



S-COMM **Sponsorship Analysis**

Tourism Tasmania Hawthorn FC Report

November 2007



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1.0 EXECUTIVE SUMMARY

1.1 OVERVIEW

S-COMM was commissioned by the Tasmanian Government to undertake an evaluation of Tourism Tasmania's sponsorship of the Hawthorn Football Club ("Hawthorn FC"). During this process **S-COMM** focused on three elements contributing to the overall impact of the sponsorship, including brand exposure generated through media coverage, economic impact¹ and consumer research.

Despite Hawthorn FC having played matches at Aurora Stadium in past years, 2007 marked the inaugural year for Tasmania as naming rights partner of the club. This also coincided with one of the club's most successful seasons in recent years. Hawthorn featured in the AFL Final Series for the first time since 2001 which included a dramatic last minute victory over the Adelaide Crows in the elimination final.

It was not only a successful year for Hawthorn on the field, but also for Tasmania as a new sponsor of the Club. The sponsorship performed strongly throughout the media generating the greatest exposure value of all Hawthorn sponsors. Despite Hawthorn major sponsor media exposure ranking at the lower end of the AFL Club spectrum, awareness of Tasmania's sponsorship amongst Hawthorn fans was surprisingly high for a first year sponsor at 32%, only slightly behind long-term partner HSBC at 33%.

Importantly, positive results were recorded in relation to people intending to travel to Tasmania in the coming 12 months and, according to economic impact experts, PwC, the sponsorship has generated a value add economic impact of \$7,269,000.

S-COMM has provided Tourism Tasmania with the following key findings, from the sponsorship evaluation process:

- i. The naming rights sponsorship generated a total media exposure value of **\$1,950,543** throughout the season. This represented a 35% share of voice amongst Hawthorn sponsors and, positively for Tasmania, almost 75% of television exposure reached a national Australian audience. It is important to note that this figure does not represent the 'total value' of the Tasmania sponsorship, ONLY the value generated by the brand throughout the media.

¹ Economic Impact study was conducted by PriceWaterhouseCoopers

- ii. The sponsorship recorded healthy levels of sponsorship awareness after only one season, with **32% unprompted recall** amongst Melbourne based Hawthorn fans. This was only 1.4 percentage points below long serving club major sponsor HSBC. **S-COMM** contends this strong awareness is attributable to the uniqueness of the Tasmania sponsorship within the Australian market.
- iii. Awareness research indicated that Tasmania was already a highly considered destination, however the sponsorship appears to have impacted in terms of a 'call to action'. That is, those respondents that indicated an awareness of the sponsorship are more likely to consider travel to Tasmania in the next 12 months, compared to those unaware of the sponsorship. **S-COMM** promotes the importance of monitoring changes in actual visitation by sponsorship aware people over the next 12 months. This will highlight the success of the sponsorship in converting consideration, to actual travel.
- iv. Staging five Hawthorn matches at Aurora Stadium in 2007 has generated a value add economic impact of **\$7.269m** to the Tasmania economy. The value add impact shows the increase in economic activity less the cost of inputs. Of this total, **\$3.927m** was a direct impact to the economy. The matches also created **110** full time equivalent employment positions in the state, from both direct and flow on effects.

1.2 BACKGROUND

In 2007 the Tasmanian Government commenced a five year sponsorship agreement with the Hawthorn Football Club. This includes the club playing four home matches at Aurora Stadium and Tasmania becoming the naming rights partner of Hawthorn FC.

The sponsorship with Hawthorn FC, encompasses two areas:

- i. Naming rights of the team (including branding on the jersey) - \$1,800,000 per annum
- ii. Agreement for Hawthorn FC matches to be played at Aurora Stadium - \$1,200,000 per annum

Following a formal tender process in September 2007, **S-COMM** was selected by Tourism Tasmania to provide an independent evaluation of the Tasmanian Government's sponsorship of the Hawthorn FC. The objective of this research was to "thoroughly track and evaluate both elements of the sponsorship and evaluate the return on investment in regards to social and economic benefits to Tasmania".

S-COMM completed three elements of research and evaluation:

- | | |
|----------|--|
| Part I | Media Exposure – Branding and Share of Voice Analysis |
| Part II | Consumer Research - Tasmania as a Destination |
| Part III | Economic Benefits and Direct Expenditure – conducted by PriceWaterhouseCoopers ('PwC') |

Following is a summary detailing the key findings of each component of this analysis.

2.0 KEY FINDINGS

2.1 MEDIA EXPOSURE – BRANDING & SHARE OF VOICE ANALYSIS

The following is a summary of the key findings from Tasmania media exposure analysis throughout the 2007 Hawthorn FC season.

Media Exposure Value and Branding

- Tasmania generated a total media exposure value of **\$1,950,543** throughout the 2007 season. Once again, **S-COMM** emphasizes that this value does not represent the value of the sponsorship property, but simply the value of the exposure generated by the Tasmania brand throughout Hawthorn Hawks FC media coverage.
- Television match coverage was the medium that delivered the majority of Tasmania brand exposure, representing 45% of the overall media exposure value.
- Clear and simple branding used across all Tasmania inventory, allowed for consistent sighting opportunities during television coverage.
- Branding on the front of the playing jersey was clearly the most valuable piece of inventory during match coverage, with almost two hours of clear exposure recorded. The most valuable inventory throughout television peripheral coverage, i.e. television news and sporting feature programs, was the club media backdrop board, generating a value of \$151,943.
- Post match interviews following the Week One finals match against the Adelaide Crows, generated over \$20,000 in exposure value for Tasmania.
- Luke Hodge's appearance on *'Before the Game'*² wearing a branded team polo shirt provided over \$21,000 in media exposure to Tasmania..
- Saturday afternoon match broadcasts on Channel Ten, proved the most valuable broadcast for Tasmania throughout the season. Whilst Channel Ten's *First at Five News* generated the highest value of all peripheral television broadcasts.
- 74% of Tasmania television exposure reached a national³ television audience ensuring a broad geographic spread for the brand and message.
- The Herald Sun featured the most appearances of Tasmania branded Hawthorn images across all print publications, with a total of 70 during the season.

² Broadcast on Channel Ten 11th August 2007

³ National audience includes Sydney, Melbourne, Brisbane, Adelaide and Perth metro markets.

- Local Tasmanian print publications, *The Mercury* and *The Examiner*, provided limited value, due to relatively low circulation, despite a reasonable number of appearances.
- May represented the 'most exposed' month for Tasmania mainly due to above average media attention surrounding the win over St Kilda (Round 8) and the West Coast Eagles (Round 9).

Television Audiences

Television audiences form a key component of the **S-COMM** media exposure valuation methodology. Under the **SpindexX2**[®] system, a higher reach of exposure (audience) results in a higher media exposure value.

- Hawthorn FC recorded a total cumulative television audience⁵ of 12,910,000 from Channel Seven, Channel Ten and Fox Sports⁶ broadcasts. This result represented a 36% increase on last season's results.
- The Hawthorn v Kangaroos elimination final was the club's highest rating match of the season, with 1,660,000 viewers (up from a peak of 963,000 in 2006).
- The Round 13 fixture against Collingwood attracted the greatest Fox Sports audience of the season, with 295,000 viewers. This was the second highlight AFL audience on Fox Sports during 2007.

Share of Voice Analysis

- Tasmania had the greatest share of media exposure, amongst Hawthorn FC major partners, with 35%.
- Joint major sponsor HSBC was slightly behind, with a 28% share of total exposure value.

⁵ Source: OzTam and AGB Nielsen Media Research

⁶ Fox Sports match audience based on first broadcast, either live or replayed.




2.2 CONSUMER RESEARCH - TASMANIA AS A DESTINATION

The following are key findings and comments from the 'destination' awareness consumer research study.

Brand Monitor Scorecard

To provide a greater understanding of the sponsorship's performance, **S-COMM** has used its **Brand Monitor Scorecard** to assess the level of success of each objective.

Scorecard Legend:

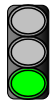
-  minimal impact / unsuccessful
-  some impact, more work required
-  strong impact / positive outcome

Objective 1: Identify the level of awareness of Aurora Stadium as an AFL venue



- 71% of respondents with an interest in AFL were aware that Hawthorn FC played several matches at Aurora Stadium in Tasmania. This figure increased to 88% among respondents whose favourite team is Hawthorn FC.
- Approximately three-quarters of these respondents aware of the Tasmanian venue had watched one or more games televised from Aurora Stadium during 2007. Nine out of ten viewers were aware of the venue at the time of watching.

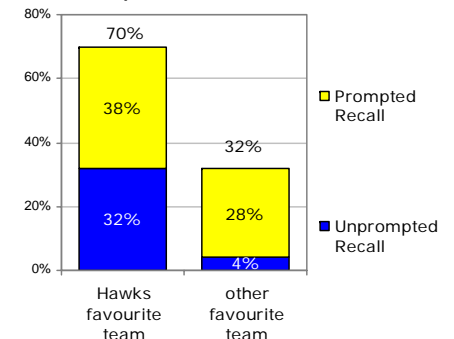
Objective 2: Identify the level of sponsorship awareness of Tasmania's sponsorship of Hawthorn FC

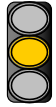


- 32% of respondents whose favourite team is Hawthorn FC spontaneously recalled Tasmania as being a sponsor of the team. This was marginally behind the 33% recall for HSBC, Hawthorn's other main sponsor. A good result considering the longevity of the HSBC partnership.
- When prompted, a further 38% of Hawthorn fans recognised Tasmania as being a sponsor of their team, producing a total sponsor awareness of 70% (unprompted and prompted recall).
- In the context of all AFL team sponsors, Tasmania had the 4th highest recall among Hawthorn fans:

Toyota	29%	← two of the longest serving AFL club sponsors
HSBC	28%	
Ford	19%	
Tasmania	18%	

Tasmania Sponsorship Awareness as a sponsor of Hawthorn FC





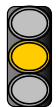
Objective 3: Identify the level of association of image statements with Tasmania

- When prompted, 36% correctly associated the “..... discover” slogan with Tasmania, and 36% correctly associated the “Island of Inspiration” slogan. There was no significant difference in level of association made by Hawthorn fans in comparison to other respondents. Those aware of the Hawthorn sponsorship were only slightly more likely to make a correct association than those unaware.



Objective 4: Identify the level of consideration of Tasmania as a tourist destination

- 82% of all respondents stated they would consider Tasmania as a future holiday destination. A strong response, although it should be noted that the level of response was consistent across all respondent profiles, suggesting that Tasmania was already part of the consideration set pre sponsorship.
- Across all respondents, the primary reason for considering Tasmania was for the scenery/sightseeing (24% of all respondents). To attend an AFL game accounted for only 3% of respondents.
- **The sponsorship appears to have had more of an impact on likelihood to visit Tasmania.** When asked how likely they would be to visit Tasmania in the next 12 months, respondents aware of the Hawthorn sponsorship showed a greater inclination to visit (21% were “very likely”) than those unaware (12%). For this reason, **S-COMM** awards a green light for this objective.
- While having only limited influence on mainstream respondents, the sponsorship has had a more significant impact on Hawthorn fans and respondents aware of the sponsorship. 24% of respondents aware of the sponsorship stated it had had some, or considerable, influence on their decision to visit Tasmania in the future.



Objective 5: Identify the level and reason for travel to Tasmania

- 9% of all respondents had visited Tasmania in the previous 12 months. This figure rose to 13% among Hawthorn fans and 12% among those aware of the sponsorship.
- Attending an AFL game was the 4th most popular reason for visiting Tasmania across all respondents, though **number one for Hawks fans.**

NB. It will be imperative to monitor changes and trends in visitation across the next 12 months, to help identify if the sponsorship has led to converting high level of consideration to actual travel to Tasmania.

2.3 ECONOMIC BENEFITS AND DIRECT EXPENDITURE

The following is a summary of the key findings from the economic impact study, completed by PwC.

Key Findings

- A total of 85,022 people attended the five matches held at Aurora Stadium this season.
- From this total **13,403** people were estimated to have attended the matches from interstate, with the sole purpose of visiting Tasmania being to attend the AFL.
- The overall economic output from spending by interstate visitors to Tasmanian AFL matches was approximately **\$15.16m** during 2007.
- The above result consisted of a **direct economic impact of \$8.07m** and flow on impacts of \$7.09m.
- The majority of spend was through accommodation, food and beverages, direct impact of \$6.45m and indirect \$6.09m.
- Looking at value added (i.e. the increase in economic activity less the cost of inputs) the expenditure by interstate visitors in Tasmania was **\$7.27m**.
- Of this value more than \$3.92 million was as a direct impact and \$3.34 million occurred as an indirect effect.
- The economic impact study also showed the expenditure within Tasmania resulted in the creation of **110 full time** equivalent positions within the state.

The following table highlights the overall economic impact of bringing the AFL matches to Tasmania.

Table 1: Economic impact generated from HFC Tasmanian home games during 2007

Measure	Direct Effects	Flow-on Effects	Total Impact
<u>Output (\$A)</u>			
Accommodation, cafes and restaurants	6,452,342	6,097,463	\$12,549,806
Tickets	806,543	300,034	\$1,106,577
Retail trade	806,543	700,886	\$1,507,428
Total output (\$A)	\$8,065,428	\$7,098,383	\$15,163,811
<u>Value Added (\$A)</u>			
Accommodation, cafes and restaurants	2,916,459	2,851,935	\$5,768,394
Tickets	615,392	145,984	\$761,376
Retail trade	395,206	344,394	\$739,600
Total Value Add (\$A)	\$3,927,057	\$3,342,313	\$7,269,370
<u>Employment (FTE)</u>			
Accommodation, cafes and restaurants	55	30	85
Tickets	8	1	9
Retail trade	11	4	15
Total employment (FTE)	75	35	110

3.0 S-COMM CREDENTIALS

S-COMM has been Australia's leading sponsorship research and evaluation company since 2000. Our metrics and analytical tools have been widely adopted by sponsors and sporting teams, media, community organisations and the arts, helping to establish us as an objective, universally accepted standard for valuation in the Australian and New Zealand sponsorship markets.

S-COMM is an independent, Australian-owned company that specialises in integrating media analysis, market research and strategic consulting to help our clients optimise their sponsorship return. We collect and analyse information to assist sponsorship decision-making, and have the most extensive sponsorship database in Australia.

With over 30 years combined experience in Australia and New Zealand, **S-COMM** is also part of the largest sport and sponsorship research network in the world, Sports Marketing Surveys. This extensive network provides **S-COMM** with a unique access to global insights, research and case studies.

S-COMM does not sell or manage sponsorships, providing our clients peace of mind and the confidence of unbiased analysis and insights. By valuing our independence we work objectively with sponsors, properties, government and agencies, giving us an incredibly broad knowledge and experience base to draw upon. We currently service the needs of corporate brands – both current and potential sponsors; Rightsholders – governing bodies, teams, venues, events; Agencies – advertising, media, PR, sports marketing, sponsorship; and Media companies.

4.0 METHODOLOGY

4.1 TELEVISION ANALYSIS

Television analysis is conducted using an advanced version of our sponsorship television evaluation system - **SpindexX2®**. This improved system includes automated image recognition software, Magellan to capture sponsor television exposure data, combined with the market accepted analysis and valuation methodologies unique to the **Spindex®** system. As a final layer, **S-COMM** utilises market intelligence and experience, providing insights and comments to improve and understand exposure performance.

Spindex® research has identified the following variables that impact on the recognition of a sponsor's brand during a sporting telecast. The four variables are:

- Exposure time
- TV audience
- Frequency of exposures
- Exposure time as a percentage of telecast duration

These variables quantify the potential brand awareness expressed as a **Spindex® Rating Point (SRP)**. Research conducted by the **S-COMM** global network determines the recall levels for each sponsorship inventory (e.g. Clothing, perimeter boards, grass advertising). These recall levels are combined with **SRPs** and Australian sponsorship market investment fees to determine the value of each sponsor's television exposure.

4.2 PRINT MEDIA ANALYSIS

S-COMM analyses major metropolitan and selected regional newspapers and a selection of sport/sponsorship specific publications for editorial and pictorial references to sponsor brands, logos & mentions.

Appropriate advertising rates and a proprietary formula are applied to the space of each article/image to determine the estimated value of each sponsor's publicity, which is then discounted based on the amount of clutter within the article/image. Published circulation figures are used to calculate the potential reach.

4.3 CONSUMER RESEARCH

The consumer research study was conducted online amongst **600** Melbourne based residents. The sample was constructed on the following mutually exclusive groups:

1. 150 respondents with no interest in AFL
2. 150 respondents with an interest in AFL whose favourite team is Hawthorn FC
3. 300 respondents with an interest in AFL whose favourite team is not Hawthorn FC

S-COMM has analysed the results through a number of target groups such as Hawthorn fans/non fans and sponsor aware/unaware. This research focuses on the impact of the sponsorship on those people residing in Melbourne, home of Hawthorn FC.

4.4 ECONOMIC IMPACT REPORT – PwC

A standard input-output approach has been adopted to determine the economic impacts of the sponsorship agreement.

In accordance with an input-output framework, the economic impact is estimated using a series of integrated multipliers which trace the relationship between the transactions of various industries in the economy. Multipliers measure the direct and flow-on effects of “shocks” to the economy, resulting from changes in demand for the output of specific sectors. This methodology summarises, in quantitative sense, all economic responses, both direct and indirect, to a change in the economic system.

The multipliers used in the economic model are sourced from the national input-output tables produced by the Australian Bureau of Statistics (ABS). The multipliers capture both the production and consumption impacts of expenditure. Economic impacts in this instance are measured in value added terms. Value added measures the contribution that is made by the sum of wages and salaries, operating surplus (or “profit”) and Government taxes and charges, to the economy.

The economic impact assessment considers the impact on the Tasmania economy only.