep. of the	2

Club Country	Count
Cote d'Ivoire	15
Croatia	6
Cyprus	5
Czech Republic	6
Denmark	1161
Djibouti	2
Dominican Republic	1
Ecuador	5
Egypt	12
England	356
Estonia	1
Ethiopia	2
Faroe Islands	3
Fiji	4
Finland	141
France	462
French Guiana	10
French Polynesia	4
French West Indies	4
Gabon	9
Germany	314
Ghana	78
Greece	16
Greenland	12
Grenada	14
Guam	3
Guatemala	2
Guinea	3
Guyana	3
Hong Kong	50
Iceland	26
India	145

Club Country	Count
Indonesia	9
Ireland	7
Israel	5
Italy	192
Jamaica	15
Japan	1502
Jordan	2
Kenya	13
Korea	332
Latvia	2
Lebanon	7
Liberia	4
Lithuania	17
Luxembourg	3
Macau	1
Macedonia, Frm. Yugoslav Rep.	1
Madagascar	9
Malaysia	22
Mali	2
Mauritius	2
Mexico	80
Micronesia	1
Moldova, Rep. of	9
Mongolia	1
Morocco	4
Mozambique	1
Nepal	2
Netherlands Antilles	3
Netherlands, The	73
New Zealand	94
Nigeria	358
Northern Ireland	6

Club Country	Count
Northern Marianas	2
Norway	213
Pakistan	40
Palau, Rep. of	1
Panama	5
Paraguay	2
People's Republic of China	3
Peru	8
Philippines	134
Poland	23
Portugal	19
Puerto Rico	6
Reunion	11
Romania	28
Russia, Eastern	6
Russia, Western	25
Rwanda	1
Samoa	2
Scotland	48
Senegal	2
Serbia & Montenegro	1
Seychelles	1
Singapore	4
Slovakia	2
Slovenia	1
South Africa	58
Spain	45
Sri Lanka	50
St. Lucia	1
Suriname	7
Swaziland	3
Sweden	772

Club Country	Count
Switzerland	66
Taiwan	194
Tanzania	4
Thailand	13
Togo	12
Trinidad & Tobago	13
Turkey	50
Turks & Caicos Islands	2
Uganda	82
Ukraine	38
US Virgin Islands	36
USA	5244
Venezuela	23
Wales	10
Zambia	8
Zimbabwe	6
Total no. of countries: 140	Total no. of paid participants: 14.472

Appendix 3

Comments by participants:

Below are listed the comments made by participants to the final question, in total 66 open-ended statements. The statements are grouped under headlines/themes.

Transportation (24)

- Transportation could be much better
- Transport between Denmark and Malmö was very poor, the travel cards did not work in Sweden
- Need for frequent bus shuttle between Malmö - Copenhagen
- A lot of trouble with the public transportation
- Too few busses
- Well organised transport system
- Transportation/shuttle service poorly coordinated - long 30 min waits for scheduled bus. Lack of hotel pick-ups!
- Shuttle service was inadequate
- Transport is good, but long between Malmö/Bella centre
- A pass for the train to Malmö would have been useful. More frequent bus service and for longer hours would also have been nice. The transportation card was not valid on the train.
- Getting to and from Malmö on your timetable was extremely limited and caused extra expense. Transportation cards did not work in Malmö.
- More frequent shuttle service, or complementary regional train
- Inadequate shuttle bus service to/from Malmö. Inconsistent drop-off points. Rude bus drivers. Those of us who chose to stay in Malmö were misled, deceived, treated unfairly. It cost many of us a small fortune to get to the Bella Centre. The passes did not work in the trains...it was quite a disappointment!
- The train did not accept transportation pass, we had to pay for the train! Shuttle bus service to Malmö was very poor.
- The train did not accept transportation pass, we had to pay for train, the shuttle bus service was very poor
- Shuttling to/from hotels in Malmö could have been better
- Transport a bit confusing
- Transport to the convention was terrible
- The convention transport was bad in general
- Too few buses from Copenhagen to Malmö
- Very bad Rotary transportation service
- More bus options from Bella Centre to Malmö in the afternoon
- Not enough busses to Malmö
- Using a lot of time on transportation from Malmo to Cph.

Price level (19)

- Denmark/Copenhagen is VERY expensive
- Too expensive
- Very expensive destination
- High cost has restricted activities
- Pretty expensive city
- Too expensive
- Cost of living is very high
- Very expensive!
- It is very expensive to eat!
- Everything is very expensive
- Expensive destination
- Too expensive
- Expensive
- Expensive
- Too expensive
- Things are very expensive but peaceful
- Too expensive
- Too expensive
- Expensive taxi ride to hotel

Accommodation (8)

- Not good accommodation
- Hotel room much too small with no air-condition and a very high cost
- Hotel accommodation way below standard and way overpriced
- Imperial Hotel has no air-conditioning
- Lack of air-conditioning
- Lack of air-conditioning
- Lack of air-conditioning
- Both accommodation and eating are expensive

Other comments (15)

- Rude taxi drivers at the train station
- Rude and unhelpful taxi drivers, therefore we chose not to use taxis at all!
- We had an unfortunate bad impolite incident with a taxi driver on our way to The Strand Hotel on 13th. June, we reported it to the police
- People are very friendly
- Very friendly/helpful locals
- Everyone is very nice and friendly
- Copenhagen was great; we rented bikes and rode all over. Thanks for the passes to Tivoli, we went 3 times since we were close to the train station, we are planning to return to Copenhagen
- Well run convention

- Central area of Copenhagen is very dirty
- Garbage on the streets
- More help to handicapped
- Terrible handicap access, a person in wheelchair was denied access to bus
- Map of the city is insufficient, lack part of the city
- More ice in ice water/drinks
- The Bella centre was disappointing. You did not feel the warm Scandinavian spirit.