



LONDON & PARTNERS

Economic Impact Study:  
NFL International Series  
London,  
28 October 2012

December 2012

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## Contact

**Frank Saez**

**SMG Insight / YouGov**

50 Featherstone Street

London EC1Y 8RT

**T: 020 7012 6103**

**M: 07973 134771**

**F: 020 7012 6001**

**E-mail: fsaez@smg-insight.com**

## Background

London & Partners is the official promotional agency for London, attracting and delivering value to business, students and visitors

The NFL International Series game was held for the sixth time at Wembley Stadium on 28th October 2012

London & Partners would like to obtain robust figures relating to the direct economic impact of the event in the host economy, Greater London



LONDON 28.OCT.12



## Event Background

- ▶ The event programme for the weekend was not limited solely to the NFL game (see NFL Event Programme)
- ▶ **The economic impact figure calculated covers both events combined**

### NFL Event Programme



**Saturday 27th October**

#### **NFL Fan Rally, Trafalgar Square**

*Chance for fans to cheer on the two teams before Sunday's game in an iconic London setting*

*This event is also free to attend (43,579 attendees)*

**Sunday 28th October**

#### **New England Patriots vs. St.Louis Rams, Wembley Stadium**

*A crowd of 84,004 packed into the Wembley Stadium to watch the 6th International Series game to be held in London*

## Background



- ▶ Economic impact assessments provide an indication of the economic benefits for a specified region generated from staging an event
- ▶ In addition to the spectators present at the game and the NFL Fan Rally, the 2012 event featured around 1600 attendees present in other roles, e.g. volunteers, officials, media, participants, coaches etc
- ▶ Economic impact assessments aim to quantify the direct contribution to the host economy of each of these 2 groups – spectators and attendees, the key two areas being spend on accommodation and non-accommodation items
- ▶ In addition the total spend by the event organiser in the host economy is sourced and added to the contributions of the different groups of people above to arrive at a total Direct Economic Impact figure

## Summary: 2012 Direct Economic Impact

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### ▶ Total direct economic impact was **£23.26m**

- » 2011 figure was £22.87m, an increase of **2%**
- » Total economic impact (including indirect impact – see Appendix A) estimated to be £46.52m using a economic multiplier figure of 2

- ▶ **Organiser spend in the host economy was £10.90m\***
- ▶ **Additional spend from the other event (Fan Rally) from those people who did not also go to the game was £291,443**

### ▶ Spectators at the game contributed:

- » £9,874,467 to the non-accommodation sector
  - » 2011 figure was £9.14m, an increase of **8%**
- » £1,587,928 to the accommodation sector
  - » 2011 figure was £1.95m, a decrease of **-20%\*\***

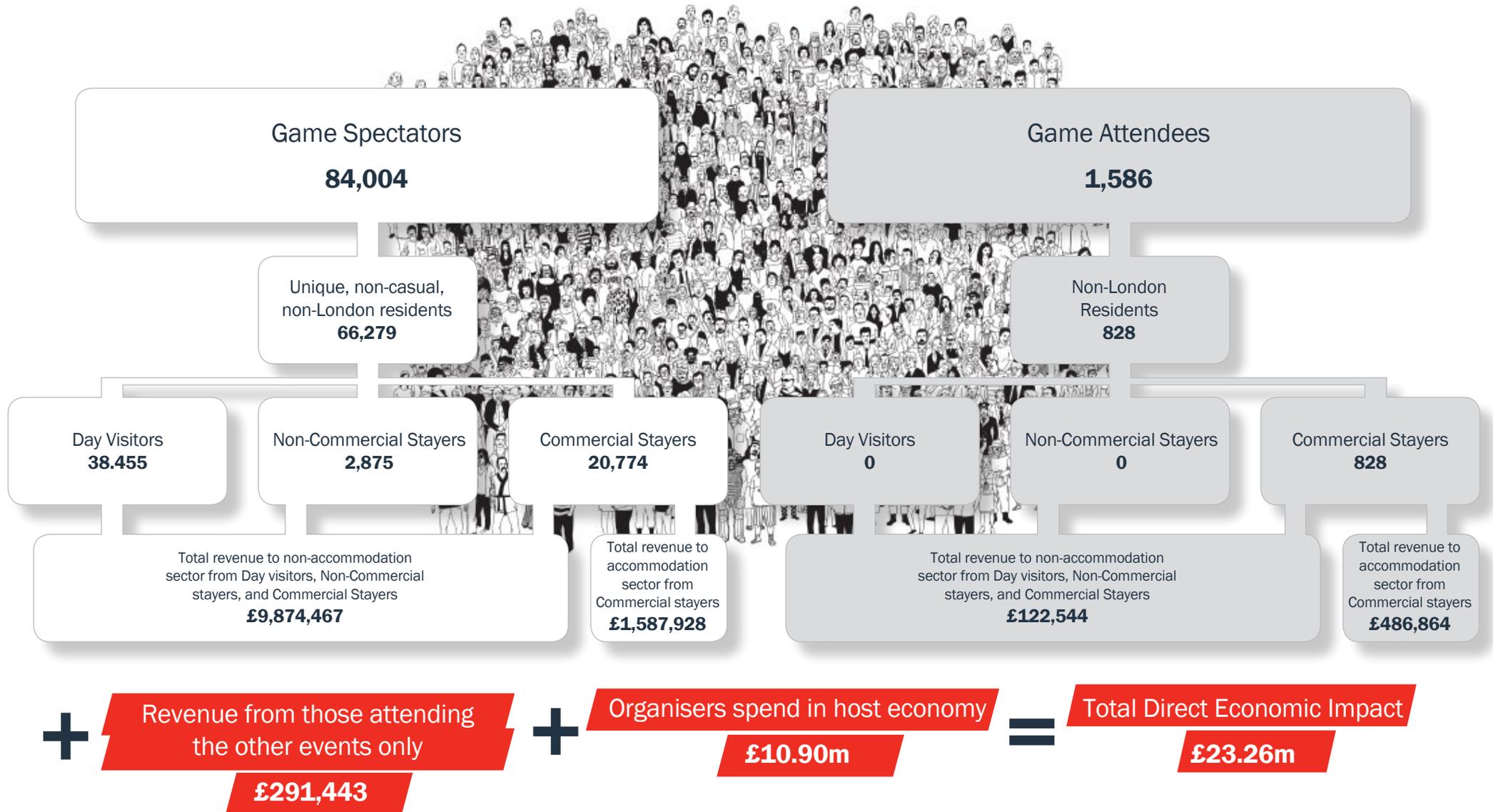
### ▶ Game attendees contributed:

- » £122,064 to the non-accommodation sector
  - » 2011 figure was £116k, an increase of **5%**
- » £486,864 to the accommodation sector
  - » 2011 figure was £464k, an increase of **5%**

\* Organiser spend was the same in 2011.

\*\* A decrease of 20% in the accommodation sector was seen due to a decrease in 2012 in three criteria; Commercial stayers 20,774 (vs 21,750 in 2011); Average nights spent in London 1.91 (vs 2.02); Average cost per bed per night per person £40.02 (vs £44.48)

## Summary: 2012 Direct Economic Impact



# Methodology

# Methodology



- ▶ Economic impact assessments provide an indication of the economic benefits for a specified region generated from staging an event
- ▶ There is no industry standard software for calculating total direct economic impact – however for this study, **eventIMPACTS**, the event evaluation framework previously developed for UK Sport and its partners is used

\*Attendees are those attending the event who are not spectators, e.g. participants, volunteers, officials, media, coaches etc

\*\* Casual spectators are those whose primary reason for visiting London was not to attend the NFL game

## ▶ The three broad areas used to calculate the total Direct Economic Impact figure are:

- 1) Total **Spectator** spending on accommodation and non-accommodation items
- 2) Total **Attendee\*** spending on accommodation and non-accommodation items
- 3) **Direct spending** (organiser spend in host economy)

1) The **Spectator** figure above is derived from an online questionnaire completed by NFL UK members, over half of whom were spectators at the game

2) The **Attendee** figure is calculated by using the exact number of attendees present at the game and adjusting the spectator spend figures above by making various assumptions

- » Note: all spectator and attendee expenditure made in Greater London that would have been made irrespective of the event was excluded. For this reason:
  - » All spend of London residents (spectators and attendees) at the event is excluded
  - » All spend of casual\*\* non-London resident spectators at the event is excluded

3) The **Direct spending** figure above is provided directly by the event organisers

▶ Finally, specifically for this report, spectator spend from the NFL Fan Rally event is also estimated and added to the 3 figures above to arrive at total direct economic impact

Note that the direct impact figure calculated for the other event covers only the relatively small number of people **who exclusively attended the other event (i.e. did not attend the game)**. The reason is it is impossible to apportion somebody's spend across each event so somebody attending the game plus the other event will have ALL of their spend included in the game EIA figure – **hence the figure for the other event may be significantly smaller than expected**

# Questionnaire Methodology

The questionnaire collected the following for game spectators:



Combined with the spectator attendance figure and assumptions around spend levels of attendees, the following were derived:

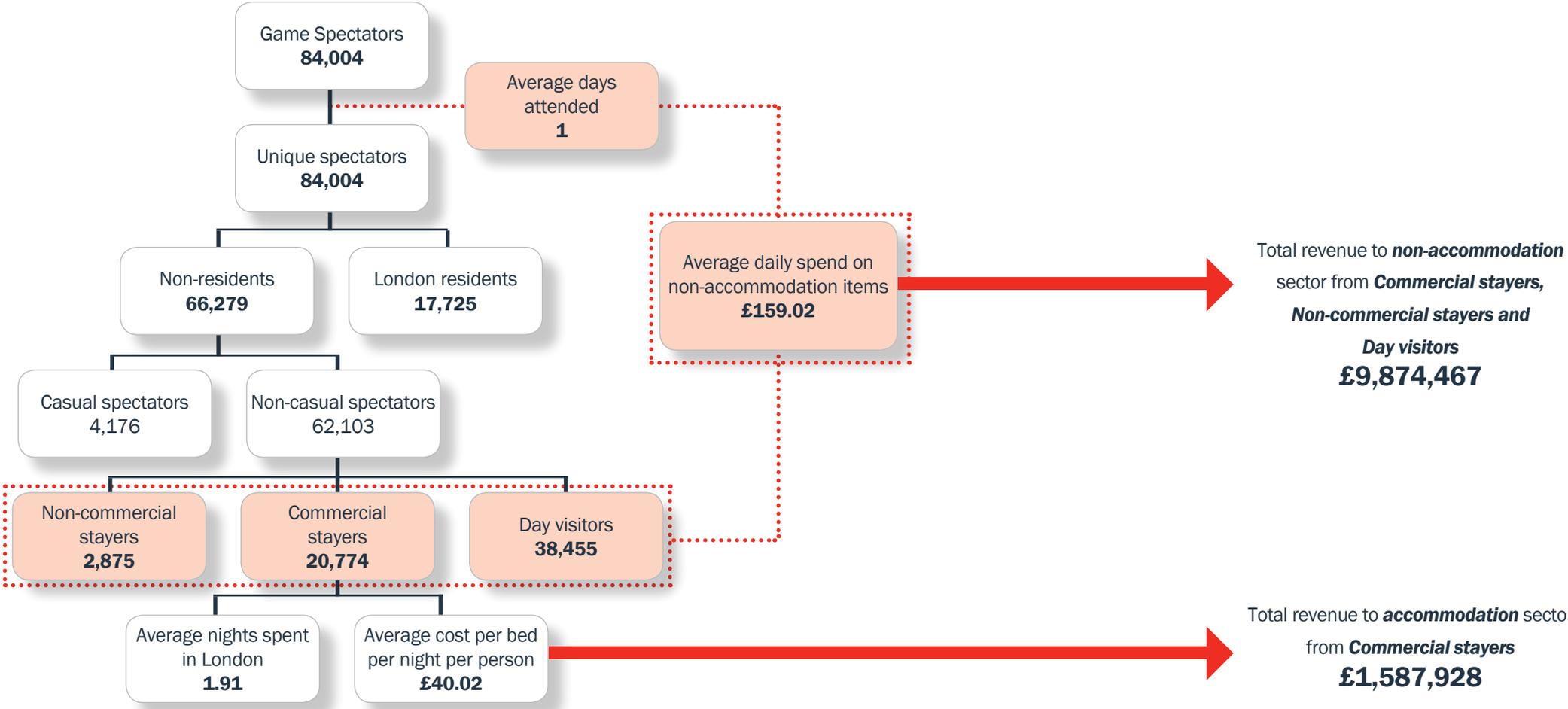


Finally the **Organiser Spend in Host Economy** and **Revenue from those attending the other event only** is added to get:

**Total Direct Economic Impact**

# Detailed Findings – Full Economic Impact Calculations

# 1 | Direct Economic Impact: Game Spectators



## 2 | Direct Economic Impact: Game Attendees

### Estimating **accommodation** spend of game attendees



- ▶ A total of 1586 attendees\* were present at the game
- ▶ Based on the exact numbers of attendees in each role that were provided, the following estimates were made:
  - » 947 were UK residents of whom 80% (758) are estimated to live in host economy, London
  - » 639 were USA residents

#### ▶ Estimating number of “commercial stayers”:

- » It is assumed that all USA residents (639) plus all UK residents living outside of the host economy (189) stayed commercially in London so there was an estimated 828 “commercial stayers”

#### ▶ Estimating average cost per night:

- » Whilst the majority of the 828 “commercial stayers” are assumed to have stayed in relatively modest accommodation, players from the 2 teams are assumed to have stayed in more expensive accommodation ; on average the commercial cost per bed night for all attendees staying in the host economy is estimated to be £105\* per person per night

#### ▶ Estimating average number of nights stayed:

- » Average number of nights spent in the host economy by USA residents is estimated to be 7, with average of only 1 night for UK residents from outside the host economy – hence overall average bed nights for all attendees= 5.6 nights

Total accommodation spend from attendees is  $828 * £105 * 5.6$

**= £486,864**

\* These were media, catering, promotional, rigging, security, cheerleaders, operational staff, players, branders, officials and coaches

\*\* Adjusted from £100 in 2011

## 2 | Direct Economic Impact: Game Attendees

### Estimating *non-accommodation* spend of game attendees

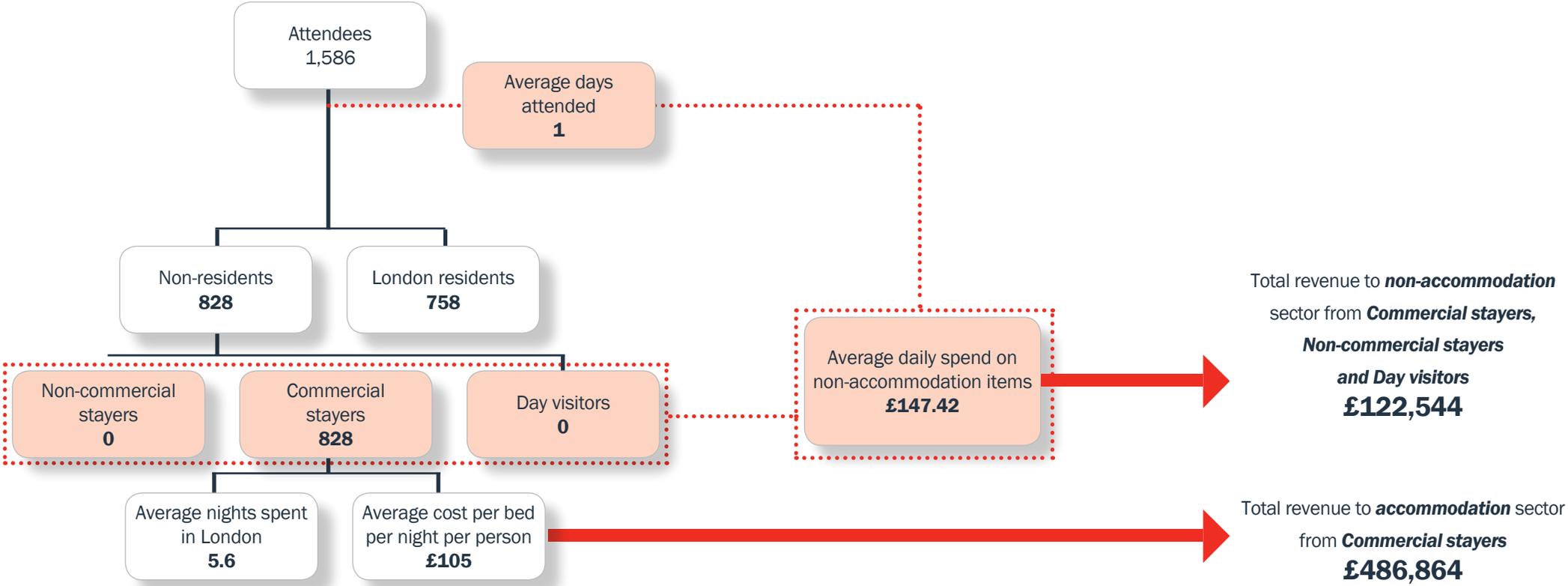


- ▶ 3 distinct groups are used here in order to take account of expected significant differences in spend across different types of attendee who are from outside of the host economy (828 people)
- ▶ Team Affiliated personnel from the USA (499 people) which includes players, coaches, cheerleaders etc are assumed to have an estimated average daily spend of £210 per person
- ▶ Event Affiliated personnel from the USA (140 people) which includes promotional staff, TV production crew, officials etc are assumed to have an estimated average daily spend of £53 per person
- ▶ UK Non Host Economy individuals (189 people) which include technicians, catering staff, events staff etc are also assumed to have an estimated average daily spend of £53 per person

Average daily spend for all attendees = £148 so total attendee non-accommodation spend is £148 \* 828

**= £122,544**

## 2 | Direct Economic Impact: Game Attendees



### 3 | Direct Economic Impact: Other Event Calculations

#### Event Attendance Breakdown

- ▶ In 2012 the online survey was sent to ticket holders of the game (in 2011 the survey was sent to all NFL members), there were 1,192 respondents who were spectators at the game
- ▶ In 2011, 93% of visitors who went to the NFL Fan Rally also attended the game. 7% therefore only attended the event, using this year's overall event attendance figure of 43,579, would project 3,051 people that only attended the NFL Fan Rally



#### Estimating **accommodation** spend of spectators

- ▶ **Estimating number of “commercial stayers”:**
  - » 25% of game spectators stayed commercially in London so the same proportion will be assumed here ; hence the estimated commercial stayers is 763 (25% of 3,051)
- ▶ **Estimating average cost per night:**
  - » Average cost per night of game spectators staying commercially in London was £40.02 so the same will be assumed here
- ▶ **Estimating average number of nights stayed:**
  - » Average nights stayed by game spectators was 1.91 ; however for spectators who went exclusively to the NFL Fan Rally and did not attend the game an average of 1.5 will be assumed

Total accommodation spend from these spectators is  $763 * £40.02 * 1.5$

**= £45,803**

### 3 | Direct Economic Impact: Other Event Calculations

#### Estimating *non-accommodation* spend of spectators



#### ▶ Estimating number of spectators from outside of London:

- » 79% of game spectators were from outside London. It is estimated the equivalent number at the Fan Rally was slightly less at around 70%. Total estimated to be 2136

#### ▶ Estimating number of days present:

- » Using 2011 estimates, 15% of people went to both events so it is assumed the average days attended is 1.15

#### ▶ Estimating average spend per day:

- » Average spend per day of game spectators was £159. Fans to the rally expected to spend £100 per day so overall average spend per person per day is £100

Total spectator non-accommodation  
spend is  $£100 * 2136 * 1.15$

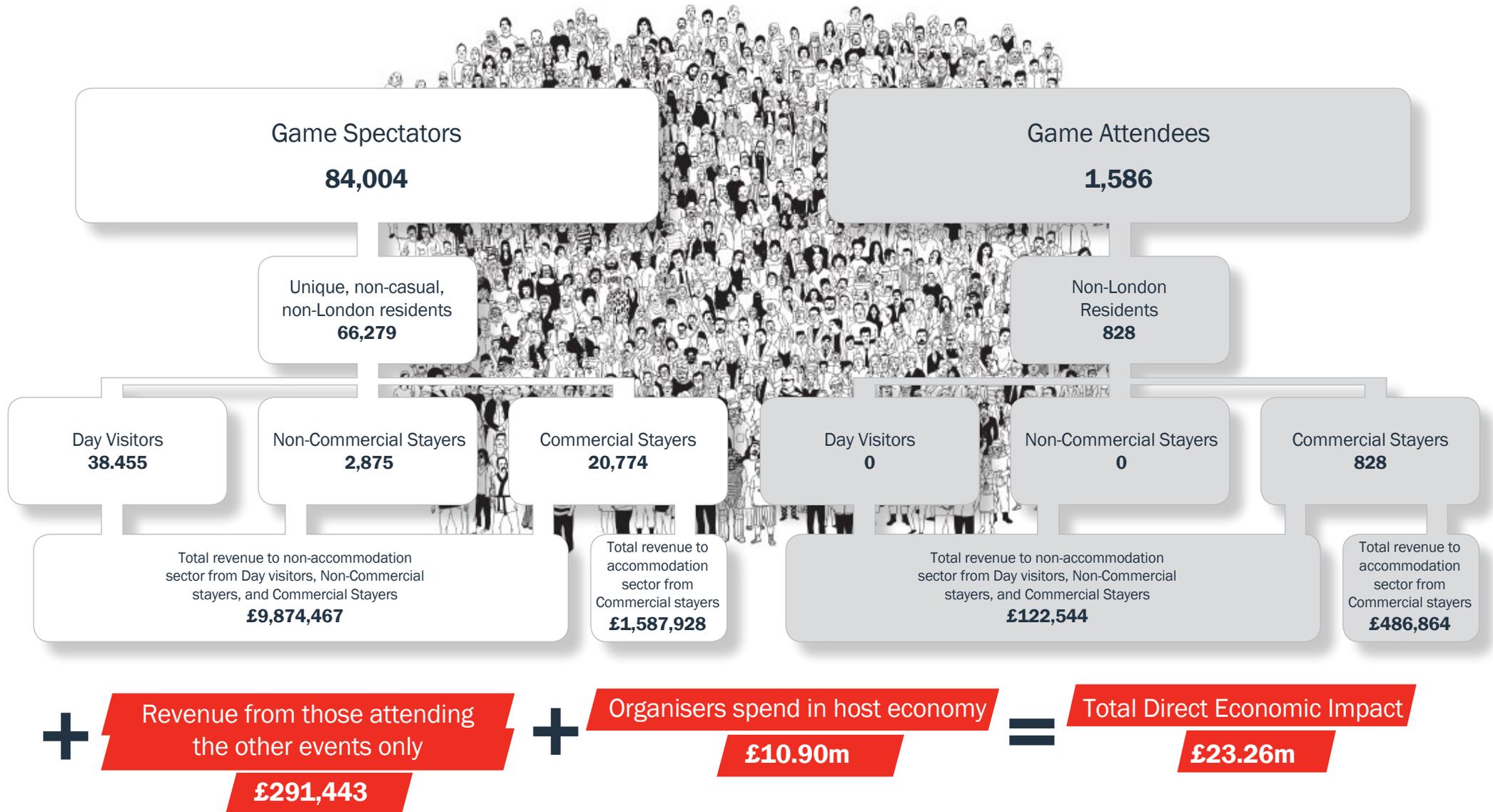
**= £245,640**

Therefore total spectator spend on  
accommodation and non-accommodation is

**= £291,443**

Overall

## Summary: 2012 Direct Economic Impact



## Appendix | Event Multiplier Effect

- ▶ An event multiplier turns the Direct Economic Impact from an event into a figure that represents the Total Economic Impact
- ▶ Multipliers are used to assess the extent to which increased spending in the host economy produces subsequent benefits for that economy (indirect impact)
- ▶ Regardless of its type, the value of any multiplier is dependent on the size of the economy being considered. In simple terms, the smaller the host economy, the higher the chance of leakage and the lower the value of the multiplier
- ▶ Previous multiplier figures used for other sporting events in the UK include
  - » A figure of 1.5 used for a economic study into the 2010 Ryder Cup
  - » A figure of 2.4 was used on a study into the economic impact of hosting ITF Davis Cup tennis
- ▶ A multiplier of around 2 could be suggested as appropriate for this event

## About SMG Insight / YouGov

**SMG Insight / YouGov is an independent research consultancy specialising in the business of sports and sponsorship fields. The company has many years of experience of working in the rights marketing environment, and in the development and application of sponsorship valuation models.**

**SMG Insight / YouGov operates from an international network of offices in London, North America, Scandinavia, Germany, France, and Middle East.**

### Contact

SMG Insight  
50 Featherstone Street  
London EC1Y 8RT

**T: +44 (0)20 7012 6000**

**F: +44 (0)20 7012 6001**

**E: [info@smg-insight.com](mailto:info@smg-insight.com)**

**[www.smg-insight.com](http://www.smg-insight.com)**