

**2008 Southern Heritage Classic
Market Assessment**



Presented by



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2008 SOUTHERN HERITAGE CLASSIC MARKET ASSESSMENT

PROJECT PURPOSE

The research project fulfilled the following objectives:

[1] Trend analyses.

[a] Patron demographic data were collected to compare with previous analyses yielding an up-to-date event patron composite.

[b] Sponsor recall data was collected to compare with previous analyses to reveal trends in top-of-mind sponsor identification.

[2] Valuation analyses.

[a] Attitudinal analysis. Selected items were used to assess the respondent's attitudinal affinity for the Classic as well as sponsors of the event.

[b] Financial analysis. Selected items were used to assess the respondent's financial affiliation for the Classic.

[3] Sponsor affinity.

[a] Specific survey items were included to assess the influence of Classic sponsors on event patron purchasing behavior.

[b] Specific survey items were included to assess interest among event patrons for Classic sponsors' special offers/communication.

[4] Economic benefits analysis.

[a] Data was generated for the purpose of projecting a Southern Heritage Classic Economic Benefit to the Memphis Metropolitan Statistical Area.

RESEARCH PROTOCOL

In order to properly execute the objectives of this research project an intercept survey format was employed. A research survey team of twelve graduate students was trained prior to the event and supervised on-site by Dr. Richard Irwin. Each survey was administered via a face-to-face interview providing enhanced clarification of survey item content as well as accuracy of response. In order to generate a sample representative of the event attendee population, five hundred surveys (N= 500) were prepared for completion. Of the 500 surveys, 447 were deemed usable for analysis.

KEY FINDINGS

- The Classic continues to draw a veteran audience (averaging 8+ years of attendance) with slightly less than half (40%) attending at least 10 times.
- Similar to previous analyses (1999 and 2002) conducted by this research team the event target audience appears to be 25-45 years of age, college educated, with a mid-income ranging from \$25,000 to \$74,999. There was a measurable increase in respondent income categories.
- An increasing number of event patrons indicated that a company's association with the event could influence purchasing behavior (67%, up from 63% in 2002). In fact, nearly three-fourths (73%) of the respondents indicated that they would purchase products carrying the Classic logo. Clearly, the Classic logo serves as a purchase "influencer" representing significant brand value to event patrons. This may either be from a Classic brand allegiance or product novelty perspective (e.g. consumer won't permanently switch brands but purchases Classic branded product as a collector item/memorabilia).
- Classic attendees demonstrate significant interest in receiving sponsor messaging either by email (36%) or text (22%). Targeted special offers to event patrons represent more cost-efficient communication tactics and a means of testing consumer action in response to attitude (will they actually buy the Classic branded product?). These results also provide support for on-going consumer dialog extending the Classic sponsorship value potentially an additional 51 weeks throughout the year.
- Classic attendees enjoy their tailgating. While more than 78% of the respondents engaged in tailgating, 69% cited tailgating as their favorite Classic event. In fact, thirteen percent of the sample (approximately 6,500 event patrons) engaged in tailgating but did not attend the football game. Opportunity abounds for event producers, sponsors and the like to capitalize on the Classic tailgate experience.
- When respondents were asked to recall all known sponsors of the event, only one event sponsor was recalled by over half the respondents (FedEx/54%) and three other Classic sponsors were recalled by over 10% of the respondents.
- More than two-thirds of event patrons (70%) were from the Memphis area, down from 80% in 2002.
- Slightly less than one-third (30%) of the respondents were found to be visiting from out-of-town and thus, responsible for infusing \$5.9 million of direct economic benefit into the local economy, which was an 11% increase from 2002. Recent academic as well as industry research supports the inclusion of local, event-induced spending, which would raise the direct economic benefit to \$8.1 million and total economic benefit to \$16.2 million.

EVENT PATRON PROFILE

Classic Attendance Frequency

Item	Percentage Recognized		
	1999	2002	2008
1 Year	39%	21.1%	18.6%
2 – 5 Years	30%	40.8%	28.5%
6 – 9 Years	17%	17.2%	12.8%
10 + Years	14%	20.9%	40.1%
Average Years Attended		5.11	8.11

Respondent Gender

Item	Percentage Recognized		
	1999	2002	2008
Male	44.2%	52.1%	62.7%
Female	55.8%	47.9%	37.3%

Respondent Residential Zip Code

Location	Percentage Recognized	
	2002	2008
Memphis Metropolitan Statistical Area	79.5%	71.0%
Nashville, TN	4.8%	2.1%
Jackson, MS	5.3%	8.3%
Other	10.4%	18.6%

Respondent Age

Item	Percentage Recognized		
	1999	2002	2008
> 17	N/A	0.5%	2%
18-24	18%	14.9%	13.5%
25-34	26%	35.8%	25.4%
35-44	27%	25.2%	24.4%
45-54	19%	14.4%	21.2%
55+	10%	9.3%	13.5%
Average Age	37.64	36.44	39.28

Respondent Total Annual Household Income

Item	Percentage Recognized		
	1999	2002	2008
Student	6.3%	N/A	N/A
<\$25,000	11.1%	18.7%	15.9%
\$25,000-\$49,999	39.9%	42.4%	28.8%
\$50,000-\$74,999	24.0%	19.2%	26.4%
\$75,000-\$99,999	11.5%	10.6%	10.5%
\$100,000+	7.1%	4.3% (\$100-124)	10.8% (\$100-124)
\$125,000 +	N/A	4.8%	7.5%

What Classic events will you attend?

Event	Volume Attending	Cited as Favorite
Classic Tailgate	78.7%	69.6%
Classic Football Game	64.5%	23.0%
Classic Community Health Fair	2.0%	0
NIKE Classic Coaches Luncheon	2.2%	0
Classic R&B Concert	10.1%	0
Classic Mixer	4.5%	3.0%
Ed "Too Tall" Jones Golf Classic	1.3%	0
Classic Parade	6.5%	2.2%
Classic Fashions & Brunch	1.1%	0
TYSON Classic Battle of the Bands	5.4%	1.5%

- Those who went to the game spent more than those who did not go to the game. Those who did not tailgate spent more than those who did tailgate.
- The Nike Classic Coaches Luncheon attendants spent the most in Memphis (\$325) and have attended the most Classics (11.5 years).
- The Tyson Classic Battle of the Bands attendants paid the most for their tickets and averaged the highest amount of nights stayed in a hotel in Memphis.
- Of the group that considered the Classic "priceless", 90% were tailgaters.

Who are you attending the Classic with this year (check all that apply)?	
Item	Percentage Recognized
Friends	64.0%
Family	55.1%
Business Associates	9.9%
Other	3.8%

What is the primary reason you attend the Classic (only one response)?	
Item	Percentage Recognized
Event Characteristics	44.0%
Team/Institution	19.9%
Game	21.9%
Business	2.5%
Other	11.8%

- Those attending the Classic for event characteristics were younger, less likely to attend the game, and more likely to tailgate.
- Those who attended the Classic for team/institution were most likely to attend the game and the least likely to tailgate.

SPONSOR ASSESSMENT

Top of Mind Sponsorship Recall¹

Name of Sponsor	Percentage Recalled 2002	Percentage Recalled 2008	Weighted Top of Mind Totals 2002	Weighted Top of Mind Totals 2008
FedEx	66.2%	54.34%	3713	5749
AutoZone	7.7%	16.78%	413	1847
Tyson Foods	-	16.11%	-	1790
Ford	10.9%	10.96%	597	1224
Budweiser	20.5%	6.71%	1109	749
Comcast	-	6.49%	-	708
Nike	12.3%	6.26%	657	679
Allstate Insurance	6.3%	5.59%	348	610
Clear Channel Radio	9.6%	4.03%	597	450
Cricket	-	3.58%	-	380
Harrah's	-	3.36%	-	357
U.S. Army	-	2.91%	-	310
SoftSheen-Carson	-	2.46%	-	270
First Tennessee	13.6%	2.24%	743	242
Memphis Light, Gas & Water	7.7%	1.57%	423	162
AARP	-	1.57%	-	160
Governor's Highway Safety	-	1.19%	-	123
Tennessee Lottery	-	1.19%	-	120
MCVB	-	0.67%	-	71
Carrier	-	0.45%	-	51
BlueCross BlueShield	2.7%	0.45%	173	49
Commercial Appeal	3.1%	0	161	0
Ewing Moving Service	-	0	-	0
SportSouth HD	-	0	-	0
Tri-State Bank	3.1%	0	162	0
Valero Memphis Refinery	-	0	-	0
U.S. Navy	-	0	-	0

¹ Prior to kick-off 447 respondents were asked to recite all companies they believed were sponsors of the Southern Heritage Classic. Top of mind responses were weighted for hierarchy of recall. A score of 26 was given to any company recited first by each respondent since there were 26 event sponsors provided. A score of 25 was given to a company recited second, and so on. In 2002, data was collected from 219 patrons during late stages of the game through post-game.

Classic Sponsor Affinity

Item	Percentage Recognized		Average Age for those who responded “yes”
	Yes	No	
Are you more likely to choose goods/services from a Classic Sponsor than a competitive brand?	67.1%	32.9%	41.22
Would you be more likely to purchase from a company that uses the Classic logo on its products?	72.9%	27.1%	40.49
Would you like to get email from Classic Sponsors offering promotions exclusively for Classic attendees?	35.7%	64.3%	40.35
Would you like to get a text message from Classic Sponsors offering promotions exclusively for Classic attendees?	22.1%	77.9%	38.86

- Event patrons who tailgated revealed a higher degree of sponsorship affinity than other patron groups analyzed.
- Respondents demonstrate sponsorship affinity (“Yes” to the questions above) provided higher rating for “importance” and “meaning” of the Classic, attended the Classic more often, and reported higher ticket valuations.
- Typically, older, more experienced respondents responded more favorably to the sponsorship affinity items above except, as might be expected, interest to receive text messages.
- 39% of those between the ages of 35 and 54 would like to get an email.

Patron Valuation Analysis (Financial)

"I don't know what Fred's charging for tickets, but it's not enough."

Rick Comegy, JSU Coach, quoted in Misilak, J. (2008, September 13). Wharton touts branding, *Commercial Appeal*, C2.

What is the face value of your ticket?*			
\$15	\$25	\$40	Suite
9.3%	48.3%	15.7%	4.7%

*22.0% responded "N/A", meaning they were unaware of the face value of their ticket

Ticket price by Years of Attendance	
Face Value of Ticket	Average Years of Attendance
\$15	7.95
\$25	7.98
\$40	10.30
Suite	12.27

For those who have a game ticket...			
Question	High	Low	Average
How much did you pay for your ticket?	\$275	\$0	\$24.88
What is the maximum amount you would have paid for that ticket?	\$300	\$0	\$37.90
What is the minimum amount you would accept for your ticket?	\$300	\$0	\$28.09

For those who do not have a game ticket...			
Question	High	Low	Average
What is the most you are willing to pay for a ticket to today's game?	\$200	\$0	\$27.67

Ticket Valuations			
Face Value of Ticket	How much did you pay for your ticket?	What is the maximum amount you would have paid for that ticket?	What is the minimum amount you would accept for your ticket?
\$15	\$15.66	\$21.64	\$16.45
\$25	\$25.79	\$35.66	\$30.51
\$40	\$35.88	\$54.19	\$33.81
Suite	\$49.17	\$30.22	\$24.78

- Those attending the Classic because of the game paid the most for their tickets (\$28.27), were willing to pay the most (\$45.11), and would re-sell their ticket for the highest minimum (\$30.80). This same group that did not yet have tickets to the game was willing to pay the most for a ticket (\$30.24).
- Those attending with **business associates** had the highest face value on tickets, paid the most for tickets (\$28.63), would have paid the least for tickets (\$32.42), and would sell their tickets at the highest minimum (\$33.83). Those who attended for **business purposes** had the highest face value on tickets, but paid the least (\$13.33). They would have paid the least (\$26.67). Apparently, those attending with business associated were hosts and those attending for business purposes were their guests.
- Those who attended the Classic with family would have paid the most for their tickets (\$40.43). They were also most likely to attend the game.

Patron Valuation Analysis (Attitudinal)

Using a scale with 1 = Unimportant and 7 = Important...			
Question	High	Low	Average
How important is the Classic to you?	7	1	5.96
How much does the Classic mean to you?	7	1	5.91

If I had approached you earlier this week and offered to pay a sum of money for you NOT to attend today’s event (tailgate, game, etc.) what is the minimum amount you would have accepted to stay home?	
Amount	Percentage Recognized
\$1-\$50	12.3%
\$51-\$200	20.1%
\$201-\$500	19.4%
\$501-\$4,999	20.6%
\$5,000 +	10.6%
Priceless	17.0%

- Years attended the Classic appeared to have a direct correlation with attitude towards the Classic. The more years attending the Classic – the higher rating on each of the above scales.
- Event patrons holding a \$40 ticket are the most engaged providing some of the highest ratings for Classic “significance” (6.75) and “meaning” (6.74) and expressing significantly more interest in receiving Classic sponsor emails (+25%).
- Those attending the Classic because of the game paid the most for their tickets (\$28.27), were willing to pay the most (\$45.11), and would re-sell their ticket for the highest minimum (\$30.80).
- Those attending with **business associates** had the highest face value on tickets, paid the most for tickets (\$28.63), would have paid the least for tickets (\$32.42), and would sell their tickets at the highest minimum (\$33.83). Those who attended for **business purposes** had the highest face value on tickets, but paid the least (\$13.33). They would have paid the least (\$26.67). Apparently, those attending with business associated were hosts and those attending for business purposes were their guests.

ECONOMIC BENEFITS ANALYSIS

An Economic Benefits Analysis was conducted in an effort to determine the amount of “new” dollars poured into the Memphis economy as a result of the 2008 Southern Heritage Classic. Primarily, data generated reflect the spending behavior of event attendees who reside outside the Memphis Statistical Area. Hence, these expenditures, which averaged \$280 per person for the weekend, are considered event-induced *direct* expenditures or new dollars infused into the local economy.

Recent research published by Steven Cobb and Douglas Olberding* and conducted by this study’s author**, however, provide evidence that for some events, spending by local residents ought to be counted toward economic impact because these residents would have spent that money outside the geographic area attending some other event or spent money at the same event had it been held in another market. In fact, Cobb and Olberding research confirms that local spending of close to 20 percent can be counted for larger profile events such as the Classic. This report uses 18% of local residents (average expenditure of \$239) to account for the volume that cited spending at least one night in a Memphis hotel during the Classic weekend (representing 40% of all hotel room nights).

Approximately 30% of the respondents were visitors to the Memphis area, a significant increase from 2002 when approximately 20% responded similarly. Those event patrons visiting Memphis spent an average of 1.2 nights in a local hotel.

The results of this analysis indicate that approximately \$5.9 million “new” dollars were infused into the Memphis economy by visiting event patrons and participants. Including local event-induced spending would result in an economic benefit of slightly more than \$8.1 million.

Economic Benefit Analysis (Direct Spending Only)			
Patron Category	Volume	Average Weekend Expenditure	Economic Benefit
Visitor Football Only	15,238	\$305	\$4,647,590
Visitor Tailgate Only	5,029	\$265	\$1,332,685
Visitor Subtotal			\$5,980,275
Local Football Only	35,556	\$258	\$1,651,220
Local Tailgate Only	11,733	\$233	\$492,082
Local Subtotal			\$2,143,302
Grand Total			\$8,123,577

*The Importance of Import Substitution in Marathon Economic Impact Analysis, *International Journal of Sport Finance*, Vol. 2, No. 2, 2007.

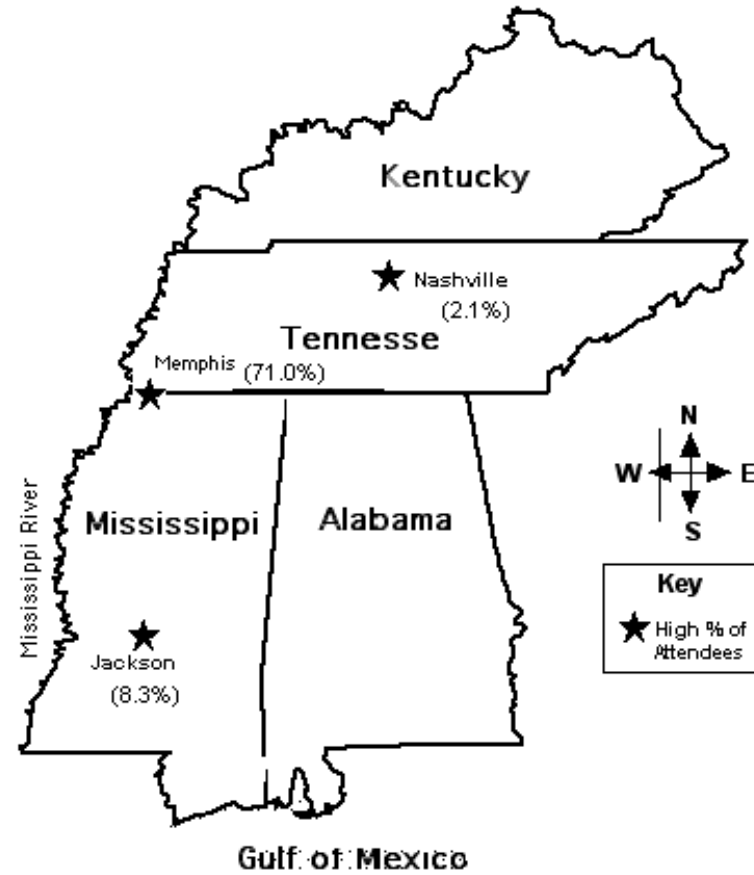
**2007 Big 12 Championship Economic Impact Analysis.

Typically, an indirect expenditure analysis (multiplier) is applied to the initial economic stimulus (direct expenditures) to determine the total economic benefit. Budgetary restraints of the study (prohibitive costs of an *input-output model*) limited the opportunity for a categorical indirect expenditure analysis. However, a multiplier of two (2) is commonly used (signifying one additional *turnover* of each new dollar brought into the economy) which would result in a total economic benefit of approximately \$11.8 million from visitors and **\$16.2 million**, if local event-induced spending is included.

It is important to recognize that this figure represents the event's economic *benefit* and does not represent the economic *impact*, which necessitates a comprehensive analysis of costs incurred. Such costs may include production costs to the event manager and local government (security, police, and stadium management) as well as opportunity costs for the hospitality industry (alternative bookings or lost bookings due to the demand) or the facility.

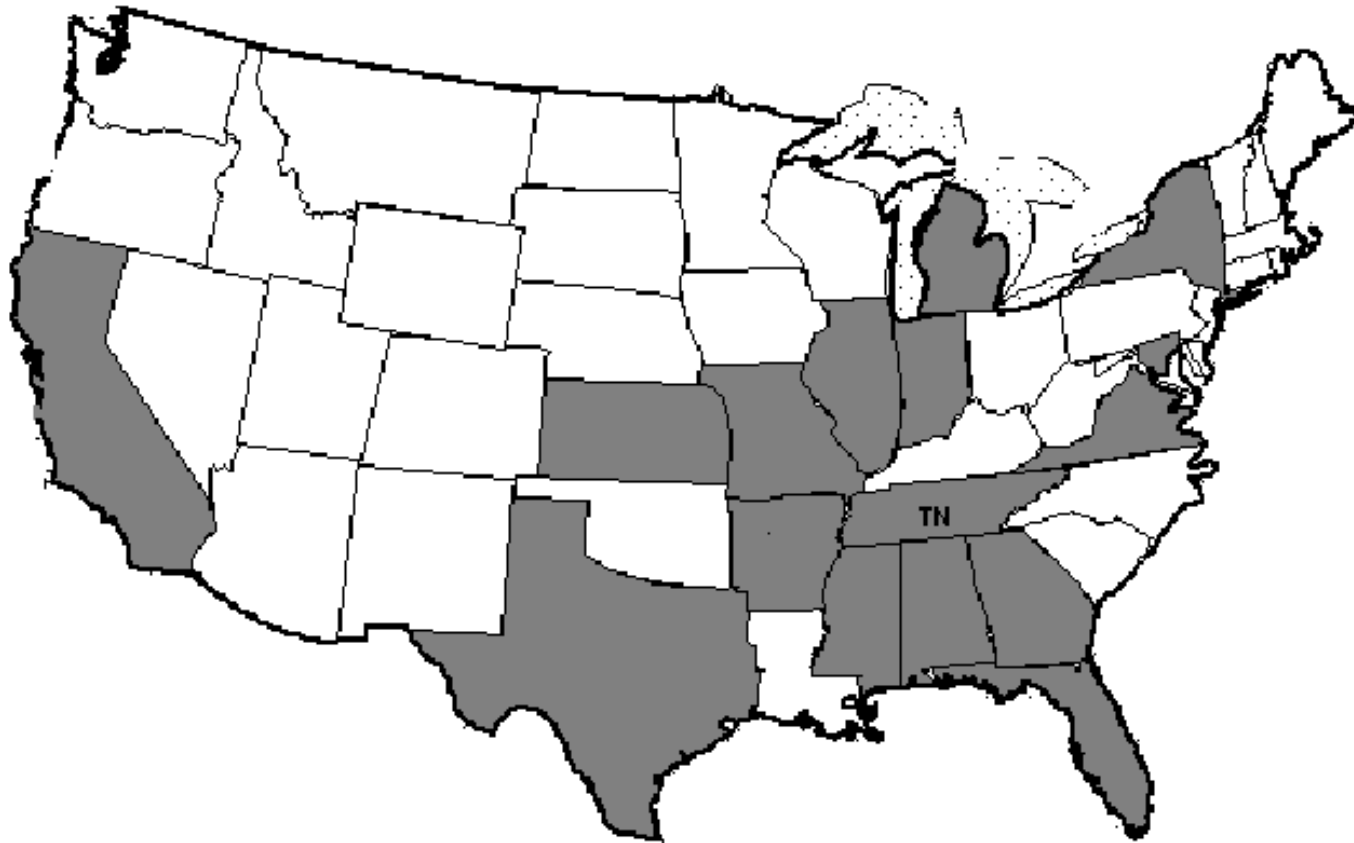
Geographical Disbursement of Attendees

Represented Cities



Geographical Disbursement of Attendees

Represented States¹



¹ At least one respondent indicated they were a resident of any of the highlighted States