Estimating Impacts:

Leeuwarden/Fryslân 2018
A study of former Capitals of Culture

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Executive summary
The research investigates prior experiences and impacts of the European Capital of Culture (ECoC) to form a robust prediction of the added guests to Leeuwarden and its surrounding area during the year, given the unique circumstances of Fryslân, potential visitor origins; potential target markets to be tapped including demographic profiles; and potential variations in flows as impacted by weather conditions. The research shares the commitment to welcoming the guest and hospitableness to strangers, with a view to making a positive impact on future visitor numbers to the Leeuwarden and Fryslân.

The research aim is to present a robust estimate of visitor flows and guest overnight stays as a result of the City of Culture – Leeuwarden/Fryslân 2018 with a view to predicting the hospitality needs of the city and province. The key concern was to explore demand for overnight stays and compare these with City and Province's serviced accommodation provision.

That said, it is necessary to highlight the incomplete nature of statistics covering visitor numbers, and guest overnight stays for the city and province. The latest data available to the authors of this report, in some sections go to the year 2012. There is a need to improve the quality of published data, so as to assist local government planners, commercial operators and academics in better understanding visitor flows and demographics.

Benefits *(Ob1)*
An earlier study of the impacts of hosting the event suggested the benefits flow from hosting the European Capital of Culture, could be seen as involving a 'hard' legacy from tangible benefits for the destination in the long-term. This includes the

- increased investment in the physical infrastructure,
- new and rejuvenated buildings,
- increased tourist footfall, and
- increased employment in the city.

In addition, there is a 'soft' legacy involving more intangible benefits such as

- improvements to the destination image,
- improved self-confidence amongst citizens, and
- the creation of a carnival atmosphere.

Predicting increases *(Ob2/3)*
Research suggests that an average impact of the ECoC was to increase overnight stays by an average of 11 percent, but this depends on the initial profile and tourism flows. The small, low profile cities often exceed this increase. Given an average of 11 per cent, and a low increase of 4 per cent, it is likely that, given a normal curve of distribution, the upper limit would be 18 per cent. This range is employed to predict the potential overnight stays to Leeuwarden and Fryslân in 2018.

It is important to note, these are estimates based upon the experiences of previous ECoC hosts. A promotional strategy informed by these findings may well overcome some of the tendencies identified in this report.
A program of event planning and marketing could even out some of the current troughs in annual visitor flows and overnight stays.

Positive experiences *(Ob1)*
After the first twenty-five years of running the ECoC program, the Commission conducted research on the experiences of hosting the program. The report (Education and Culture DG, 2011) included interviews with the organizers from twenty-three cities. All reported positive impacts of their year as hosts. The Glasgow (1990) respondents reported, for example,
"There have been many studies of Glasgow 1990, and they all conclude that the impact was dramatic in terms of building city confidence, of developing a strong strategic and practical base for further development, and of setting future agendas for city change"

A sector in transition *(Ob6)*
Any study of the impacts of an event such the ECoC on a destination needs to take account of the wider trends and development in travel and tourism. Leisure tourism has grown consistently in recent years, as a bi–product of supply side changes such as the reduced cost of travel and opening of travel destinations by high-volume long-distance air transport. People can now visit destinations that in a previous era would have required far too much travel time. On the demand side more customers are living longer and have higher incomes in their senior years. Increasingly travelers are looking to destinations that meet segmented needs required of different traveler profiles. Finally as new economies achieve higher average income levels traveller origins change. Brazil, Russia, India and China are increasing travelling outside of their national borders and thereby increase the global volume of tourists.

Potential limitations *(Ob5)*
The hosting year is not always deeply understood and consistently managed; seeing the event as an end in itself, rather than as a potential profile-lifting event that will build visitor numbers and over-night stays in the future. Consequently, many host cities have invested in the preparation for the ECoC year with little planning for what happens next. In most cases, numbers peak in the year but fall away again in the following years. Planning beyond the year is essential if the long-term benefits are to be realized.

Visitor flows *(Ob2/3/4)*
Leeuwarden receives a significant number (40.98 per cent) of visitors to Fryslân, it is still only a small proportion of all tourists to the Netherlands.
Importantly, Leeuwarden picks up a relatively high proportion of tourists to Fryslân, and overnight guests are more likely to stay in serviced accommodation in the city than they are in the province.

The province of Fryslân offers tourists the opportunity to 'return to nature' and engage in the 'great outdoors'. Hence accommodation on campgrounds, and in water-borne locations is popular, though they are sensitive to adverse weather conditions. There is evidence of tourists moving from outdoor hospitality locations to serviced accommodation in hotels and bed and breakfast establishments when bad weather occurs. Leeuwarden on the other hand experiences few visitors to campgrounds, and the majority of visitors stay one or more nights in serviced accommodation.

Typically visitors generate approximately 8.5 million overnight stays in Fryslân accommodation each year. Approximately 15 per cent of that is in serviced accommodation.

In Leeuwarden there is an estimated 140,000 overnight stays annually of which approximately 75 per cent are spent in serviced accommodation.

Planning beyond the year is essential if the long-term benefits are to be realized.

Water sport travellers
In addition, Bedrijfschap Horeca en Catering, and Provincie Fryslân indicate that 1,567,000 overnight stays in Fryslan (2012) were 'water sport' related, whilst in Leeuwarden 40,071 overnight stays were 'water sport' related of which 12,520 nights were in de Prinsentuin.

Business travellers *(Ob2/3/4)*
A high proportion of overnight stays in Leeuwarden hotels are business related, involving single occupants. The city's hotels report an average of 57 per cent of their occupants as business related. The average number of guests per occupied room was 1.45.

Impact of weather *(Ob7)*
Given that visits to Fryslân are principally driven by leisure visits, and in outdoor hospitality venues, adverse weather will reduce demand, particularly amongst those who are

less committed to the 'great outdoors' lifestyle. That said, evidence from previous years suggest that there may be some increases in demand for bed and breakfast accommodation in the province during bad weather conditions. Although the overnight stays in Leeuwarden are more involved with hotels and bed and breakfast accommodation, visitor stays are also adversely affected by poor weather conditions. Though this is less likely to affect business travellers.

Serviced accommodation *(Ob2)*

Serviced accommodation in Leeuwarden has been expanded in recent years. By 2018 expanded capacity in existing hotels together with new hotels will have extended serviced accommodation capacity by 147 rooms and 277 bed spaces; representing a growth of approximately 27 per cent room and bed spaces in Leeuwarden when compared to 2014. These increases in capacity exceed the predicted increases in demand as a result of 2018.

It is suggested that this increased serviced accommodation provision may have an adverse effect on occupancy rates in the short to medium-term. Though this will depend on the marketing and promotional activities of the hotel organizations concerned

Approximately 64 per cent of annual guest overnight stays in Leeuwarden occur in five months between May and September each year.

Segmentation issues *(Ob8)*

Visitors to Fryslân are predominantly tourists but they are likely to reveal different demographic profiles, and are unlikely to be all driven by the same needs and motives. Research undertaken on tourists choosing holidays in outdoors hospitality suggests four dominant types; *family fun seekers; activity seeking tourers; private relaxers;* and *enthusiasts*. Each of these holidaymaker types is likely to be looking for different benefits and facilities from their destination.

Visitor origins *(Ob8/9)*

79 per cent of visitors to Leeuwarden are from the Netherlands, and together with visitors from three other countries – Germany, Belgium, and the UK account for over 90 per cent of guest nights spent in the city.

Tourist from China offer an opportunity for the city and province. 100 million Chinese citizens take overseas holidays each year, and 20 million visit Europe. Of these 250,000 arrive in the Netherlands. Whilst few of these Chinese tourists currently visit Leeuwarden, they present a potential market opportunity for the future. The needs of these guests should be carefully considered and met if Chinese tourists are to be targeted for future demand in the city, in particular.

Program issues *(Ob6)*

Most programs have involved events around art, music, theatre, museums and the 'high arts', though there is some suggestion that planners and attendees are somewhat satiated with these elements of the program. Some Capitals have designed events that included sports, gastronomy and other leisure activities.

Reports on prior experiences

The reports used to inform this report are listed in the bibliography found at the end of the report. Suffice it to say these reports are an ongoing feature of the ECoC management spanning thirty years of organizing the program. These reports inform many of the observations reported upon here.

Observations for planning

1. Plan the event as a beginning not an end in itself
2. Establish program events that continue beyond the year
3. Budget for marketing and promotional activities in the following years
4. Plan events during the low demand months
5. Plan for bad weather effects
6. Promote the destinations to the various market segments
7. Plan for market segment events
8. Promote the hospitableness program with benefits for participants
9. Conduct further research into the current quality of direct hospitality provision
10. Conduct further research into the current quality of indirect hospitality provision
11. Conduct research to access the Chinese tourist market
12. Monitor the impact of platforms such as Airbnb and HomeAway within the province and city

Estimating Impacts:

Leeuwarden/Fryslân 2018 A study of former European Capitals of Culture (ECoC)

Introduction

The decision to award Capital of Culture status to cities within the European Union started in 1985 on the initiative of the then Greek Minister of Culture - Melina Mercouri. At heart was an understanding of the impact that art and culture have on both the quality of destination residents, and the sense of identity that the designation of Capital of Culture can engender. The yearlong program of activities can also stimulate the development of infrastructure for arts and attract added resources that invest in the long-term quality of a destination's cultural life.

In the short-term the Capital of Culture designation attracts added tourists to the city in question as a consequence of the yearlong program of events. In the longer term, a city and its local environment can directly attract extra visitors through a continued program of cultural activities, building upon the success of the specific events, but also through the added destination profile the city and region generated from being a cultural capital. Glasgow, Liverpool and Essen are all examples of cities that have shown what can be achieved with the right focus, aims and planning.

From a European perspective the Capital of Culture program demonstrates the richness of European culture and an added awareness of the mutual benefits flowing from the diversity of Europe's history and multiplicity of cultural influences. Forty-eight cities had been cultural capitals by the 2013, and in some years more than one city was designated as a Capital of Culture.

This research builds a realistic estimate of the likely visitor numbers attracted to the Leeuwarden/Fryslân 2018 program during 2018 and staying one, or more, nights in the city and in the province. The research will investigate prior experiences and impacts of the Capital of Culture to form a robust prediction of the added guests to Leeuwarden and its surrounding area during the year, given the unique circumstances of Fryslân, potential visitor origins; potential target markets to be tapped including demographic profiles; and potential variations in flows as impacted by weather conditions. The research shares the commitment to welcoming the guest and hospitableness to strangers, with a view to making a positive impact on future visitor numbers to the Leeuwarden and Fryslân.

Research aims

The research aim is:

- To present a robust forecast of visitor flows as a result of the City of Culture – Leeuwarden 2018 with a view to predicting the hospitality needs of the city and surrounding area.

The objects of the study:

1. Conduct a literature review of the impacts of the ECoC status on the host cities and communities.
2. Predict the potential flows of tourists to the city and the impact on the city's hospitality infrastructure.
3. Predict the potential flows of tourists to Fryslân and the region's hospitality infrastructure.
4. Highlight the potential benefits in the short-term and long-term.
5. Highlight potential limitations and potential disadvantages of the initiative.
6. Identify particularly impactful program items from prior experiences.
7. Estimate the impact of weather on program attendance.
8. Highlight the demographic profile of attendees.
9. Identify hospitality needs and expectation at target attendees.

Research approach

- Conduct a literature review of impact reports from previous host destinations.
- Compare the experience of different cities awarded the ECoC status.
- Conduct environmental scanning and DESTEP analysis.
- Structured interviews with key city and region officials.
- Contribute to the mapping of visitor origins, flows and impacts on the hospitality sector infrastructure.
- Produce a base-line scenario of the flows together alternative scenarios suggesting upper and lower limits.

Capitals of Culture

Designation of Capital of Culture is a prominent feature of the European Union, and one that has high profile amongst Europe's population (EUDGIP, 2013). The program commenced in 1985, on the initiative of the then Greek Minister of Culture, Melina Mercouri and her French counterpart, Jack Lang. The initiative was concerned with a number of issues. There was a desire to celebrate the diversity and heritage of European cultural traditions, and recognition that these were not given the same level of exposure as political and economic issues. The Capital of Culture celebrates the richness and diversity of European culture, as well as their shared history and values. The events are also intended to increase a sense of European citizens belonging to a common cultural area, and foster a sense of belonging across the community. Finally, it was hoped that the designation of a destination would also contribute to the enhancement of the city's cultural infrastructure. This in turn would provide lasting benefits to the local community but also enhance the destination's attractiveness to visitors (Education and Culture DG, 2011).

Initially known as the European City of Culture, the initiative was designed around a program celebrating the cultural traditions and contribution to European culture. Throughout the initiative's thirty-year history the program has evolved and developed. This has gone through three distinct phases. The first phase between 1985-1996 involved cities from each of the twelve member states. Cities were typically nominated by the state and few had much longer than a couple of years to prepare; and this had implications for levels of funding and the planning for sustainable impacts. Phase 2 between 1997-2004 involved nineteen cities from fourteen countries. Adopting more pre-planned bidding awarding procedures enhanced the EU's capacity to adopt a consistent vision. The third phase between 2005-2019 includes twenty-nine cities, from twenty-nine countries, includes 10 new EU member countries. As of 2015 over fifty cities have hosted, or are currently hosting, the European Capital of Culture.

With the specific cultural objectives of the ECoC, there has been an impact on the cities' tourism profiles and a resulting increase in economic benefits. The improved attractiveness of the city as a tourism destination has also created an improved perception of and pride in the city by residents. In many cases the improved facilities and added investment associated with designation, the Capital of Culture has in many cases breathed new life into city centers. This has been particularly important for cities that were adversely affected by the negative impacts of industrial decline and the changing economic profile (European Direct, 2009).

An early study for the European Commission conducted by Palmer Rae Associates made some insightful observations that might help prepare for 2018. The Palmer-Rae report (2004) suggested the benefits flow from hosting the Capital of Culture, could be seen as involving a 'hard' legacy from tangible benefits for the destination in the long-term. This includes the:

- increased investment in the physical infrastructure;
- new and rejuvenated buildings;
- increased tourist footfall; and
- increased employment in the city.

In addition, there is a 'soft' legacy involving more intangible benefits such as:

- improvements to the destination image;
- improved self-confidence amongst citizens; and
- the creation of a carnival atmosphere.

These soft benefits are more difficult to measure, but are nonetheless important.

The implications of this research for Leeuwarden 2018 are that planning, programs, and subsequent monitoring of effects need to take account of both these 'hard' and 'soft' legacy issues. This requires the development of an ongoing program of cultural events to build upon the opportunities and exposure that the designation of the Capital of Culture enables. Flowing from this, the skill base developed as a result of hosting the event improves the experiences and skill sets of those involved in the program. Developing an analysis of new markets and attracting visitors regionally and internationally adds to the legacy extending beyond the yearlong program itself (Palmer-Rae, 2004).

The continuing impact of the designation of Capital of Culture is highly influenced by funding, long-term planning, and continuity. The review of experience suggests that the year itself often acts as a catalyst that attracts attention and becomes focus of local government and industry decision-makers, but in the longer-term funding priorities change. As a result the benefits of the increased attention and visitor numbers generated during the year become more difficult to sustain into the future (Palmer-Rae, 2004). Given that local, regional and national governments have an important role in funding, directing and managing the continued legacy of the City of Culture, the ongoing benefits are difficult to sustain unless supported by a consensus of key stakeholders and communities.

The Palmer-Rae Report (2004) states that evidence from cities that had hosted the event, and continued to grow, as a result of the program, had seen it as a starting point rather than the objective in itself. Adopting management structures and funding support well in advance of the year and extending beyond the year is key. The report offers the following advice,

> *'Many respondents stated that it is essential to plan well in advance for the years following the ECoC. One reason for this was that political and public attention moves on, and it is often easier to set up a long-term framework while organizers' have that attention'*
>
> *(Palmer-Rae, 2004: 150)*

A later report conducted for the Director-General for Internal Affairs (EUDGIP, 2013) confirmed that the ECoC has an important contribution to make in raising the profile of cities as both tourism and business location venues. This is particularly, important where the city does not have a high international profile, as in the case of Leeuwarden. The in-going profile of the city has to be seen as an important contextual factor when attempting to calculate potential increases in visitor footfall. Leeuwarden has a unique profile, heritage and geographic location, and this needs to be taken into account when attempting to calculate the impacts for the future. Comparison of impacts with cities such as Paris, Liverpool and many other former hosts, are inappropriate because of their prior standing. Although there is a tourism presence in Leeuwarden it does not have as high an international profile as these other cities.

Richards, Dodd & Palmer (2011) suggest that an average impact of the ECoC was to increase visitor numbers by 11 per cent, but this depends on initial profile and original tourism flows. The small, low profile cities often exceed this average. For example, Lille (2004 host) reported more than 2 million visitors between 2003 and 2004, and the Lille hotel bed nights grew by 27.2 per cent, and hotel occupancy rose from 63 per cent to 70.3 per cent in the preceding year (Palmer & Richards, 2007). Bruges (2002) experienced a €42 million increase in tourism spending during the year. The city reported that the tourism visits commenced earlier, and lasted longer because of the ECoC designation and the program of activities. The increase in overnight stays were positively linked to exhibitions. In Sibu (2007 host) visitor numbers grew by 27 per cent in the first six months and overnight stays increased by 36 per cent when compared with the year before. 32 per cent of visitors interviewed said they had visited the city because of the ECoC. Linz (2009 hosts) reported that the city experienced an improvement in image as well as an increase in tourist visits. There were estimated to be 2 million day visitors and a 10 per cent increase in overnight stays during 2009. Tuku (2011 host) on the other hand witnessed a 7 per cent growth in tourism during the year and this was higher than the 4 per cent increase across Finland as a whole, but lower than the 15 per cent anticipated in the bid (EUDGIP, 2013).

Table 1 (below) reports the changes in overnight stays to the destination. Overnight stays are guests who spend one or more nights at the ECoC destination. The table compares changes in overnight stays during the hosting year, and the year following the hosting year with the levels in the year preceding hosting the ECoC.

Table 1: *Changes in overnights in the ECoC and the following year*

ECOC HOST	CHANGE ON OVERNIGHT STAYS IN ECOC YEAR (%)	CHANGE ON OVERNIGHT STAYS IN YEAR AFTER ECOC (%)
Luxemburg 1995	-4.9	-4.3
Copenhagen 1996	11.3	1.6
Thessaloniki 1997	15.3	-5.9
Stockholm 1998	9.4	-0.2
Weimar 1999	56.3	-21.9
Helsinki, 2000	7.5	-1.8
Prague 2000	-6.7	5.6
Reykjavik 2000	15.5	-2.6
Bologna 2000	10.1	5.3
Brussels 2000	5.3	-1.7
Bergen 2000	1	1.2
Rotterdam 2001	10.6	-9.6
Salamanca 2001	21.6	-7.9
Bruges 2002	9.0	-9.6
Graz, 2003	22.9	-14.0
Genoa, 2004	8.0	
Lille, 2004	9.0	-7.0
Cork 2005	13.8	
Luxemburg 2007	6.0	-4.4
Sibu 2007	8	-25.0
Liverpool 2008	28.0	
Stavanger 2007	-4.0	-4.0
Linz 2009	9.5	
MEAN	**11.4**	**-5.5**

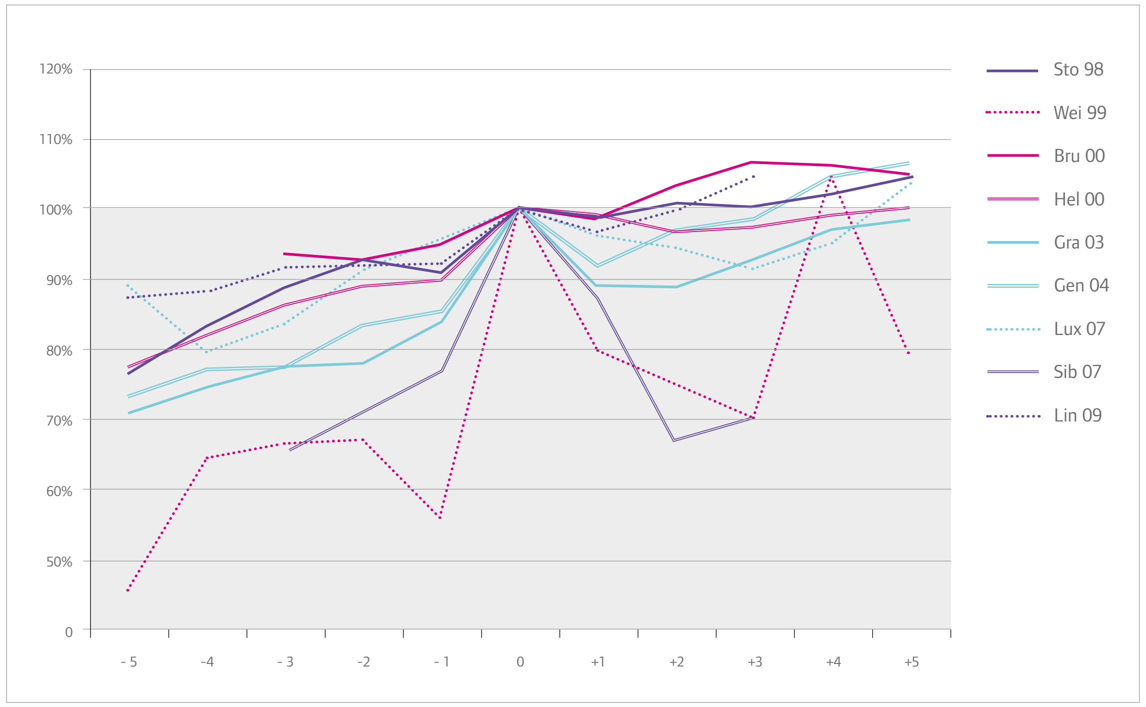
Source: Palmer, Richards & Dodds, 2011

Although the impact of the actual year of hosting the ECoC is relatively easy to assess by comparing before and during the year visitor numbers, the longer-term impacts are more difficult to assess. There have been some studies however, and these reveal a number of patterns (EUDGIP, 2013).

- The most dominant trend is for cities to experience a spike in visitor numbers during the year of hosting the event, followed by one or two years of decline, and then an increases over the following years. Stockholm 1998, Brussels 2000, Genoa 2004, and Linz 2009 all showed strong recoveries over a longer period following the dip after the year itself.
- Informed by the available data, it is unusual for a city to experience growth in tourism during the year, with ensuing growth in the years after. Just four cities match that pattern, Lisbon 1994, Bologna 2000, Reykjavik 2000, and Tallin 2011. The growth in arrivals in these cities after the event ranged between 3 and 5 percent following the hosting year.
- Just three cities experienced a slump in visitor numbers prior to the hosting year, Glasgow 1990, Madrid 1992, and Luxembourg 1995. Only Glasgow experienced a sustained slump in visitor numbers following the host year, though this was after a 50 per cent increase in visitor numbers during the year it hosted ECoC. In the longer-term Glasgow has subsequently experienced a sustained growth and tourism numbers. This is considered to be a result of investment in the infrastructure – hotels – conference and exhibition centers, and the rebranding of the city's profile to be more tourism attractive.

Figure 1 (below) confirms these patterns of response; the zero point is the cities' hosting year and compares the percentage increase and decrease of arrivals before and after the event. Note that there is a slight difference in comparator years than with *Table 1*, but ultimately, similar patterns emerge.

Figure 1: *Total arrivals per year as percentage of ECoC arrivals - cities showing increase and decrease in years either side of the hosting year*



Source: EU DG IP (2013)

Whilst there are a few cities that are outliers, the range of experiences of other ECoC reveals the increase in tourist numbers is estimated to range between 4 per cent and 18 per cent as a result of being the host. Whilst there were a small number of cities that resulted in a fall in visitors during ECoC year, these were all due to special circumstances unique to each city. Given an average of 11.4 per cent and low increase of 4 per cent, it is likely that, given a normal curve of distribution, the upper limit of the normal curve will be 18 per cent. This range is employed below to predict the potential visitor numbers to Leeuwarden and Fryslân in 2018.

Examples of activities

Respondent hosts of the ECoC report improved infrastructure such as new museums, conference centers, hotel capacity and tourism development units. The long-term legacy was not just confined to these tangible improvements. The high impact legacy also involved the development of organizational infrastructure that managed programs and events that brought visitors to the city during the hosting year but continued afterwards (Palmer-Rae, 2004). Whilst these events were planned elements of the program they had positive impacts on the standing and perception of the city by both visitors and residents. The increased international profile, in particular, had relevance for the smaller cities, and this is likely to be a positive outcome for Leeuwarden. Certainly this infrastructure is important if the ECoC is to have continued and long-term impacts.

Reviewing twenty-five years, the European Direct Report (2009) suggested that host destinations need an appropriate balance between political support and artistic freedom. As the majority of funds are provided by the public sector, they require political backing across the political spectrum. Sudden changes in political will and direction can be disastrous. Even when there is consistent support for the ECoC, an overly controlling political culture can inhibit or discourage creativity. This tension between public accountabilities, and artistic freedoms is one that needs to be recognized and suitably managed.

The development of the program is also an issue that reflects different approaches. In some cases, the program is a coherent program informed by a shared understanding of 'who we are'. In others, the program reflects a plurality of cultural identities, celebrating multiculturalism. Some programs are not formally planned but emerge as different artistic segments and interests respond to the opportunity presented by the year.

All reported positive impacts of their year as hosts.

The definition of culture also varies, as some cities define culture to embrace gastronomic, sporting and other events, in addition to the more traditional focus of art – painting, sculpture, theatre, music, etc. For example, in Graz, the Kitchen Cooking Project involved the making of different ethnic meals in a city-center park. In other cases, there have been projects of inter-city events sharing programs across different ECoC in the same year.

The hosting experience

After the first twenty-five years of running the ECoC program, the Commission conducted research on the experiences of hosting the program. The report (Education and Culture DG, 2011) included interviews with the organizers from twenty-three cities. All reported positive impacts of their year as hosts. The Glasgow (1990) respondents reported, *"There have been many studies of Glasgow 1990, and they all conclude that the impact was dramatic in terms of building city confidence, of developing a strong strategic and practical base for further development, and of setting future agendas for city change"* (ibid, 2011: 16). Lisbon (1994) also confirmed that the ECoC provide a positive impact. *"There were both high expectations from the public and a great deal of reservation from the media. The program's quality and diversity, and the involvement and participation of people both from the inner city and its periphery, together with some major investment in heritage conservation, silenced even the most critical voices"* (ibid, 2011: 22). Luxembourg has hosted the event twice, in 1995 and then again in 2007. The respondent reported on the importance of the event in stimulating investment in the infrastructure. *"Luxembourg City had always suffered from a lack of cultural infrastructure and, in 1995, the government launched a serious investment program of some €600 million. Among other things, we built the Philharmonie, the Mudam Museum of contemporary art, the Rockhal and the Centre Culturel de Rencontre Neumünster. In 2007, we showed that the money had been well spent by investing in all these spaces"* (ibid, 2011: 51). All reported that the improved physical structure together with the organized program of events provide long-term benefits. Many respondents reported that the event also had a positive impact on the perception of the European Union itself. So the event is not just a one-way street, the initiative helps to produce a positive profile for the cities, and for the European Union.

When respondents were asked to report their best and worst memories of the year. The respondent from Linz (2009) reflected the views of many, *"Our best and somewhat unexpected experience was how open the local population was to new program formats and venues. The general enthusiasm was extraordinary. Our most difficult times were during the run-up when we had to assert our autonomy vis-ā-vis the members of Linz's political and cultural establishment"* (Education and Culture DG, 2011: 63). Several respondents mention the high level of general public support, and the problems associated with public sector funding. *"My worst memory, so to speak, was working on the funding of the various projects: the indecision, the delays at local and ministerial levels, securing contributions from public bodies (region, province) and the private sector"* (ibid, 2011: 14), stated the respondent from Florence (1986).

Respondents were asked to report on a couple of events that had a particularly European slant. *"The idea in Glasgow was to connect the city with the rest of Europe in terms of a broader understanding of European cultures and history…. But it is not really the individual events but the impact of the collective experience that broadened the connection between Glasgow and Europe. For the first time, Glasgow believed it was a truly European city"* (ibid, 2011: 16). The sense of Europeanism was a common theme of many of these programs. *"We showed the European dimension of Bruges (2002) in the three exhibitions, with the Flemish Primitives evoking the south of Europe, the Hanseatic ports evoking links with northern Europe and the Medieval manuscripts evoking European thought. You have to remember that Bruges in the Middles Ages was the Manhattan of Europe, a place where north and south met, visited by all the great artists because their wealthy customers were here"* (ibid, 2011: 38). This reflection of historic standing might also have implications of the ECoC for Leeuwarden.

The most successful events were typically events that embraced an occasion that brought people together *"The summer program was our most successful. In a city like Antwerp (1993) many institutions close down in the summer, but we had wonderful projects that year, from an opera by Zingaro to a performance by Royal De Luxe. Antwerp fell so in love with the project that we now have Antwerp Open that program summer events in the city"* (ibid, 2011: 20). Often these had a lasting impact through the program sparking regular cultural events.
"We couldn't have predicted it in 1999, but the founding of the "West-Eastern Divan Workshop and Orchestra" with Daniel Barenboim, Yo-Yo Ma, and Edward Said has had a lasting impact. Today it is a worldwide symbol for peace and communication in the Middle East. It also stands for the new and expanded Europe" (ibid, 2011: 26) (Weimar, 1999).

When asked to consider regrets, the respondents tended to report there were issues that few things had gone wrong, although there were some. In particular, the management of community expectations and a clear articulation of the benefits is one regret shared by several respondents. The Lille (2004) respondent said, *"You always wish you had done better. Perhaps we could have involved the city's residents even more. Before we started, we met with a certain amount of skepticism, but then people realized that this was a worthwhile project. When the year was over, some people said, 'that's done, now it's time to move on'. That was a disappointing attitude. We wanted everyone to realize that this was a long-term project and not a one-off event*"(ibid, 2011: 45). The Stavanger (2008) respondent said, *"Our relationship with the local press was difficult initially. They drove a mood of suspicion about "all these new things". They suspected – perhaps reasonably so - that our whole program was about things that had never happened in Norway before. Early on our communication was not as good as it should have been; we didn't hold a wide enough consultation"* (ibid, 2011: 61).

Views about the legacy of hosting the event point to both hard and soft legacy benefits. *"It changed the city completely. Antwerp was becoming more and more provincial with ugly slogans like "Our own people first". With our international projects, we changed the image of the city both internally and in relation to the outside world. Antwerp (1993) today is seen as a daring city that is not afraid to be international. Even citizens who did not participate in the events were aware of how beautiful the city looked at the time. People were proud of the city all over again, and that was very important. Among other things, it means that we can find money for artistic projects"* (ibid, 2011:19). *"A few institutions were launched in 1998 that are still around today. In addition, I would claim that 1998 was the starting point for a new and more vibrant cultural atmosphere in Stockholm (1998) marked by new contacts and cooperation made during the year "*(ibid, 2011: 25). *"At one level, we managed to keep the organization team of Bruges' year by transforming it into Bruges Plus that now organizes cultural events every two years. They put on the excellent Corpus exhibition in 2005, and they're preparing a show organized by the famous painter Luc Tuymans for 2010. The exhibitions always stimulate other cultural activities around them. The very effective collaboration between various cultural partners has left traces, with three theatres now collaborating very tightly on the Winter Dance festival"* (ibid, 2011:39).

Advice to future ECoC hosts was largely centered on organization structures and heritage. An independent organizational charged with planning beyond the event comes across strongly from several respondents. The Glasgow respondent said, *"I believe you must start with a vision and a profound belief in the value of the process of becoming a European Capital of Culture. The cultural dimension must be the unifying concept, and issues connected to political ambition mustn't overshadow it. A longer-term perspective is essential. A European Capital of Culture can never and never has been a quick fix to repairing a broken political mechanism, or a tarnished city image, or a city that is divided culturally or ethnically, or that has a failing economy"* (ibid, 2011:17). The host of Krakow (2000) said, *"Establish the simplest and most transparent management and decision-making structure where possible concentrate authority and responsibility in one body and avoid a situation of unclear areas of responsibility. Choose a wide theme for your celebrations but remember to select one motif to connect your projects"* (ibid, 2011:32). The Santiago de Compostela (2000) interviewee stated, *"The cities currently preparing to host a European Capital of Culture should take special care to propose initiatives that can be consolidated after the event"* (ibid, 2011:37).

A sector in transition

Today's hospitality market is characterised by strong dynamics and destination instability (World Economic Forum, 2015). Hyper connectivity – across borders and across sectors – and exponential developments cause the market to be volatile, uncertain, complex and ambiguous. Currently, the industry is undergoing an evolution in the consumer market: because consumers have more knowledge, are better informed, more world wise and more demanding, their power is increasing (Postma, 2013). Whilst serviced accommodation in the form of hotels, and bed and breakfast establishments continues to be a significant location for overnight stays, alternative are emerging. Traditional hotel brands are being challenged by accommodation search platforms such as Airbnb, and HomeAway, though this may be seen as an alternative to rather than a director competitor to the hotel market. Vacation rentals tend to be more leisure centric and involve longer stays than in traditional hotels (Berger, 2015).

For the hotel business it is a challenge to navigate in a market full of uncertainty and instability. To allow for a sustainable contribution to the legacy of ECoC 2018, it is important to understand the business environment

"The cities currently preparing to host a European Capital of Culture should take special care to propose initiatives that can be consolidated after the event"

and to prepare for the unforeseeable and to be agile enough to anticipate new market opportunities. In this section we will describe the forces that drive the development of hotel demand over the next ten years and which opportunities and threats can be identified. There are several forces that will drive the future development of hotel demand in an international context: ageing population, single households, new Europeans/ new Dutch, extended family, rise of the millennial, diversification of travel, emerging markets, geopolitics and security, the cost of travel (oil prices, competitive modes of transport) and technology.

Changing demographics cause a diversification of travel and tourism and make the one-size-fits-all (city) holiday less and less appealing to consumers. This implies a diversification of travel and tourism based on:

- experience and authentic-seeking: consumers seek unique vacation experiences in order to gain serious social capital and cultural enrichment;
- eco-tourism: consumers have become more sensitive to the environment and 'greener' holidays (transportation, accommodation);
- evolutions in luxury travel: luxury is redefined from expensive into health rejuvenation, digital detox or getting a taste of celebrity lifestyle;
- niche travel: consumers who want to go off the beaten track want to experience something completely unique and diversity and appeal of niche destination travel in developed markets is growing strong; an offer for each individual need.

Despite the differences between people and their leisure lifestyles, the most valued leisure activities are universally shared: just relaxing, socialising face-to-face and reading for pleasure.

Emerging markets are characterised by a vast increase of a wealthy middle class. Over recent years Brazil, Russia, India and China (BRIC) have been considered as the most important emerging markets from which a rising number of tourists can be expected. IPK International (2015) reports that the Asian Pacific market is the biggest driver of world-wide tourism demand. Since 2007 the number of outbound trips has increased with 65 per cent from this region. In the same period tourism from South America has grown by 70 per cent (especially in the market of city trips), though the growth is slowing down. Nevertheless, the number of Chinese travellers is still expanding, in the Netherlands with 14 per cent in 2014 and the same growth rate is expected for 2015. *Table 2 (above)* confirms that China is a major source of overseas visitors and tourist spending.

City trips are the fastest-growing part of the international leisure travel market. Between 2007 and 2014 the number of city trips grew with 82 per cent to a share of 22 per cent of all holidays. The market growth is mainly driven by consumers from Europe, Asia, and North and South America both in nearby countries and overseas.

Table 2: *Currently top outbound tourism markets*

RANK	TOP 6 OUTBOUND MARKETS BY TRIPS	TOP 6 OUTBOUND MARKETS BY SPENDING
1	Germany	USA
2	USA	China
3	UK	Germany
4	China	UK
5	France	Japan
6	Canada	Canada

Source: World Economic Forum, 2015

Where are we now?

Tourism in Leeuwarden and Fryslân

Based on the available figures from the Statistics Netherlands website (CBS), the national production value of the hospitality sector as a percentage of the production value of the overall commercial sector in 2008 was 1.8 per cent, the figure for Fryslân was just slightly below this national average at 1.7 per cent, (this was double that of its northern neighbor, Groningen that had a value of 0.8 per cent). The production value is defined as the gross value added at basic prices. The direct visitor spend in the hospitality sector in Fryslân generated on average around €280 million annually of value added at basic prices during the period between 2010 and 2013. The World Travel and Tourism Council (2015), suggest that direct spend is further impacted by indirect spend and contribution spend appears to reflect a ratio of 1 to 2.4 direct tourists spend to total contribution to GDP. Hence to GDP contribution may be closer to €670 million annually.

While the economy of Fryslân is basically stable as shown by the relative minimal changes between 2011 and 2014 in the GDP at market prices, the hospitality sector in the province has been on an upward trend as will be illustrated later.

The employment potential of the hospitality sector in the economy of Leeuwarden and Fryslân is shown in *Table 4 (right)*. The hospitality sector makes up about 4 per cent of the number of companies in the municipality of Leeuwarden, yet they employ only 3.1 per cent of the total workforce. This figure is much lower than the provincial value of 3.9 per cent, and the national average of 4.1 per cent. This suggests that these firms tend to be smaller than the national average, employing few staff and involving a significant proportion of firms owned and operated by families. In many cases these are likely to be 'lifestyle entrepreneurs' (Lashley & Rowson, 2010), whose motives are not always traditionally entrepreneurial. They are operating hospitality businesses, because they like living in the area, or prefer having more personal control, etc. The hospitality sector is important to the economy of the municipalities, provinces, and the Netherlands as a whole. The sector is inextricably linked with tourism and it contributes to the economy both directly and indirectly, by creating revenue and employment opportunities. To have a general impression of the size of the hospitality sector in the economy of Leeuwarden and Fryslân, *Table 4 (right)* contains some comparative statistics based on 2012 figures.

Leeuwarden and the region are experiencing tourism growth but this is at a rate below the national rate for the Netherlands. *Table 5 (right)* compares the numbers of visitors to Leeuwarden and Fryslân with national visitor numbers for the Netherlands.

Table 3: *Fryslân - key economic indicators 2010 - 2014*

	2010 EUROS	2011 EUROS	2012 EUROS	2013 EUROS	2014 EUROS
Gross Domestic Product	17,315,000,000	18,100,000,000	17,926,000,000	18,097,000,000	18,093,000,000
GDP per capita	26,771	27,965	27,705	27,988	27,982
Value added	15,567,000,000	16,317,000,000	16,335,000,000	16,311,000,000	16,288,000,000
Labour input (FTE)	224,000	225,900	223,400	219,300	218,300

Source: Statistics Netherlands (CBS, 2015)

Table 4: *Hospitality sector comparative employment figures 2012*

	MUNICIPALITY OF LEEUWARDEN	PROVINCE OF FRYSLÂN	THE NETHER-LANDS
Hospitality organizations	298	1,866	43,628
All commercial organizations	6,277	51,958	1,258,125
Proportion hospitality organizations (%)	3.8	3.6	3.5
Leeuwarden all employees in hospitality	2,260	11,070	334,690
All employees	69,670	287,000	8,084,740
Hospitality employee share (%)	3.2	3.9	4.1

Source: Bedrijfschap Horeca en Catering; Statistics Netherlands (CBS), and ABF Research (2015)

Table 5: *Comparing visitor numbers for Leeuwarden, Fryslân and the Netherlands 2012 - 2014*

VISITORS	2012	2013	2014
Leeuwarden	616,000	632,000	654,000
Fryslân	1,529,000	1,550,000	1,596,000
The Netherlands	21,014,000 (%)	21,521,000 (%)	23,122,000 (%)
Leeuwarden of Fryslân %	40.29	40.64	40.98
Leeuwarden of Netherlands %	2.93	2.94	2.89`
Fryslân of Netherlands %	7.28	7.23	6.9

Source: the NBTC-NIPO Research (2015)

The growth in visitors to Leeuwarden between 2012 and 2014 was 38,000 and this represented a growth of 6.16 per cent compared to 2012, or about 3 (3.08) per cent per year. In the same period, visitor numbers to Fryslân grew by 67,000 or 4.38 per cent or just over 2 (2.19) per cent per year. The growth in tourism to the Netherlands was 10 per cent between 2012 and 2014, a growth rate of 5 per cent per annum. Whilst Leeuwarden receives a significant number (40.98 per cent) of visitors to Fryslân, it is still only a small proportion of all tourists to the Netherlands. Importantly, Leeuwarden picks up a relatively high proportion of visitors to Fryslân, the figures reported later suggest they represent a much lower proportion of overnight stays in serviced accommodation. Assuming that these growth rates continue from 2014, it is estimated total visitors to Leeuwarden be 714,000 by 2018, whilst visitors to Fryslân will be 1,727,000. Visitor numbers here are referring to numbers visiting the city, province or national destination, some of these visitors will become guests spending one or more nights at the destination. Visitors to Leeuwarden and to the province contribute to the city and the region's GDP through spend on retailing, museum visits, and other leisure activities. Those staying overnight will add to this spend through the purchase of accommodation, food and drink.

The volume of overnight stays visiting the province between 2010 and 2012 are shown in *Table 6 (below)*, and *Table 7 (right)*. At the time of writing these were the latest years for which detailed data was available where accommodation types were included. The accommodation types include the array of options typical of 'serviced accommodation' – hotels – bed and breakfast accommodation – touristic campsites – fixed touristic campsites – rentals of permanent dwellings. This research is chiefly concerned with the impacts on serviced accommodation, that is, those staying one or more nights in hotels or bed and breakfast provision.

Overnight stays

Table 6 reports on the visitor accommodation stays for Fryslân and reveals some interesting variations between hotel and bed and breakfast provision on the one hand, and the outdoors hospitality provision via campsites, etc. on the other. Given the nature of the province and its array of natural resources, it is perhaps not surprising that outdoor hospitality and vacation rental provision features strongly and attracts the largest number of visitor overnight stays. Whilst these natural features attract tourists interested in 'the great out-doors' and a 'return to nature' (Lashley, 2015), they are influenced by weather conditions. The small fall in numbers occurred between 2010 and 2012 in campsite overnight stay, this likely to be a byproduct of wet weather conditions during the summer months of 2012. This was for example reflected in the demand for outdoors hospitality in England. The UK experienced its second wettest year, and England specifically suffered the wettest year since formal national records were started in 1910 (Mintel's report, 2013). Total visitor stay data in Fryslân and the slight decline in overnight stays is an outcome of the nature of tourist overnights stays and the negative effects of adverse weather condition. Growth in hotel guest overnight stays was 38,000 more in 2012 than in 2010 representing 3.4 per cent between the two years. Growth in bed and breakfast overnight stays increased however by 17,000 nights representing a 16 per cent rise. Perhaps this sector picked up some of the demand from the more weather-sensitive campsite provision? In different ways they confirm both the negative and positive impacts of weather factors on predictions for potential visitor numbers to the province in 2018. For the province, poor weather may negatively impact campsites and other 'outdoor hospitality' venues, but positively benefit the 'serviced accommodation' sector.

The position of Fryslân as largely a leisure destination providing holiday opportunities for 'out door hospitality' is confirmed by the location of over night stayers in *Table 6.* Approximately 62 per cent of overnight stays in the Province were taken in touristic campsites, fixed touristic campsites, and in water sport overnight stays. Even accommodation in houses will principally be vacation rentals in destinations that are consistent with this 'return to nature' and the 'great outdoors'.

Table 6: *Overnight stays in Fryslân by accommodation type 2010 - 2012*

FRYSLÂN OVERNIGHT STAYS	2010	2011	2012
In hotels	1161000	1194000	1199000
In B&Bs	103000	111000	120000
In touristic campsites	1417000	1416000	1364000
In fixed touristic campsites	2341000	2297000	2293000
In rental houses	3509000	3562000	3503000
Total accommodation	8531000	8580000	8479000
Total overnight stays - water sport	1559000	1545000	1567000
Percentage staying in hotels & B&Bs	14.82%	15.21%	15.56%

Source: Bedrijfschap Horeca en Catering, Provincie Fryslân (2015)

Table 7: *Overnight stays in Leeuwarden by accommodation type 2010 - 2012*

FRYSLÂN OVERNIGHT STAYS	2010	2011	2012
In hotels	82458	96052	99942
In B&Bs	4692	5292	5834
In touristic campsites	17233	13992	10588
In fixed touristic campsites	18387	21980	23369
In rental houses	2661	2439	2338
Total accommodation	125431	139754	142070
Total overnight stays - water sport	38848	37893	40071
Total overnight stays leisure boats in de Prinsentuin	11692	12759	12520
Percentage staying in serviced accommodation (hotels & B&Bs)	69.48%	72.52%	74.45%

Source: Bedrijfschap Horeca en Catering, Provincie Fryslân (2015)

Table 7 (above) details the overnight stays for the same period in Leeuwarden. It shows the figures for the types of accommodation for guest staying for at least one night in the period between 2010 and 2012. The major difference between Leeuwarden and Fryslân is the larger number of Leeuwarden overnight stays are spent in some form of 'serviced accommodation' whilst in the province the larger number of overnight stays involves the 'non-serviced sector' on campgrounds and water sport venues, etc.

Business travellers

Information related to the percentage of business over-night stays in Leeuwarden was received from some of the Leeuwarden Hotel Association members, and the current level averages are shown in *Table 8* which shows more business to leisure on overnight stays in Leeuwarden.

Comparatively the national and provincial values are shown in *Table 9 (next page)* based on extractions from the CBS for the period 2012 till 2014. The general tendency, nationally and in the Province, is more overnight stays to be leisure related compared to business; whereas in Leeuwarden, there is more business to leisure.

Table 8: *Business overnight stays in Leeuwarden hotels - 2015*

AVERAGE OCCUPANCY BUSINESS RELATED	
Hotel A	73.8%
Hotel B	55.0%
Hotel C	70.0%
Hotel D	75.0%
Hotel E	59.9%
Hotel F	48.0%
Hotel G	15.0%
Average	56.7%

Source: Statistics Netherlands (CBS)

Hotel capacity

In terms of total overnight accommodation, the Fryslân province had in 2014 272 hotels, bed and breakfast properties in which there were 5,199 rooms 9,878 bed spaces. By 2018 it is estimated the province will have 273 hotels with 5,346 rooms capable of accommodating 10,154 overnight stays. In 2013, Leeuwarden hotels had a capacity 532 rooms capable of delivering 1040 bed nights per day. Bearing in mind some expansion of capacity in existing hotels, some new builds, *Table 10 (below)* lists the predicted hotel capacity by 2018. A growth of 147 rooms and 277 bed spaces; representing a growth of approximately 27 per cent room and bed spaces In Leeuwarden.

Table 11 (right) reports on the monthly occupancy levels of Leeuwarden's hotels from 2008 – 2015. The occupancy rate is based upon the rooms let to one or more guests per night. Although bed and breakfast establishments are not included in the hotel occupancy, there is no evidence to suggest that B&B occupancy figures would be much different.

Table 9: *Comparison of business related overnights stays in hotels*

BUSINESS OVERNIGHT STAYS IN HOTELS	2012	2013	2014
The Netherlands	43.1%	42.5%	41.1%
Fryslân	28.7%	27.7%	25.5%
Amsterdam (for comparison only)	39.0%	39.2%	37.2%

Source: Statistics Netherlands (CBS)

Table 10: *Leeuwarden hotel capacity in 2018*

HOTEL	ROOMS	BEDS
Eurohotel	45	97
Duhoux	17	34
Oranje Hotel	78	162
Stadhouderlijk Hof	28	60
Campanile	49	73
t Anker	24	65
Stenden	28	56
Bastion	68	136
Post Plaza	82	168
WTC	143	286
Van der Valk (opens in 2017)	117	180
Total	**679**	**1317**

Source: Leeuwarden Hoteliers Association (2016)

Table 11: *Leeuwarden hotel capacity in 2018*

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVE
2008	60	64	63	76	72	80	72	73	69	65	67	49	67
2009	57	61	50	62	55	65	53	63	56	47	43	38	54
2010	42	44	49	61	51	62	62	57	57	51	45	34	51
2011	47	40	44	45	48	59	51	55	63	49	47	38	45
2012	48	47	48	68	58	62	62	65	67	54	49	39	55
2013	53	44	53	66	57	54	54	66	65	62	60	59	58
2014	60	54	58	65	69	73	59	71	71	58	52	47	61
2015	54	54	53	74	61	60	55	70	64	58	55	49	59

Source: Leeuwarden Hoteliers Association (2016)

Using the occupancy figures given in *Table 7* on page 21, B&B provision would be approximately 6 per cent of that of hotel spaces. The figures show that there was a quite sharp fall in occupancy levels after 2008 financial crisis, with some gradual improvement in the following years, but by 2014 occupancy levels had not yet returned to their pre-crisis level. On average there are 1.45 residents per room let (Leeuwarden Hoteliers Association, 2016). Given the high proportion of business travellers revealed in Table 8 it is likely that many of these are single occupancy lets. The serviced room capacity in 2014 amounted to 532 hotel rooms + 30 rooms B&B per night and 205,130 per year. Based on the reported occupancy levels of 61 per cent, the number of rooms let in 2014 amounted to 125,129 rooms let in serviced accommodation, hosting 181,437 overnight guest stays (1.45 guests per room). Allowing for some continued 'natural' growth in visits to Leeuwarden, it is likely that serviced accommodation demand would have reached 190,000 overnight guest stays by 2018, which translates to room demand of around 131,000 rooms. Given the projected hotel capacity of 679 rooms + 30 Bed and Breakfast rooms, annual capacity will have risen to 258,785, and occupancy level of about 50 per cent. Even allowing for an increase in guest demand of 18 per cent, room demand will be approximately 155,264 rooms amounting to a predicted occupancy level of approximately 60 per cent. If these predictions are correct, there appears to have been an inappropriate increase in serviced accommodation supply that will have a detrimental impact on occupancy levels in the short to medium-term. That said, new hotels may further stimulate over night stay demand because of the strength of their brand and guest loyalty, hence occupancy level predictions need to be consider as indicators.

There appears to have been an inappropriate increase in serviced accommodation supply that will have a detrimental impact on occupancy levels in the short to medium-term.

It should also be noted that these capacity figures do not take into account the recent upsurge of firms like Airbnb and HomeAway, which are holiday rental platforms. At the time of writing (December, 2015), the Airbnb website lists 196 properties with an average rental rate of €66.00 per person per night, in Fryslân. The same site lists 17 properties in Leeuwarden ranging from €16 - €110 per night. Whilst the properties on offer for vacation rentals are relatively low in number, their contribution to total visitor nights is greater because tourists stay longer in them than in hotels (Lashley & Nutsch, 2016).

The hotel sector in the province is different to that of the city of Leeuwarden. In 2014, Fryslân hosted 272 hotels and bed and breakfast establishments with a total of 5,199 rooms. This suggests there are a large number of small hotels in the province – averaging 19.6 rooms per hotel. Leeuwarden hotels are fewer in number but larger in size. When the Van Der Valk opens in 2017, there will be 11 hotels with 679 rooms with an average of 62 rooms per hotel. In addition to these frequency and size differences with the city hotel provision, hotels in Fryslân experience significantly lower occupancy levels. Hotel and bed and breakfast demand in Fryslân will by 2018 have reached an estimated 1,443,000 guest nights in approximately 1,030,000 rooms over the year.

Given that the flow of visitors and guests staying overnight is not spread evenly, any attempt at over or under supply of rooms to accommodate guests staying overnight must allow for variation in monthly figures. *Table 12 (below)* shows the proportion of overnight stays per month compared to the total annual stays. Monthly flows of visitors and guest overnight stays to Fryslân and Leeuwarden suggest that these follow a pattern dominated by vacation periods, with low guest numbers in the winter months, rising during the spring and summer to a peak in August. *Figure 2 (right)* indicates the monthly flows of tourists to Fryslân between 2012 and 2014. Just fewer than 64 per cent of annual overnight stays to the province take place during the five months between May and September.

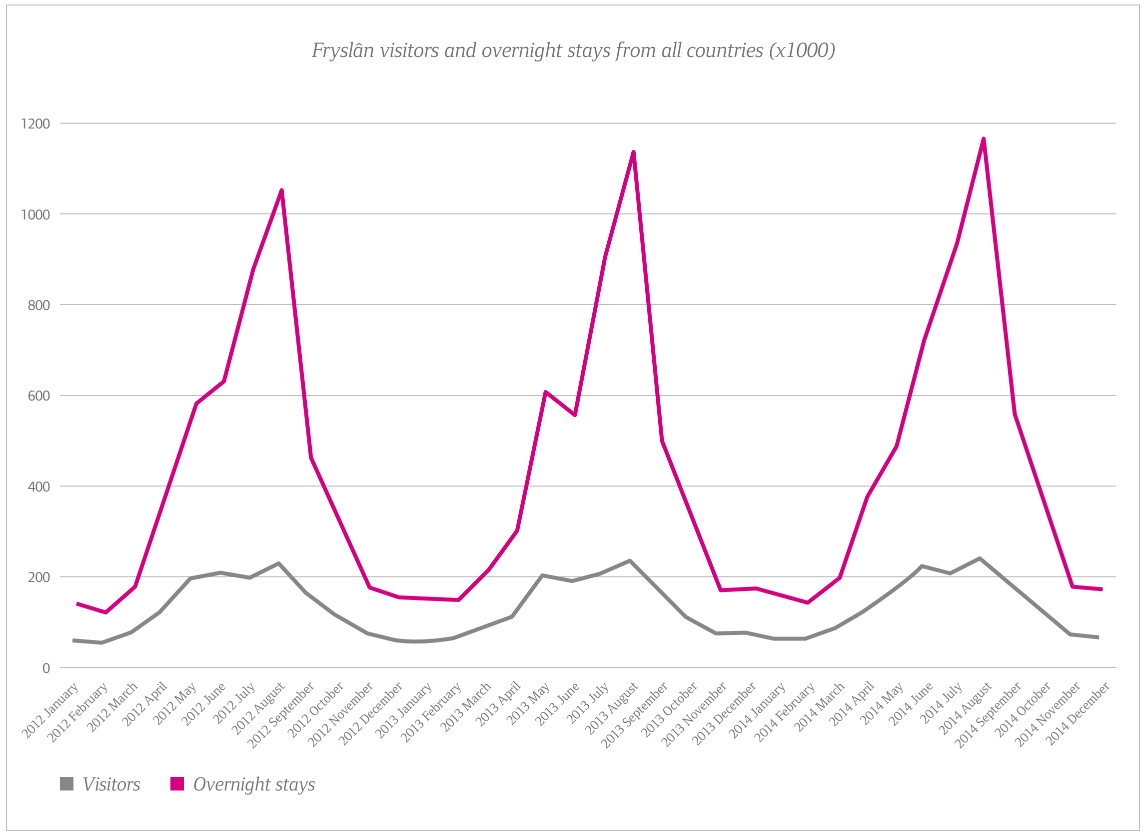
Table 13 (right) compares these flow rates with hotel capacity with hotel room capacity and shows that in 2014 there was sufficient capacity to cope with hotel room demand at that stage, and even for an added 18 per cent of guests as a result of potential added ECoC inspired extra guests. Most importantly, without the extra supply of rooms that will come on stream by 2018.

Table 12: *Monthly share of overnight stays to Fryslân in 2014*

AVERAGE MONTHLY OVERNIGHT GUESTS RATIO (%)	
January	3.68
February	3.74
March	5.21
April	7.54
May	11.99
June	13.18
July	12.95
August	14.91
September	10.66
October	7.39
November	4.62
December	4.12
Total	**100**

Source: Statistics Netherlands (CBS), 2015

Figure 2: *Monthly flows of Fryslân visitors and overnight stays 2012-2014*



Source: Statistics Netherlands (CBS), 2015

Table 13: *Monthly occupancy levels Fryslân serviced accommodation 2014 (5,199 rooms available)*

MONTH	ROOMS LET	ROOMS AVAILABLE	RELATIVE OCCUPANCY
January	51,449	161,169	31.04%
March	71,476	161,169	43.13%
April	84,791	155,970	52.87%
May	101,815	161,169	61.44%
June	112,045	155,970	69.86%
July	116,050	161,169	70.03%
August	125,902	161,169	75.97%
September	101,057	155,970	63.01%
October	85,847	161,169	51.80%
November	66,496	155,970	41.46%
December	58,188	161,169	35.11%
Total	**975,116**	**1,897,635**	**52.79%**
Annual average occupancy			**51.38%**

Source: Statistics Netherlands (CBS), 2015

Allowing growth trends in both Leeuwarden and Fryslân it is possible to predict accommodating demand and overnight stays for the year prior to any ECoC impact. *Table 14 (below)* estimates the base year demand for serviced accommodation in Leeuwarden and in Fryslân.

Table 15 (below) uses this as the base level, that is, given recent growth patterns in visitor overnight stays, and from this base and the predict the impact on the estimated impacts of ECoC. The overnight stay calculations are based upon the studies discussed earlier with a mean of 11 per cent and assuming a normal curve of distribution, a low point of 4 per cent and a high point of 18 per cent.

Visitors

Table 16 (right) lists the origins of guests undertaking one or more overnight stays in the Fryslân between 2012 and September 2015. The table shows that most guests staying for one or more nights came from the Netherlands with Germany, Belgium and the United Kingdom accounting for over 90 per cent of all guests staying one or more nights. In most cases, guest stayed in serviced accommodation for less than two nights, though the average German guest spent 2.5 nights in this form of accommodation.

Segmentation issues

Whilst both visitors and those staying overnight in Fryslân are attracted by the specific merits of the province, there are many similarities in the demographic profiles of those taking part in outdoors hospitality in the UK. Lashley (2015) reported that tourists on campgrounds appeared to cover four categories. *'Family fun seekers'* are those who rent static vans, normally at seaside locations. They usually are in family groups, including children, and are looking for a high level of entertainment both on-site and in the surrounding area. They are most likely to be looking for a low cost family holiday in a national location. This group is said, to rarely travel abroad for holidays, and be more concerned to go to the same, or similar, locations where they are confident about the holiday experience they will receive, and are able to predict how much it will cost. In Fryslân, those staying in fixed campsites are likely to be family fun seekers. The second group is *'activity seeking-tourers'* who use caravans or leisure craft as a means of undertaking some other leisure activity. For these visitors, the accommodation format is a means-to-an-end, enabling them to pursue their sporting, or special interest leisure activity, such as water sports, or bird watching. The third group is, 'private relaxers'. They holiday in static or touring caravans or leisure craft and do not look for a high degree of entertainment or parks

Table 14: *Estimated serviced accommodation demand for Leeuwarden and Fryslân by 2018 (serviced accommodation)*

HOTEL	LEEUWARDEN	FRYSLÂN
Serviced accommodation – hotels and B&B	131,580	975,116
Overnight guests (1.45 per room)	190,791	1,413,918

Table 15: *Predicting visitor overnight stays in Leeuwarden, Fryslân, 2018*

VISITORS	SERVICED ACCOMMO-DATION CAPACITY	BASE LEVEL	ECOC IMPACT 4 PER CENT	ECOC IMPACT 11PER CENT	ECOC IMPACT 18 PER CENT
Leeuwarden	480,705	190,791	198,422	211,778	227,041
Fryslân	1,897,635	1,413,918	1,470,474	1,569,448	1,668,423

Table 16: *Origins of guests and overnight stays into Fryslân at hotels, B&Bs and youth accommodation from 2012 till September 2015 (x 1000)*

COUNTRY	GUESTS (000S)	OVERNIGHT STAYS (000S)
Africa	0	0
America	3	3 (1)
Australia and Oceania	0	0
Asia	3	3 (1)
Belgium	89	175 (1.96)
Denmark	2	3(1.5)
France	4	7 (1.75)
Germany	202	508(2.5)
Italy	0	0
Netherlands	2495	4812(1.92)
Other European countries	11	15(1.36)
Other Eurozone countries	1	1
Spain	0	0
Sweden	0	0
Switzerland and Liechtenstein	2	3(1.5)
United Kingdom	20	29 (1.45)

Source: Statistics Netherlands (CBS), 2015

with modern and hotel like facilities. They do not readily look for sociable relations with fellow site guests. They want to keep themselves to themselves and probably avoid campgrounds that are used by families with younger children. The final group, is labeled as *'enthusiasts'*, actively engage in a caravanning or leisure craft culture and for whom the caravan/craft is an important feature of their total leisure time. They are likely to belong to specific clubs, and attend meetings and rallies with other caravan/leisure craft enthusiasts. The social aspect of engaging with other outdoors holidaymakers is an important part of the perceived benefit of these types of accommodation (Hiemtun & Abelsen, 2012). These are polar opposites of the private relaxers, because this back-to-nature experience is coupled with a communal dynamic.

These market segments are likely to be found on different sites in different geographical locations. Research by Southerton, Shove, Warde, & Deem (2003) sugggested several of their interviewees holding very negative views about each other. The family fun seekers and the private relaxers in particular, because of their polarity, see each other with antipathy. The fun seekers regard the private relaxers as "snobs"; and the private relaxers consider the fun seekers to be "louts" and "Butlins types", as they quote one interviewee observing (Southerton et al., 2003: 3). This segmentation data is limited in this research because it does not provide much insight into the demographic segmentation characteristics of these groups, and suggests the need for research to deepen our understanding of the profiles of each of these clusters.

This segmentation of outdoor holidaymakers also impacts on the sites, facilities and designs noted earlier. Given the restrictions on parking a caravan in all but designated campgrounds, the nature of the sites and the facilities they promote to their clients is a means by which caravanners make selections about where to go. At one extreme, the park is highly organized with a many on-site facilities; at the other end of the scale they may be little more than a stand for the caravan or a post to moor the leisure craft.

New opportunity?

Whilst Chinese visitors to the city and the province are currently quite low the increasing numbers travelling abroad provide a market to be developed for ECoC. In 2014, 250,000 from China visited the Netherlands (Weinsburg, 2015). This represented a year on year increase of 18 per cent compared to a 10 per cent in overseas tourists. Whilst many visit the Netherlands to view the major art galleries, many also undertake retailing expenditure.

Currently, a typical Chinese traveller spends an estimated $1,678 on retail consumption for one international travel. However, the averages vary widely in countries with the U.S. being the biggest beneficiary of the expenditure. A Chinese traveller in the U.S. spends an estimated $2,555 compared to Europe's $2,548. The values are much higher than those recorded for closer destinations like Hong Kong (Weinsburg, 2015).

In its examination of the Chinese market, the report indicated that the luxury goods sector has been the biggest beneficiary of China's growing affluence. Out of the $66 billion worth of Chinese luxury purchases, an estimated 77% are made in foreign countries. The number is likely to increase as the clampdown on corruption is expected to make domestic demand stagnant (UNWTO, 2015); (CLA, 2015).

Sage Brennan, who is CLA's co-founder, reports that for retailers to capture the attention of Chinese travellers, they will need to do active brand management. Brands that boast of high consumer awareness will benefit more in the long-term. The argument is a likely justification for recent trends in the U.S. where retailers and shopping centers have started to create website content in the Chinese language, offer Chinese travellers discounts and launch Chinese New Year campaigns. Some even have sales staff that can speak Mandarin. Such trends are ultimate attractions to the Chinese market; which is the greatest retail consumer at the moment. Any company that wishes to be a dominant international force cannot afford to ignore the Chinese market (CLA, 2015).

Conclusion

This report has explored the impact of being host cities as the European Capital of Culture with the aim of informing preparation plans for Leeuwarden and Fryslân to organize the event in 2018. The long-term benefits that the ECoC tend to be both tangible through improvements in facilities, and intangible as self-confidence and pride increase as the result of celebrating the destination, its culture and history. Both the city and the province have much to celebrate, but it is essential that the narratives aimed at potential visitors and guests are carefully planned and presented.

Considering the quality of the guest experiences and the quality of the hospitality experienced is key to ensure that tourists reflect favorably on their time in Leeuwarden and Fryslân.

Consistency in aims and vision is one of the themes that arise from the experiences of prior hosts. Whilst the year of the ECoC is seen as a major event to be managed it is important that Leeuwarden and Fryslân recognize the host-year as offering long-term benefits that extend beyond 2018. This is particularly important in a context where many cities experience a spike in demand during the ECoC year followed a reduction in demand in subsequent years.

In addition to presenting a realistic estimate of the likely increase in visitors and guest staying overnight, the report makes some observations about preparations and planning for the hosting year. Fundamentally, considering the quality of the guest experiences and the quality of the hospitality experienced is key to ensure that tourists reflect favorably on their time in Leeuwarden and Fryslân.

Observations for planning

1. Plan the event as beginning not and end in itself
2. Establish program events that continue beyond the year
3. Budget for marketing and promotional activities in the following years
4. Plan events during the low demand months
5. Plan for bad weather effects
6. Promote the destinations to the various market segments
7. Plan for market segment events
8. Promote the hospitableness program with benefits for participants
9. Conduct further research into the current quality of direct hospitality provision
10. Conduct further research into the current quality of indirect hospitality provision
11. Conduct research to access the Chinese tourist market.
12. Monitor the impact of platforms such as Airbnb and HomeAway with the province and city.

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