

Regional Events Fund

Economic Impact Analysis Guidelines

Purpose

The Regional Events Fund (REF) is designed to stimulate inter and intra-regional visitation through funding events that will encourage expenditure missed by international visitor markets. The (REF) is available to the nine International Marketing Alliance (IMAs) groupings of Regional Tourism Organisations (RTOs).

The Regional Investment Plans produced by the IMA's have a requirement to, "show how the Lead Entity will distribute, manage and monitor the funding." These Guidelines assist with the monitoring aspect. Some RTO's already have established event impact measurement processes while others don't. These Guidelines are designed to enable all RTOs and their IMAs to undertake a consistent approach to economic impact measurement so that the results are reportable, consistent and acceptable for the REF. The goal is to achieve consistent reporting regardless of whether the RTO is signed up to Event Economics or not.

Methodology

The method recommended for undertaking the measurement of the economic impact of the REF is an accepted methodology used in NZ and overseas. Here are the steps.

1. Identify the total number of event attendees

2. Determine the number of attendees from outside of the host region

3. Identify the length of stay associated with attending the event

4. Determine the average daily spend while attending the event

5. Determine the number of people included in the average daily spend

Step One

The primary measurement is to determine the number of people that attend the event. If the event is ticketed, organisers can know the attendance numbers from the ticketing agency. If there is no ticketing number information, then a crowd counting technique has to be used which is an added complexity.

Step Two

Once the total number has been determined, the proportion or number of those from outside the hosting region has to be identified. If the event uses a ticket distribution technique that does not allow for the identification of out-of-region visitors then this has to be determined when the interviews take place and this process is described later in these Guidelines.

Step Three

The next measurement is designed to establish how long the visiting event attendees stayed in the region as a result of the event.

Step Four

The average daily expenditure of the visitors needs to be determined so that the overall economic impact is assessed. One of the variables that can cause confusion is accommodation. If a visitor stays in a non-commercial accommodation, like friends or family, then there is no accommodation expenditure to record. However, experience shows that some visitors look to make up for the free accommodation by taking their hosts out for dinner or event tickets which should be recorded in their spend data.

The average daily expenditure should endeavour to cover all trip expenses such as:

- Accommodation
- Food and drink
- Taxis, ubers, driving and parking expenses
- Entertainment
- Retail spend e.g. souvenirs, clothing and visits for example a zoo.

Step Five

The last step is a check to determine the number of people that the respondent is paying for. For example if a person is paying for themselves and two other dependants, then the average daily expenditure would be divided by three to produce an individual dollar value. When the average daily expenditure is projected to the total event population, the individual value will be used.

How do you get this information?

The accepted and most used method to acquire the information to determine event economic impact analysis is by surveying event attendees. Obviously if you have thousands of people attend an event it is unrealistic to survey them all. Therefore, sampling is used. Sampling is the process of taking a proportion of the event attendees to represent the whole lot.

The challenge is deciding what proportion is sufficient to make a projection to the event population? Best practice suggests that **100 is the minimum for a sample** size. Depending on the size of the event, larger sample sizes are recommended. A good **maximum sample size** is usually around 10% of the population, as long as this does not exceed 1,000. For example, in a population of 5,000, 10% would be 500. In a population of 200,000, 10% would be 20,000. This exceeds 1,000, so in this case the maximum would be 1,000. The surveying for economic impact should be a relatively quick and short questionnaire, with around six questions.

Example of Economic Impact Assessment

Example 1

An event is held and there are 5,000 tickets sold.

From the ticket sales agency it was able to be determined that 3,000 people were outside of the host region.

A questionnaire will be developed and there is an example at the end of the Guidelines. Four interviewers will be trained to undertake the interviews.

Testing showed that the questionnaire takes two minutes to complete. On average, an interviewer should complete 25 per hour with some down-time built in. Therefore, two hours should see four interviewers complete 200 interviews. So if 2.5 hours was allocated to allow for some down-time, 10 hours cost should suffice to achieve the 200 interviews.

Example 2

An event is held and there are 5000 tickets sold.

This event does not use a ticket sales agency, and a number of community based outlets sell the tickets so no demographic information is collected. Therefore we will not be able to initially determine how many people were from outside of the host region.

In this case, we use a screener question which is the very first question a person asks, namely, where do you live? If they are from outside of the host region then we proceed with the questionnaire, otherwise if from within the host region, then normally it is a case of thanking them and saying, thanks but we are looking to talk with visitors to the region.

The same process starts, four interviewers complete 200 interviews.

Privacy Law issues

It is important that each RTO/IMA understand their responsibilities in undertaking research and the protection of data collected and the privacy issues of data collection and storage.

There is no need to collect anyone's name, address or any other personal details. The absence of personal information makes the privacy data management much easier.

It is important to reiterate to the interviewers, that if they are asked, the data collected will be solely used to determine the impact of the event. The data collected will not be used for any other purpose. All data will be reported in an aggregated format and the report is the property of the IMA to use.

If a respondent asks if they can see you a copy of the end report, one in 500 does ask this, the answer is yes. However, they have to give their email or provide some other way in which to send the report. The interviewer should be briefed on how to respond to this.

Questionnaire Development and Reporting

An example of a questionnaire will be made available to the IMA's to assist them in their evaluation. Based on the content of these Guidelines, the questionnaire will provide minimum core measurements that will allow for a consistent approach for all of the RTO's that comprise the IMAs to measure the economic impact of their events. An online workshop will also be provided to show how to take the data from the questionnaires to a reporting format. As mentioned, the primary goal is for a consistent approach to measuring economic impact analysis of the events and a consistent reporting style.

Example of Questionnaire for Out-Of-Region Visitors

Hello, do you mind if I ask you four questions, it takes no more than 2 minutes?

1. Where do you live? (If **outside of host region** then proceed with the questions, if within region, thank and close).
2. How long are you visiting this region?
3. On average, how much are you spending in total each day? (includes accommodation, food, drink, retail etc)
4. How many people are you paying for on this trip? (For example the person may be paying for other people. Enter a number)
5. Was attending this event your main reason for visiting this region?
6. Thank and FINISH

Example of Questionnaire for Within-Region Visitors

Hello, do you mind if I ask you four questions, it takes no more than 2 minutes?

1. Where do you live? (If **within the host region** then proceed with the questions, if outside of the region, thank and close).
2. On average, how much are you spending to attend this event today including the cost of tickets, travel to get here, food, drinks etc?
3. How many people are you paying for to attend this event? (It could be they are just paying for themselves or other people. Enter a number)
4. Thank and FINISH