

Memorandum: Colosseum, February 2024

Business impact of proposals regarding ticketing

Background

- Cultural tourism is central to Italy's service economy and has the capacity to deliver positive impact throughout the country.
- Destinations can influence visitor flow and drive product diversification if more attractions are travel-trade literate with compatible business systems.
- Where large or popular attractions do not adopt current technology to optimize B2B client-handling, viable alternatives are required.
- Further to recent guidance about future ticketing policy, ETOA has assessed potential impact across a range of operators and offers the following observations.

Capacity available to the travel trade

- 25% of capacity allocated to travel trade is much lower than current practice.
- While we understand this is only a starting point, the initial impact will be negative for the following reasons:
 1. Setting the value this low will cause unnecessary anxiety among operators who have already sold programmes including a visit to Colosseum in 2024.
 2. 2025 programmes are already on sale: future product development decisions are urgent and require long-term guidance.
 3. Demand from long-haul business is growing more quickly than domestic: it is also more useful as it represents expert income. A reduced B2B quota will prejudice that market the most.
 4. Operators are sensitive to the risk that they may not be able to deliver what have promised their clients: their added-value depends on reliability.
 5. Therefore, some operators, including cultural tourism specialists, may stop offering the Colosseum to minimise commercial risk, thereby prejudicing their competitive position. This will disproportionately affect small businesses.
 6. If inventory is unavailable, rather than offer a refund and give clients free time, operators of packaged product generally prefer to sell another service on which they can make a commercial margin.
 7. For groups operators, the overall impact is worsened by having to cancel a visit due to lack of certainty and/or lack of sufficient group tickets, knowing their clients may find they can buy tickets directly themselves.
 8. Operators are already devising programme adjustments to minimize this risk. Elsewhere in Europe, it is becoming common not to guarantee 'interior visits'.
 9. Given the range of business models and number of operators who seek commercial terms with the Colosseum, a reduced quota will drive competition in speed-of-booking rather than anything appreciated by end consumer.
 10. Any unsold inventory will still need the travel trade to ensure capacity optimisation: platforms especially have a wide reach across all markets.

Nominative ticketing and three-day deadline

- The current proposal to require names three days prior to the visit will also have an uneven impact on the market given the range of business models in operation.
 1. Platforms selling product including the Colosseum will have to stop sales three days in advance, irrespective of whether unsold inventory remains.
 2. Thus, any visitors already in destination (or soon to arrive) looking for short-notice availability will only be able to buy single service options directly.
 3. At present, c.30% of sales of experiences in Rome take place within three days of service.
 4. This adds commercial pressure on SEO and commercial performance of the official website by visitors who are used to trouble-free booking options and will quickly go elsewhere.
 5. The three-day limit will increase risk of unused capacity and thus lost revenue. As for airlines and hotels, unused capacity represents an irrecoverable loss.

Business systems

- It is desirable to align attraction and operator business systems such that live inventory can be managed accurately and efficiently.
- Operators do not know yet how they will be able to interface with any new ticketing system.
- Although the new ticketing partner is proficient in managing interfaces for B2B clients we understand that an industry-standard API will not be available, at least to start with.

In consequence:

1. We expect the current practice of dedicating significant resources to manual logging-on the portal to purchase and download tickets to continue. This is unaffordable for many.
2. We expect there to be continued efforts to purchase tickets through use of automated tools such bots and scrapers. These would be redundant if there were an interface better adapted to B2B client management.

Product restrictions and scope for development

- We note the *Parco Archeologico* wishes to limit the types of additional services that would qualify the resulting product as value-adding.
 1. For example, ticket plus digital map would not, we understand, meet the threshold thus could not be sold. This has a direct impact on consumer choice.
 2. The online marketplace is well adapted to provide competitive offers due to the ease of comparison, so it is not clear who benefits from such restrictions unless the intention is to maximise direct sales. Clarification would be welcome so operators can plan accordingly.
 3. We take this opportunity to note the wide scope to explore product development options within the site, with all its various elements, including developing access points to disperse visitor flow. We would be pleased to support any effort towards this.

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