

Economic Evaluation of Classic Fighters Omaka 2013

Prepared for

Marlborough District Council

Authorship

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Executive Summary

The purpose of this study is to estimate the impact of Classic Fighters Omaka 2013 on the Marlborough economy. This involves assessing the extent to which the event grew the economy in terms of direct expenditure and Gross Domestic Product (GDP).

- Classic Fighters Omaka 2013 attracted 13,090 visitors to Marlborough. In aggregate these visitors generated 27,192 visitor nights at an average of 2.08 nights per visitor.
- Classic Fighters Omaka 2013 increased Marlborough's regional exports by \$3.21 million. This figure is exclusive of GST and comprises:
 - A net inflow of \$0.15 million caused by the operation of the event budget i.e. the amount spent in Marlborough to organise and deliver the event was \$0.15 million greater than the event income sourced from within Marlborough.
 - A net inflow of \$3.05 million through expenditure by visitors on general tourism goods and services such as accommodation, food & beverage, transport, activities and retail shopping.
- The increase in regional exports of \$3.21 million caused by Classic Fighters Omaka 2013 generated \$1.89 million of GDP in the Marlborough economy, comprising a direct impact of \$1.22 million and an indirect & induced impact of \$0.76 million.
- The return on regional investment in Classic Fighters Omaka 2013 was 631%, calculated as the GDP impact of \$1.89 million divided by Marlborough's investment in the event which was \$0.30 million. This is a high level of return for a major event the average return on investment across Auckland's event portfolio was 95% in 2012/13.
- Average enjoyment levels among spectators were high at 4.6 out of 5.

	Value
Visitors to Marlborough	13,090
Visitor nights	27,192
Regional exports	\$3,207,732
Event operations	\$153,855
Tourism	\$3,053,878
Contribution to GDP	\$1,891,313
Direct	\$1,225,117
Indirect & induced	\$764,622
Regional investment	\$299,584
Return on regional investment	631%
Average enjoyment level	4.6 out of 5

1 Introduction

Classic Fighters Omaka air show is a major fundraising event for the Omaka Aviation Heritage Centre held over three days from Good Friday to Easter Sunday every alternate year. An entertainment programme is built around the air show including ground theatre, vehicles, pyrotechnics and set pieces to create a spectacle for people of all ages. In addition to these displays the event provides musical entertainment, locally produced wine and food, merchandise stalls, a kid's fun zone and an array of classic cars. Aircraft enthusiasts travel from across New Zealand and overseas to attend Classic Fighters Omaka.

The purpose of this study is to estimate the impact of Classic Fighters Omaka 2013 on the Marlborough economy. This involves assessing the extent to which the event contributed to the Marlborough economy in terms of direct expenditure and Gross Domestic Product (GDP).

1.1 Approach

Regional level economic impacts are driven by net changes in *regional* exports, measured as earnings from outside Marlborough (regional exports) less purchases of goods and services from outside Marlborough (regional imports). Classic Fighters Omaka generates regional exports and imports through two distinct channels:

- 1. The operation of the event budget some of the event income is sourced from outside Marlborough (regional exports), and some of the operating expenses accrue to businesses outside Marlborough (regional imports)
- 2. Expenditure by domestic and international visitors on general tourism and eventspecific goods and services

The economic impact of Classic Fighters Omaka 2013 has been informed by:

- Analysis of the operating budget for Classic Fighters Omaka 2013 to understand how the event was funded and where the money was spent.
- A face-to-face survey of 821 randomly selected attendees to understand the event population and collect email addresses for a post-event online survey of attendees.

The online survey sample of 1,326 was large for a study of this nature - a sample of 500 is generally considered to be statistically robust. The results from the online survey were used to estimate key ratios such as number of event days attended per person, nights spent in Marlborough per visitor, spend per visitor to Marlborough and spend

per visitor night. These ratios were then applied to the population of event attendees to estimate aggregates such as total visitor nights and expenditure caused by the event. The event population was estimated using attendee and participant counts provided by the event organiser, the split between local and visiting attendees from the face-to-face survey, and the number of event days attended per person from the online survey.

The results presented in this report are therefore all based on estimates derived from large-sample surveys and actual attendance figures. No major assumptions or imputations were required.

1.2 Interpretation

The outcomes presented in this report are measured against the counterfactual of the event not occurring and the investment in the event not being used for another purpose. The outcomes therefore represent the gross returns to Marlborough and do not consider the returns that could be generated from investing the same amount of money in different ways. The outcomes in this report should be compared with those delivered by other investment options to ensure that resources are being allocated in the most efficient manner.

Event footprint 2

2.1 Attendance profile

Events usually measure attendance in terms of tickets issued or gate movements. This is the most appropriate measure from a commercial perspective because it is observable, easy to measure, and ticket sales drive revenue.

To evaluate an event an estimate of unique attendance is also required. This involves counting each attendee only once, rather than counting the number of times that person passed through the gate. This is necessary because the results from the surveys are all stated in 'per person' terms and therefore need to be weighted up to an estimate of people rather than gate movements.

Classic Fighters Omaka 2013 issued the equivalent of 30,000 day tickets excluding those issued to participants and media. Results from the online survey show that each attendee spent an average of 1.49 days at the event. The number of unique spectators attending the event is therefore estimated as 30,000 / 1.49 = 20,137. In addition to this a total of 1,293 participants and media attended the event, lifting total unique attendance to 21,430.

Of the 21,430 unique attendees, 6,540 lived within the Marlborough region and the remaining 14,890 were from outside the region.

Tuble 1 offique uncharge prome for chasse 1 igners of mana 2010				
	Local	Visitors	Total	
Participants & media 458 835 1.29				

Table 1 Unique attendee profile for Classic Fighters Omaka 2013

	Local	Visitors	Total
Participants & media	458	835	1,293
Spectators	6,082	14,055	20,137
Total	6,540	14,890	21,430

Demonstrating causality is an important part of event evaluation i.e. it must be shown that the event caused the costs and benefits attributed to the event. This is particularly relevant to tourism because a visitor that attends an event could be in the region for another reason, in which case it would not be valid to attribute their visitor nights or expenditure to the event. Attendees that are in the region for another reason are referred to as "incidental visitors".

Incidental visitation at Classic Fighters Omaka 2013 was measured through a question in the online survey which asked visiting respondents whether the event was the main reason for their visit to the region. The results showed that 1,799 of the 14,890 attendees from outside the Marlborough region were incidental and were in the region for another reason. The remaining 13,090 visitors were attracted to the region by the event and it is therefore valid to attribute the visitor nights and spend they generated to the event.

Around two thirds (8,570) of the 13,090 visitors attracted to Marlborough by the event stayed at least one night in the region. These people are referred to as "overnight visitors".

On average each overnight visitor spent 3.17 nights in Marlborough generating a total of 27,192 visitor nights. The remaining 4,520 visitors were day trippers travelling mainly from the Canterbury, Nelson and Tasman regions.

Table 2 Tourism activity in Marlborough caused by Classic Fighters Omaka 2013

	Overnight	Day	Incidental	Total
	visitors	visitors	visitors	Total
Event attendance (unique attendees)	8,570	4,520	1,799	14,890
Visitation caused by event (unique attendees)	8,570	4,520	0	13,090
Visitor nights caused by event	27,192	0	0	27,192
Nights per visitor caused by event	3.17	0.00	0.00	2.08

2.2 Economic footprint

It is estimated that Classic Fighters Omaka 2013 caused \$3.21 million of externally sourced (non-local) expenditure in the Marlborough economy (regional exports). This figure is exclusive of GST and comprises:

- A net inflow of \$0.15 million caused by the operation of the event budget i.e. the amount spent in Marlborough to organise and deliver the event was \$0.15 million greater than the event income sourced from within Marlborough.
- A net inflow of \$3.05 million through expenditure by visitors on general tourism goods and services such as accommodation, food & beverage, transport, activities and retail shopping. This figure excludes spend on Airshow tickets which is counted in the event budget analysis.

Table 3 Regional exports generated by Classic Fighters Omaka 2013 (excl. GST)

	Regional exports
Event operations	\$153,855
Tourism	\$3,053,878
Total	\$3,207,732

More detailed breakdowns of the regional exports generated by Classic Fighters Omaka 2013 are provided in the following sections.

2.2.1 Event operations

A total of \$0.89 million (excluding GST) was spent delivering Classic Fighters Omaka 2013 of which \$0.30 million was sourced from within Marlborough, mainly through ticket sales. The largest expenditure items were:

- Aircraft procurement
- Hire equipment
- Pyrotechnics
- Advertising
- Event management expenses
- Toilet hire

Around \$0.45 million of the operating expenditure accrued to Marlborough-based businesses and organisations. This exceeds the \$0.30 million of income sourced from within Marlborough by \$0.15 million; hence Classic Fighters Omaka 2013 generated a net inflow of cash into the Marlborough economy of \$0.15 million through the event budget.

Table 4 Cashflows generated by event operations (\$m excl. GST)

	Marlborough	Outside Marlborough	Total
Origin of income	\$299,584	\$589,793	\$889,377
Destination of expenditure	\$453,439	\$435,938	\$889,377
Net inflow of cash	\$153,855	-\$153,855	\$0

2.2.2 Tourism

Visitors to Marlborough spent \$3.05 million (excluding GST) on tourism goods and services such as accommodation, food & beverage, transport, activities and retail shopping. This represents average expenditure of \$233 per visitor or \$112 per visitor night and excludes spend on Airshow tickets which is counted in the event budget analysis. Overnight visitors spent \$2.95 million at an average of \$344 per visitor and day visitors spent \$0.10 million at an average of \$23 per visitor.

Table 5 Expenditure by visitors to Marlborough caused by the event (excl. GST)*

	Overnight visitors	Day visitors	Total
Total spend by visitors	\$2,951,457	\$102,420	\$3,053,878
Spend per visitor	\$344	\$23	\$233
Spend per visitor night	\$109	n/a	\$112

^{*}Excludes spend on Airshow tickets which is counted in the event budget analysis

These figures are averaged across all visits to Marlborough caused by the event, including children. Figures from the Domestic Travel Survey (MBIE) show that, on average, domestic overnight travellers spend around \$110 per <u>adult</u> night excluding GST. This includes expenditure on all items associated with the trip, including airfares.

If the Domestic Travel Survey figure was adjusted to include children it would probably fall to around \$90 per visitor night. It is also worth noting that the \$112 per night attributed to the Classic Fighters Omaka 2013 excludes ticket purchases as this money is counted elsewhere, and it only counts money spent directly in the Marlborough economy. Adding in expenditure on tickets as well as other trip-related expenses would raise spend per visitor night well beyond the national average.

2.2.3 GDP impact & return on regional investment

The increase in regional exports of \$3.21 million caused by Classic Fighters Omaka 2013 generated \$1.89 million of GDP in the Marlborough economy, comprising a direct impact of \$1.23 million and an indirect & induced impact of \$0.76 million. This represents the return on Marlborough's investment in the event. The regional exports figure is converted to an estimate of regional GDP using economic multipliers provided by Butcher and Associates.

Around \$0.30 million of the \$0.89 million operating budget was sourced from within Marlborough, mainly through ticket purchases by Marlborough residents. This represents Marlborough's investment in the event.

The return on regional investment in Classic Fighters Omaka 2013 was therefore 631%, calculated as \$1.89 million divided by \$0.30 million. This means that Marlborough recovered each dollar it invested in the event plus an additional \$6.31 per dollar invested, which is a high level of return for a major event. The average return on investment across Auckland's event portfolio was 95% in 2012/13, and some specific examples include:

- ITM400 (V8 Supercars) 147%
- ASB Classic & Heineken Open 65%
- World Softball Championships 151%
- Auckland Marathon 123%
- ITU Grand Final 310%

Table 6 Economic impact of Classic Fighters Omaka 2013 & return on regional investment

	Impact on
	Marlborough
Regional exports	\$3,207,732
Event operations	\$153,855
Tourism	\$3,053,878
Contribution to GDP	\$1,891,313
Direct	\$1,225,117
Indirect & induced	\$764,622
Regional investment	\$299,584
Return on regional investment	631%

3 Non-economic data

3.1 Spectator survey

The majority of spectators were over the age of 45 and the average age of adult spectators was 52. More than two thirds of the spectators were male.

Table 7 Age distribution of adult Classic Fighters Omaka 2013 spectators

Age	
15-24	[4%
25-34	9%
35-44	16%
45-54	25%
55-64	24%
65+	23%
Total	100%
Average	52

Table 8 Gender distribution of adult Classic Fighters Omaka 2013 spectators

Male	69%
Female	31%

Word of mouth was the most common promoter of the event, followed by newspapers and the event website. The majority of those selecting "other" stated that they had been to the event before.

Table 9 How did you hear about the Omaka Classic Fighters Airshow?

Word of mouth	41%
Newspaper	26%
Event website	25%
Classic Wings magazine	12%
Radio	10%
Participants	6%
Social media e.g. facebook, twitter	4%
Sponsors	2%
iSite	1%
Other	21%
Don't know/Can't remember	3%

The majority of visiting spectators arrived in Marlborough using private vehicles (72%).

Table 10 Visitor mode of arrival into Marlborough

Private vehicle	72%
Domestic flight	11%
Ferry	10%
Rental vehicle	<u> </u>
Private aircraft	4%
Bus	1%
Train	0%

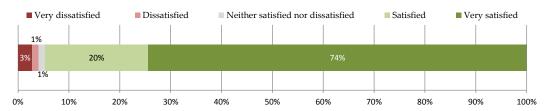
Blenheim town centre was the most visited destination (50% of visiting spectators). 28% of spectators did not go to any of the listed Marlborough destinations during their visit.

Table 11 Share of visiting spectators visiting Marlborough destinations

Blenheim Town Centre	50%
Picton	35%
Renwick	23%
Havelock	22%
Marlborough Sounds	16%
Seddon	8%
None of the above	28%

Spectators were generally very satisfied with the event. The average overall satisfaction score was 4.6 out of 5 and 94% of respondents were either satisfied or very satisfied with the event.

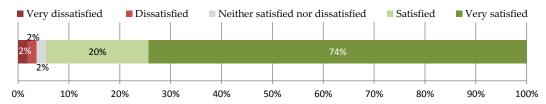
Figure 1 Spectator satisfaction



3.2 Participant survey

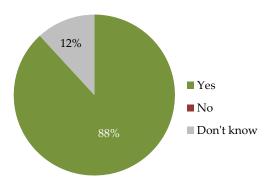
Participants were generally very satisfied with the event. The average overall satisfaction score was 4.6 out of 5 and 94% of respondents were either satisfied or very satisfied with the event.

Figure 2 Participant satisfaction



The majority of participants stated that they would participate in future events (88%). No participants stated that they would not participate but 12% were unsure.

Figure 3 Share of participants who would participate in future events

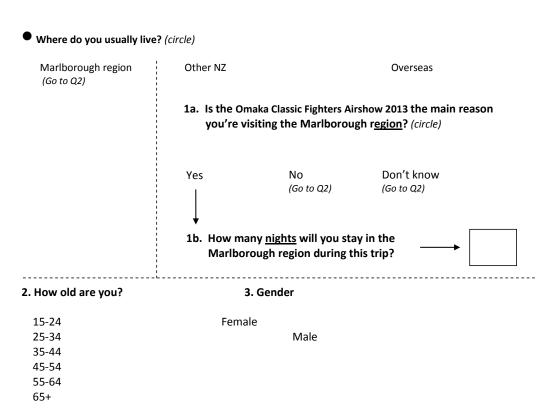


Appendix

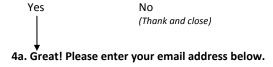
Spectator field survey



Interviewer: I'd like to ask you a few questions about the Omaka Classic Fighters Airshow 2013. Would that be okay?



4. Can we email you a short survey next week to ask you about your event experience?



Spectator online survey



a information you provide will remain confidential and will help us riborough region. a survey should take approximately 10 minutes to complete. but experience problems accessing the survey, please contact Covers you aged 15+? * Yes No Which country do you usually live in? * NEW ZEALAND There in New Zealand do you usually live? * Please Select	
you aged 15+?* Yes No Which country do you usually live in?* NEW ZEALAND /here in New Zealand do you usually live?*	o Ltd.
you aged 15+? * Yes No Which country do you usually live in? * NEW ZEALAND /here in New Zealand do you usually live? *	o Ltd.
Yes No No Which country do you usually live in?* NEW ZEALAND /here in New Zealand do you usually live?*	
No Which country do you usually live in?* NEW ZEALAND Where in New Zealand do you usually live?*	
Which country do you usually live in?* NEW ZEALAND /here in New Zealand do you usually live?*	
NEW ZEALAND /here in New Zealand do you usually live?*	
. How did you hear about the Omaka Classic Fighters Airsh	w?*
Event website (www.classicfighters.co.nz)	ic Wings magazine
Radio	of mouth
Newspaper Socia	media e.g. facebook, twitter
	(please specify)
Sponsors	
Participants Don't	know/Can't remember
. Which days did you attend the Omaka Classic Fighters Air	show 2013?*
Friday, 29th March	

Nas the Omaka Classic Fighters Airshow the main reason you visited Marlborough?*			
Yes			
⊚ No			
Did you stay any nights in Marlborough during	your visit?*		
⊚ Yes			
⊚ No			
How many nights did you stay in Marlborough?	*		
3 nights			
How did you arrive in Marlborough?*			
Please tick all that apply			
Domestic flight	Rental vehicle		
Domestic flight via an international flight	Train		
Private aircraft	Bus		
Private vehicle	Other (please specify)		
Ferry			
4. Which of the following items did you spen	nd money on during your visit to Marlborough?*		
Tickets to the Omaka Classic Fighters Airs	how 2013		
Food & drink (including alcohol) in Marlborou			
Accommodation in Marlborough			
Shopping in Marlborough			
Tourism attractions & activities in Marlborou	ugh (including vineyard tours)		
Transport & parking within Marlborough e.g.			
Fuel purchased in Marlborough			
Other spend in Marlborough (please specify	*		
None of the above			

How much money was spent on the following during your visit to Mariborough?

Tiokets to the Omaka Classic Fighters Airshow 2013 Don't know Amount (NZS):	How many adults does this amount cover? • adults
Food & drink (Including alcohol) in Mariborough *	How many adults does this amount cover? *
OPon't know OAmount (NZS):	adults
Accommodation in Mariborough *	How many adults does this amount cover? •
Amount (NZ5):	
Shopping in Mariborough *	How many adults does this amount cover? *
Don't know Amount (NZ5):	adults

Tourism attractions & activities in Ma	ariborough * How many adults does this amount cover? *
Ont know OAmount (NZ\$):	adults
Transport & parking in Mariborough * Don't know Amount (NZS):	How many adults does this amount cover? *
Fuel purchased in Mariborough * Don't know Amount (NZS):	How many adults does this amount cover? * adults
VVas any of this money spent in: Restaurants in Mariborough? OYes No Pon't know/Can't remember	Wineries in Mariborough? OYes No Don't know/Can't remember
During your trip to Mariborough	, which of the following locations did you visit? •
Picton Feddon Renwick Havelock	Mariborough Sounds Blenheim Town Centre Don't know None of the above

> 15

Overall, how satisfied were you with the Omaka Classic Fighters Airshow 2013?* Neither Very dissatisfied satisfied nor Very satisfied 5 Dissatisfied dissatisfied Satisfied 2 3 Not applicable 4 0 0 How old are you?* -- Please Select -- 🔻 Gender: * Female ⊚ Male Please add any further comments on the event.

Participant online survey



Thank you for agreeing to answer a few questions about your experience at the Omaka Classic Fighters Airshow 2013.

The information you provide will remain confidential and will help us understand the impact the event had on the Marlborough region.

The survey should take approximately 10 minutes to complete.

If you experience problems accessing the survey, please contact Covec Ltd.

Are you aged 15+?*





1. Which of the following best describes your role at the Omaka Classic Fighters Airshow 2013?*
Media
Trade/Food stallholder
Pilot
Re-enactor
Classic car owner
Musician
Other (please specify) *
2. Is your company based in Marlborough?*
Yes
○ No
 I participated at the Omaka Classic Fighters Airshow as a private individual
Comments
Where do you usually live?*
Mariborough
Elsewhere in New Zealand
Overseas
Comments

How did you arrive in Marlborough?*	
Please tick all that apply	
Domestic flight	Rental vehicle
Private aircraft	Train
Private vehicle	Bus
Ferry	Other (please specify)
	*
3. Did you or your company hire any <u>extra</u> people Fighters Airshow 2013?*	from Marlborough to work at the Omaka Classic
Yes	
⊚ No	
Don't know	
How many <u>extra</u> people from Marlborough did you hire?*	How much money in total was spent on their wages?*
Number of extra people:	Amount (NZ\$): *
O Don't know	Don't know
4. Which of the following items did you or your o Marlborough?*	company spend money on during your visit to
Fees/costs paid to the Omaka Classic Fighters	Airshow organisers
Food & drink (including alcohol) in Marlborough	
Accommodation in Marlborough	
Shopping in Marlborough	
Tourism attractions & activities in Marlborough (i	including vineyard tours)
Transport & parking in Marlborough e.g. bus, tax	i, vehicle hired in Marlborough
Fuel purchased in Marlborough	
Other spend in Marlborough (please specify)	*
None of the above	

How much money was spent on the following during your visit to Marlborough?

Fees/costs paid to the Omaka Classic Fighte Airshow organisers *	rs
Amount (NZ\$):	
○ Don't know	
Food & drink (including alcohol) in Marlbor *	ough
Amount (NZ\$):	
Don't know	
Accommodation in Marlborough *	
Amount (NZ\$):	
Don't know	
Shopping in Marlborough *	
Amount (NZ\$):	
● Don't know	
Tourism attractions & activities in Marlborou (including vineyard tours) *	igh .
Amount (NZ\$):	
○ Don't know	
Transport & parking in Marlborough	*
Amount (NZ\$):	
© Don't know	
Fuel purchased in Marlborough *	
Amount (NZ\$): *	
Opn't know	
Was any of this money spent in	
Restaurants in Marlborough?	Wineries in Marlborough? Yes
⊚ No	○ No
Don't know/Can't remember	O Don't know/Can't remember
During your trip to Marlboroug	h, which of the following locations did you visit? *
Picton	Mariborough Sounds
Seddon	Blenheim Town Centre
Renwick	Don't know
Havelock	None of the above

>

How much money did you or your company spend on the following?

Fees/costs paid to the Oma	aka Classic Fighters Airshow organisers *
Amount (NZ\$)	*
All other <u>event-related</u> cost	5 *
Amount (NZ\$)	* Don't know Nothing
4. How many sales leads do y	rou feel you generated at Omaka Classic Fighters Airshow?*
None	251-500
Less than 25	
28-50	More than 1,000
© 51-100	Onn't know
101-250	Not applicable to my company
You've told us you generated able to be more exact?*	more than 1,000 sales leads at Omaka Classic Fighters Airshow. Are you
Number of sales leads:	*
Don't know	
What do you estimate is the p Airshow?*	potential value of the sales leads you generated at Omaka Classic Fighters
Less than \$1,000	© \$20,001-\$35,000
\$1,001-\$2,500	\$35,001-\$50,000
\$2,501-\$5,000	More than \$50,000
\$5,001-\$10,000	○ Don't know
\$10,001-\$20,000	
You've told us the potential v more than \$50,000. Are you a	alue of the sales leads you generated at Omaka Classic Fighters Airshow is ple to be more exact? *
Amount (NZ\$)	*
Don't know	
5. What was the total va	lue of <u>actual</u> sales you made at Omaka Classic Fighters Airshow?*
Did not make any s	ales \$10,001-\$20,000
Less than \$1,000	More than \$20,000
\$1,001-\$2,500	Don't know
\$2,501-\$5,000	Not applicable to my company
\$5,001-\$10,000	
You've told us the value \$20,000. Are you able to	of <u>actual</u> sales you made at Omaka Classic Fighters Airshow is more than be more exact? *
Amount (NZ\$)	*
Don't know	

Overall, how satisfied were you with the Omaka Classic Fighters Airshow 2013? $\ensuremath{^{\star}}$

Neither

	Dissatisfied	satisfied nor dissatisfied	Satisfied	Very satisfied	
dissatisfied 1	2	3	4	very satisfied 5	Not applicable
	0	0	0		0
ould you particip	ate again in a fu	iture Omaka Class	sic Fighters Air	show?*	
⊚Yes					
Maybe					
⊚ No					
Don't know					
Not applicable					
lease add any furt	her comments a	bout the event he	re.		

> 22