

**MTV EUROPE MUSIC AWARDS EDINBURGH 03
ECONOMIC IMPACT STUDY**

A Final Report to:

**City of Edinburgh Council
Scottish Enterprise Edinburgh and Lothian
EventScotland**

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January 2004

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1 Introduction and methodology

- 1.1 In September 2003, SQW was commissioned by the City of Edinburgh Council (CEC), Scottish Enterprise Edinburgh and Lothian (SEE&L), and EventScotland to undertake an economic impact assessment of the benefits of hosting the 2003 MTV Europe Music Awards in Leith. Our assessment looks specifically at the impact in the Edinburgh economy and considers the direct economic and wider marketing benefits which have been generated by a successful staging of the Awards.
- 1.2 The awards are now an established annual event in the music industry calendar. It was first held in Berlin in 1994 and since then Paris, London, Rotterdam, Milan, Dublin, Stockholm, Frankfurt and Barcelona have all hosted the event. Around 440 million households have access to MTV and the Awards attract millions of viewers throughout the world, making it Europe's biggest music awards ceremony. It is classed as a global news event¹, on a par with the Academy Awards.
- 1.3 The 2003 awards took place on November 6th in Leith's Western Harbour on the site of the old Britannia car park area and represent Edinburgh's largest ever music event. Beyonce, Kylie Minogue, The White Stripes, Justin Timberlake, The Darkness, Missy Elliott, Travis and dozens of other stars from the worlds of music, film and fashion were present at the Award's 10th anniversary.
- 1.4 There was no suitable arena in Edinburgh for a show of this scale, and MTV had originally planned to hold it in established venue. To support the event, the City of Edinburgh Council, Scottish Enterprise Edinburgh and Lothian and EventScotland provided funding of £750,000 and this contribution enabled MTV to construct a dedicated arena on the banks of Western Harbour, Leith. It was clear from MTV's feedback that without this funding the event would not have taken place in Edinburgh.
- 1.5 The immediate economic benefits to Edinburgh and Scottish business include the expenditure of organisers and visitors to the city as well as expenditure made through related parties and events. Such is the reputation of the event that it not only attracts residents and day visitors, but also many visitors from overseas. In the longer term the boost to the city's profile in terms of both tourism and the prospects for hosting future events is expected to be significant. These benefits were considered in the decision to host the 2003 MTV awards.
- 1.6 Additionally, a number of other events, related to the hosting of the Awards were held in Edinburgh. These included the pre and post-party events hosted in the Ocean Terminal

¹ Reuters

shopping centre, the 'MTV In The Gardens' Princes Street Gardens concert, which attracted 8,000 people and the 'MTV breakout' concerts which took place in the period 1st - 8th November and were organised by MTV, Colours and DF concerts. As well as a number of other parties held around the city, the First Minister hosted a reception at Edinburgh Castle.

Methodology

1.7 Our approach to this study was consistent with previous work we had undertaken for CEC and SEE&L in assessing the impact of Capital Christmas, the Easter Parade and other events in 2003. However, the number of strands of economic impact has meant that the analysis is more complex than for these previous events.

1.8 The research was undertaken in three stages:

- **desk research** based on previous economic impact studies undertaken by SQW and information from MTV
- **face to face interviews with spectators**, were carried out by NFO Worldgroup – 150 interviews with visitors to the Princes Street Gardens event were carried out
- **a programme of consultations** with various groups among both attendees and Edinburgh businesses was undertaken. Given the busy schedules of performers' management, media and corporate representatives, these were followed up *after* the event by telephone. We carried out **telephone interviews with:**
 - 15 corporate guests (including two with headline sponsors)
 - 4 performer management companies
 - 10 journalists
 - 8 key hotels and guesthouses
 - organisers from several additional events
 - major retailers via the Edinburgh City Centre Management Company.

1.9 The interviews collected information on:

- the direct expenditure made in the city by guests and received by locals
- perceptions of Edinburgh as a host city
- satisfaction with the delivery of the event
- links made with Scottish companies and additional business done locally or expected in the future.

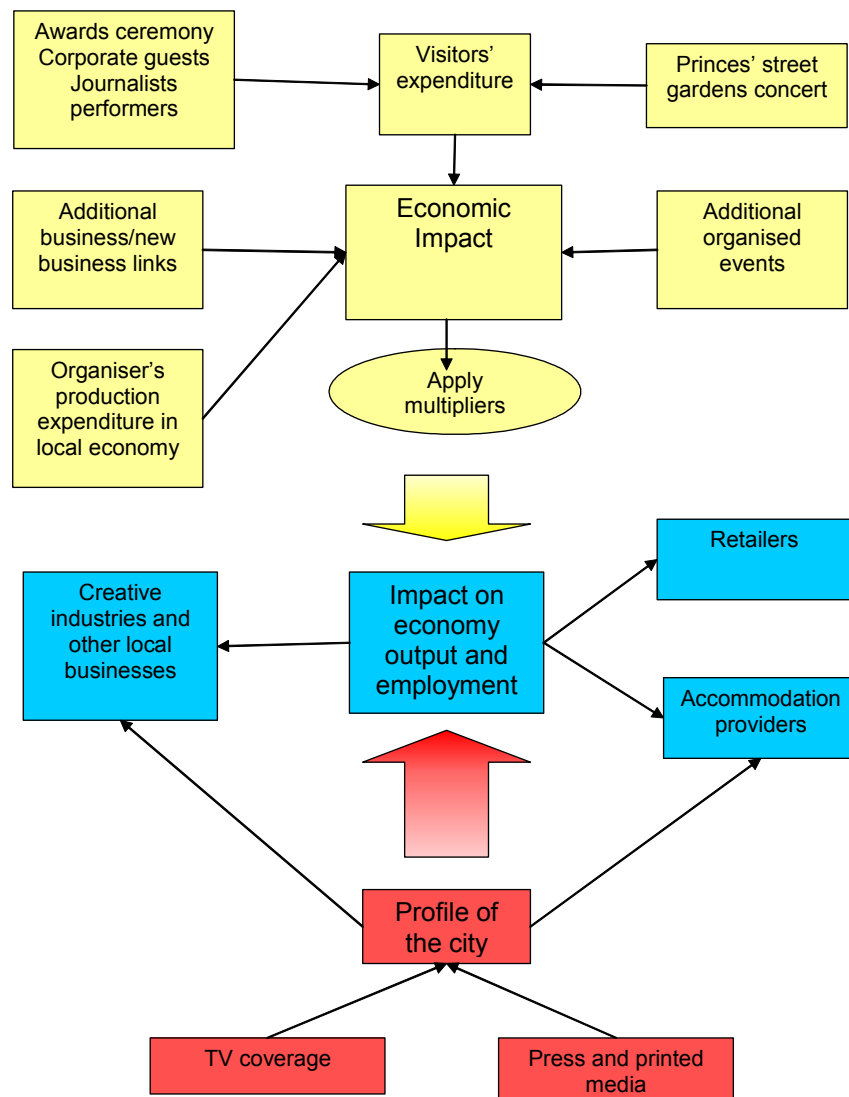
Structure of the report

1.10 The report comprises three core sections;

- **The direct, short term impact of the events** - this is set out in three chapters as the impact of:
 - MTV expenditure and the audience at the Leith arena
 - expenditure of visitors attending MTV in the Gardens
 - additional events and other media related expenditure.
- **The longer term value and impacts** – covering:
 - estimates of the media value
 - longer term benefits for businesses
- **The distribution of the impacts** - based on feedback from:
 - hotels and guesthouses
 - retailers
 - other businesses
- **Perceptions** of the city and the event among consultees
- **Summary and conclusions**

1.11 Figure 1.1 shows graphically the structure of the analysis

Figure 1.1 Structure of the analysis

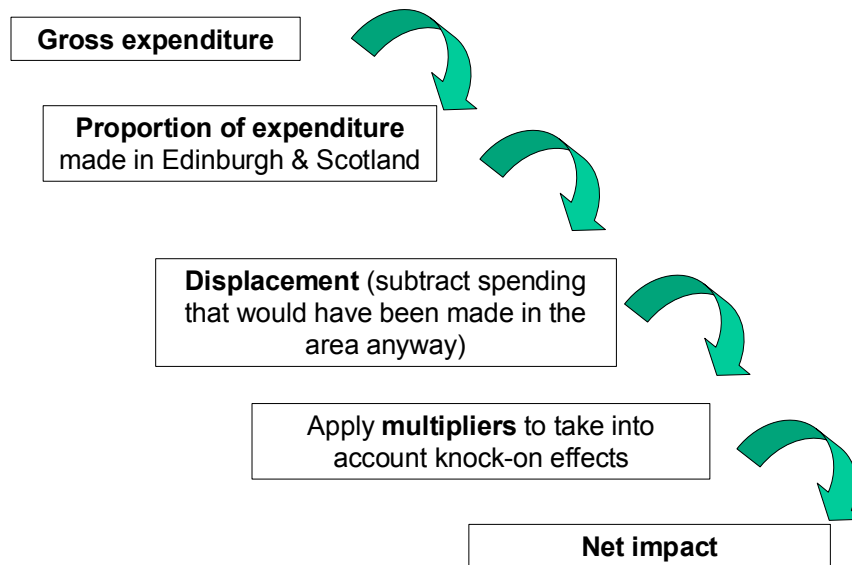


1.12 The economic impact is based on the new or additional expenditure generated as a result of hosting the Awards. This is the output that is generated in the economy as a result of the increase in demand stimulated by the event. This should not be confused with income or measures of value added. The additional output that is generated can be used to generate estimates of full time equivalent employment supported, but as we caution in the report, in practice, employment benefits are likely to be through a much larger number of short term jobs.

1.13 The analysis of each of these strands follows a consistent process and this is shown in Figure 1.2. For each element, the starting point is gross expenditure. An allowance is made for the proportion of expenditure taking place and estimates are made for any likely displacement that has been caused, for example, some of the visitors to Edinburgh may have been in the

city anyway, even if the event had not taken place. Finally, a series of multipliers have been used to take into account the wider, knock-on effects in the economy.

Figure 1.2



2 Economic impact from MTV expenditure and audience in Leith

2.1 This first section considers the expenditure generated by the organisers, MTV, and the related impact of guests attending the Awards at the Leith Arena.

Organisers spend

Arena expenditure

2.2 The physical cost of constructing the arena itself was substantial, estimated prior to the event to be in the region of £4.2m. We also know that more suppliers than at any previous event were hired from the local area to work on the Awards in 2003. More than 50% of suppliers to the event were from Scotland.

2.3 Based on an analysis of their budget, MTV estimated that their production expenditure with *Scottish-based* firms was **£1.883m**. This figure does not include further expenditure on visitor and guest accommodation or the personal spending of guests.

2.4 This figure has been further disaggregated to obtain a value for Edinburgh by analysing the list of suppliers and the proportion of the budget under a number of headings. Table 2.1 shows, in the first column, the proportion of the *Scottish* expenditure made under each category of activity. The next two columns show our estimate of how this has been split between Edinburgh and the rest of Scotland.

2.5 One further point to note is that, based on the MTV data, expenditure on catering was contracted to a company outside Scotland, although this company did use local supplies and staff. It has not been possible to get the details of these arrangements from the caterers, however we have made some simple assumptions to ensure that a reasonable proportion is included in the calculation. Of the 14% of the budget, we have assumed that this was split evenly between Edinburgh and Lothian and the rest of Scotland.

Table 2.1: MTV budget expenditure in Scotland

	<i>Percentage of total in Scotland</i>	<i>Percentage of Scottish expenditure in Edinburgh</i>	<i>Attributed to the rest of Scotland</i>
Freelance crew	4%	100%	0%
Infrastructure	19%	50%	50%
Various production expenses	8%	75%	25%
Travel and accommodation	17%	100%	0%
Miscellaneous expenses	1%	80%	20%
Site security/ Ushers	9%	50%	50%
Catering	14%	50%	50%
Temp Buildings and Seats (not auditorium)	19%	25%	75%
Cleaning	1%	100%	0%
Transport	5%	0%	100%
Entertainment/ Parties	3%	88%	12%
Total expenditure	£1.883m	£1.077m	£968,750

- 2.6 Of the total, we estimate that approximately 57% of the production expenditure was received directly by Edinburgh-based companies and 43% by Scottish companies outwith the city. This gives a total figure for economic impact of **£1.077m in Edinburgh.**

Displacement and multipliers

- 2.7 There is unlikely to be any significant displacement of economic activity as a result of this expenditure. It is all generated as a result of the MTV and the additional activity will have been delivered either through existing capacity or, in some cases through the recruitment of local people.

Multipliers

- 2.8 The increase in economic activity as a result of the event will also have two types of wider impact:
- **supplier effect** - an increase in sales in a business will require that business to purchase more supplies. A proportion of this 'knock-on' effect will benefit suppliers in the local economy.
 - **income effect** - an increase in sales in a business will usually lead either to an increase in employment or an increase in incomes for those already employed. A proportion of these increased incomes will be re-spent in the local economy.

- 2.9 There is a much more limited base of evidence for the value of multipliers for non-tourism activity. The Input-Output Tables produced by the Scottish Executive² provide the most reliable values, but these are restricted to the impact on Scotland as a whole and do not include local values. The multipliers are intended to reflect the changes in Scottish output as a result of changes in final demand. We have used Type II multipliers (which take account of direct, indirect and induced effects) to provide Scottish values. The output multipliers for services, such as catering or business services are typically around 1.6 and we have applied this to the £1.883m identified in Scotland. This gives a total of £3.0m.
- 2.10 At a local level, there are no clear multiplier values for non-tourism expenditure, but these are likely to lie in the range of 1.2 to 1.6. SE Project development guidance, based on the Treasury's Green book from 1995 suggests that a combined local multiplier is likely to be around 1.15 and a regional multiplier would be around 1.32 – 1.65. As Edinburgh is smaller than a region but likely to have stronger linkages than a typical local economy, we have used a multiplier of 1.3. This gives an Edinburgh figure of £1.4m. It is impossible to make a clear distinction between Edinburgh and Edinburgh and Lothian, but the latter figure is likely to be slightly higher. We have estimated that for Edinburgh and Lothian the figure is 10% higher than for Edinburgh alone, £1.5m.
- **Expenditure generated in Edinburgh through MTV's production expenditure is estimated to be £1.4m in Edinburgh, £1.5m in Edinburgh and Lothian and £3.0m in Scotland**

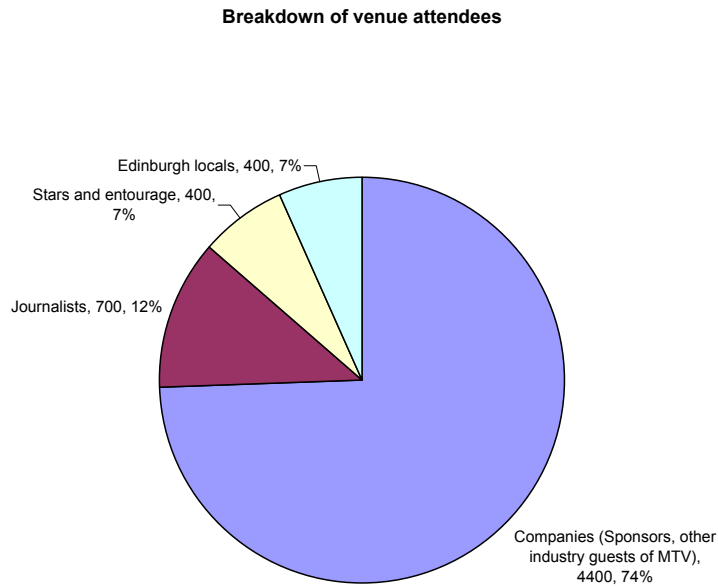
Visitor expenditure

- 2.11 The second element related to the activity in Leith is the expenditure of those attending the event. Given the international profile of the awards, the majority of the attendees travelled significant distances from outside Edinburgh and their expenditure within the city represents additional income for the city. The total attendance in Leith was 5,900 and guests can broadly be broken down into four groups³.
- local attendees (400)
 - journalists (700)
 - corporate guests (4,400)
 - performers and management (400).

² 1999 Input-Output Tables and Multipliers for Scotland, Scottish Executive

³ Based on information from MTV

Figure 2.1: Breakdown of event attendees⁴



- 2.12 The expenditure of the 400 local residents is excluded as this is likely to have been made in the local economy anyway at some time in the future.
- 2.13 Each of the other groups represents a stream of new expenditure into the local economy as a direct result of MTV. Within these three groups, we understand that a majority were hosted by MTV. This means that in calculating the expenditure of this group we have to allow for the cost that was borne by MTV in hosting guests, as well as any *additional* expenditure that was made by these guests.
- 2.14 MTV provided a broad estimate of the expenditure they made hosting guests as between £250 and £500 per person per trip. As part of our interviews with guests, sponsors, journalists and performer management, we collected information on their personal expenditure per trip, which is additional to the MTV expenditure. For those guests that were not hosted by MTV, we have used the average total expenditure per person, per day and multiplied this by the average length of stay.
- 2.15 The first stage is to derive the proportion of guests that were hosted. MTV estimated that, among corporate guests, around two thirds were hosted. We have assumed that all the stars and their entourages would also have been hosted. The figure for journalists was not available and averages were taken from the interviews and applied to the total numbers. The data is shown in table 2.2.

⁴ Based on data provided by MTV

Table 2.2: Breakdown of hosted and other guests

<i>Type of attendee</i>	<i>Proportion hosted</i>	<i>Number hosted</i>
Corporate guests	67%	2,948
Journalists	53%	371
Stars and entourage	100%	400

- 2.16 Given that the expenditure for each group will vary, we have produced estimates of hosting costs per head within the range provided by MTV and which maintain the assumed average of £375, the midpoint of the £250 - £500 range. These hosting costs per head are shown in Table 2.3.

Table 2.3: Breakdown of hosting cost estimates per group,

<i>Type of attendee</i>	<i>Total numbers</i>	<i>Estimated hosting costs p/trip</i>
Corporate guests	2,948	£374
Journalists	371	£250
Stars/ entourage	400	£500

- 2.17 In estimating expenditure we also need to determine the length of stay of those attending the awards in Leith. Table 2.4 sets out the average length of stay in the city reported by guests, journalists and performers and management. The average stay was relatively short with most staying between one and two nights.

Table 2.4: Average length of stay from interviews

<i>Type of visitor</i>	<i>Length of stay (nights)</i>
Corporate guests	1.4
Hosted	1.74
Unhosted	1.39
Journalists	1.9
Hosted	1
Unhosted	2.9
Performers and management	2.4
Hosted	2.4

- 2.18 Based on the results of our own interviews and the data provided by MTV we estimate that those attending generated **£2.6m** in the local economy. The figures are derived from the cost per person of those that were hosted and their own expenditure and the average expenditure made by those that were not (table 2.5).

Table 2.5: Event attendees and estimated expenditure

<i>Type of visitor</i>	<i>Total numbers</i>	<i>Average expenditure per trip (£s)</i>	<i>Average additional expenditure p/p, p/day (£s)</i>	<i>Totals (£)</i>
Corporate guests				
Hosted	2,948	374	58	1,399,386
Unhosted	1,452	330	-	665,205
Journalists				
Hosted	371	250	57	113,897
Unhosted	329	134	-	127,916
Performers and management				
Hosted	400	500	77	274,400
Totals	5,500			2,580,804

Displacement and multipliers

- 2.19 There may be some displacement resulting from guests' expenditure, specifically in relation to accommodation. There is more detail of this in a later chapter that provides an overview of the impact on hotels. For displacement to impact at a city level, prospective guests would have to cancel or not make trips because of accommodation, or other, constraints resulting from the event. To alleviate this, in many cases regular business users were contacted by hotels and encouraged to arrange trips for other weeks. In other cases, although guests were turned away by some hotels, they were often accommodated by others not being used by MTV. Other visitors are likely to have rescheduled trips for after the event. Data from ELTB supports this, indicating that occupancy rates have remained high for the period after the event and into December.
- 2.20 In Chapter five we estimated that among the major hotels in the city, MTV had generated around £2.2m. This is largely made up of the expenditure made by audience at the Leith arena. Our view is that, the factors discussed above together with the timing of the event during a quieter time of year for hotels, will have limited the extent of displacement, but there is still likely to be some effect. To allow for this, we have used a displacement factor of 20% and this has been applied to the estimate of £2.2m that was obtained by hotels⁵ and gives £440,000. This has been subtracted from the estimate of £2.580m calculated in table 2.5 to give £2.140m.

⁵ See section 6.8

Multipliers

- 2.21 For this expenditure we have used the Scottish Tourism Multiplier Study (STMS)⁶ values for Edinburgh visitors staying hotels and guesthouses. Although the expenditure took place in Edinburgh the multipliers take account of the wider distribution of the benefits. At an Edinburgh level the multiplier for visitors staying in hotels is 1.50, and for Scotland 1.72. To take into account the wider Lothian area, we have assumed that the multiplier value is 6% higher than of the difference between the Edinburgh and Scotland values. This is based on the rest of Lothian's share of rest of Scotland GDP.
- 2.22 Applying these values to the total of £2.140m calculated in the previous section gives total output figures generated by the audience and participants in the MTV Awards of:
- **£3.2m in Edinburgh**
 - **£3.2m in Edinburgh and Lothian**
 - **£3.7m in Scotland.**

⁶ The Scottish Tourism Multiplier Study was carried out by the Surrey Research Group on behalf of Scottish Tourist Board, Scottish Enterprise, Highlands and Islands Enterprise and The Scottish Office in 1991. It provides supplier and income multipliers for the tourism industry.

3 Economic Impact of MTV in the Gardens

- 3.1 The economic impact of MTV in the Gardens is driven by the number and type of visitors it attracted. The organisational costs of delivering the event in the Gardens are included in the production budget analysed in the previous chapter. Because this was an event that attracted a higher proportion of Edinburgh and Scottish residents, displacement is likely to be higher and more complex and in order to provide a robust estimate, a visitor survey was conducted by NFO Worldgroup. This collected details of the profile of those attending, their expenditure in the city and the importance of the event in their decision to visit Edinburgh. The survey also collected a great deal of other data on their satisfaction with the event, how they travelled to Edinburgh and where they stayed. A full analysis of the survey is included in appendix A.
- 3.2 Before presenting the economic impact generated by visitors to Princes Street Gardens, it is helpful to set out the main findings from the survey:

Key points from the survey

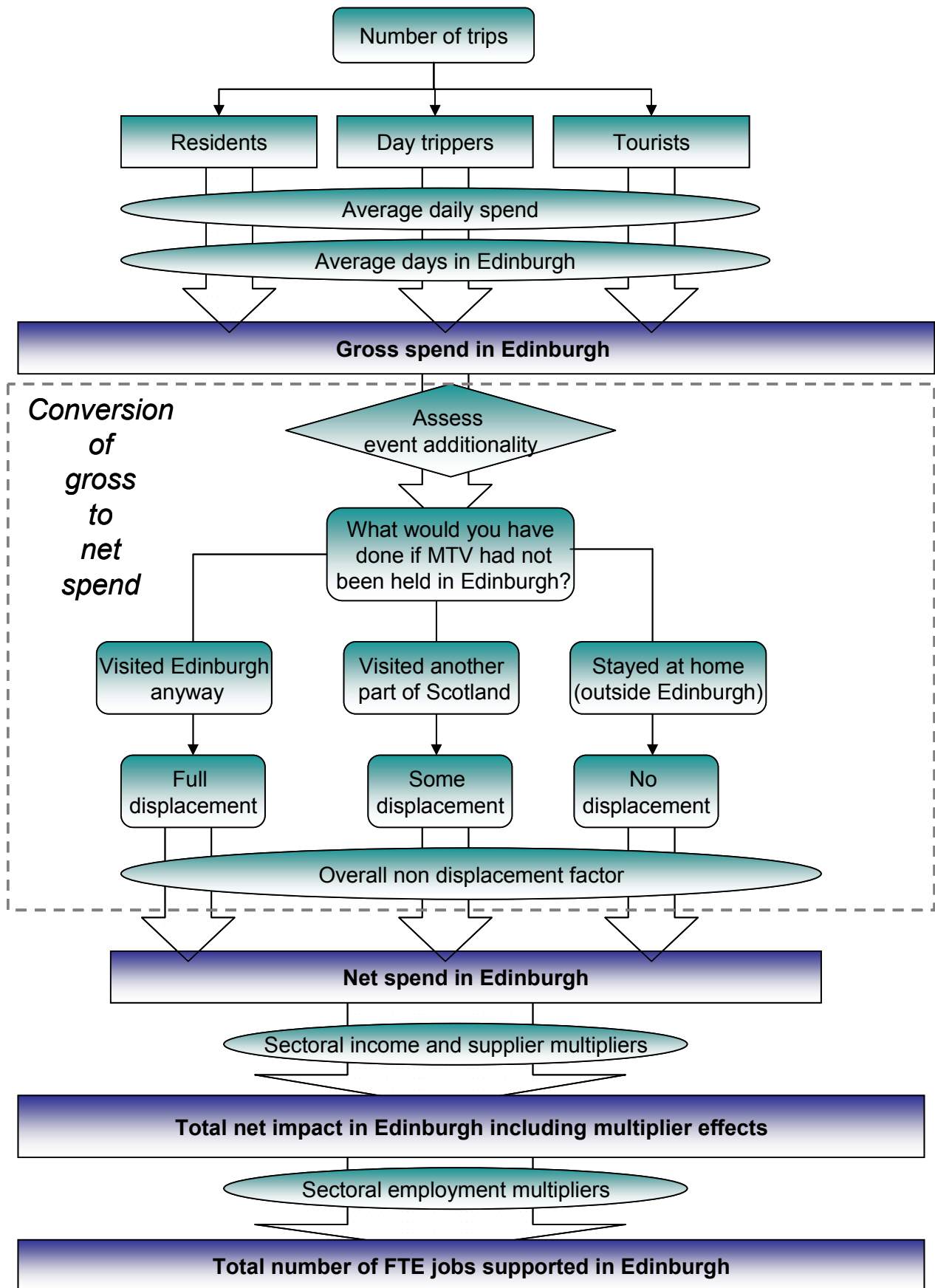
- The socio-demographic profile of visitors to Edinburgh's MTV Awards reflects the nature of the event and its appeal to a young market. **More than four out of five of the people attending MTV in the Gardens were aged under 35 (86%)**, with half of the respondents aged 18-24 years (50%) and a quarter aged 25-34 years (24%).
- **A large proportion of people attending were resident within the Edinburgh Council area (35%)**. If visitors from the Lothians are added, people from the SEE&L area represent nearly half of the audience (46%). There was also a considerable proportion of people living elsewhere in Scotland (39%) and from outside Scotland (15%)
- 21% of visits were made by people staying away from home and these were predominantly from outside Scotland. **Tourists stayed an average of around 15 nights with half of these visitors staying with friends and relatives and a fifth staying in hotels**. This is a high average and reflects the many young people visiting the city for a substantial length of time, for study or as part of a gap year.
- **The most common activity apart from attending the MTV Awards was to go to a pub or club (45%)**, a third stated that they were eating out (34%), 16% were doing some shopping and 11% were undertaking general sightseeing.
- **For 83% of non-residents Edinburgh's MTV Awards were either the only reason for being in the city or an important reason for visiting.**

- Overseas visitors, visitors from elsewhere in Britain and visitors staying away from home gave the highest ratings for the event. **From a potential score of 10, the rating for all three measured aspects of Edinburgh’s MTV Awards averaged 8.3.** This is slightly higher than the average for other Edinburgh events we have reviewed.
- **The aspects the respondents liked most were the music, the bands and the celebrities visiting Edinburgh.** Other aspects mentioned that respondents particularly liked related to the atmosphere, the setting and location, the proximity to home for nearby residents and the free tickets.
- **The majority of respondents stated that as a result of this trip they were “much more” or “more” likely to return to Edinburgh for a similar event (57%).** The majority of visitors from outside Scotland, were also “much more” or “more likely” to recommend a visit to Scotland and Edinburgh to friends and relatives.

Economic Impact

- 3.3 The economic impact analysis presented here takes the City of Edinburgh Council area as its basis, but also provides analysis of the wider effects on the Lothians and Scotland as a whole. The methodology is illustrated in Figure 3.1. The first step is to assess the visitor profile by estimating the number of trips that have been generated by residents, day trippers and tourists to Edinburgh. For this study, we have divided day trippers and tourists into several categories based on origin (rest of the Lothians, rest of Scotland and outside Scotland). This facilitates the economic impact analysis at the three levels; Edinburgh, the Lothians and Scottish levels, and allows a more detailed analysis of the spend patterns of these various groups.
- 3.4 The **gross expenditure** of visitors to the event is calculated by multiplying the number of trips by the average daily spend and length of stay for each of these visitor groups. The gross expenditure is converted to a **net expenditure** figure by assessing event *additionality, visitor displacement and multiplier effects*. These concepts are discussed later in this section. The **net economic impact** is then converted in to the number of jobs supported using employment multipliers to give the overall **net employment impact** figure.

Figure 3.1: Methodology for calculating economic impact



Calculating Gross Visitor Expenditure

- 3.5 The visitor estimates are based on a total of 8,000 attendees, the number of tickets distributed for the Gardens. Edinburgh residents accounted for the largest proportion of visits (35%) followed by day trippers from the rest of Scotland (33%). A small proportion of overnight visitors came from outside Scotland (15%) with 6% of trips made by tourists from the rest of Scotland. Day trippers from the Lothians constituted 11% of all trips.

Table 3.1: Profile of visitors to MTV in the gardens

	<i>% of visits</i>	<i>number attending MTV in the Gardens</i>
Edinburgh resident	35%	2,813
Day trippers from rest of Lothians	11%	879
Day trippers from rest of Scotland	33%	2,637
Day trippers from outside Scotland	0%	0
Tourists from rest of Scotland	6%	484
Tourist from outside Scotland	15%	1,187
Total	100%	8,000

Expenditure by visitors

- 3.6 Data on expenditure was collected through the visitor survey and values are calculated per person per day and are shown in Table 3.2. The highest spend was generated by tourists from outside Scotland (£86.68) followed by tourists from the rest of Scotland (£77.29). Day trippers spent between £17 and £19 per person per day depending on their origin and Edinburgh residents, £16.82.
- 3.7 Accommodation expenditure is only relevant for tourists staying overnight and the averages per person were around £23.00. This may appear low, but it includes 50% of overnight visitors who were staying with friends or relatives. Among those that paid for accommodation the average for tourists from outside Scotland was £59.
- 3.8 The expenditure data shows the significant variation in the levels of spending between tourists and day trippers. Tourists staying overnight spend up to four times more than a day tripper. One of the key variables in these calculations is therefore the proportion of tourists attending the event.

Table 3.2: Expenditure per person per day by visitor profile (£'s)

	<i>Edinburgh resident</i>	<i>Day tripper from rest of Lothians</i>	<i>Day tripper from rest of Scotland</i>	<i>Day tripper from outside Scotland</i>	<i>Tourist from rest of Scotland</i>	<i>Tourist from outside Scotland</i>
Accommodation					£23.86	£22.25
Food and drink	£10.79	£10.95	£9.65	£10.82	£26.86	£23.15
Entertainment	£2.50	£2.27	£0.62	£2.42	£4.71	£13.13
Shopping	£2.27	£2.64	£1.14	£2.33	£9.57	£17.88
Transport	£1.26	£3.00	£8.00	£1.65	£12.29	£10.27
Total spend	£16.82	£18.86	£19.41	£17.22	£77.29	£86.68

- 3.9 Having assessed the number of trips generated and average daily spend, we can now calculate the gross impacts arising from this expenditure. Separate tables present the impact at the Edinburgh, Edinburgh and Lothians and Scottish levels (Tables 3.3, 3.4, 3.5). In order to present the gross impact at these three different levels, it is necessary to assess the proportion of daily expenditure spent in each area and the average number of days spent in each.
- 3.10 Tourists from outside Scotland spent an average of 13.5 nights in Edinburgh and 99% of their expenditure was in the city. Including the average number of nights spent in the Lothians the average for Edinburgh and the Lothians rises to 15.53. Among tourists from Scotland, the average length of stay was much shorter, around 1.6 days in Edinburgh. These length of stay figures are high compared with typical tourist patterns, but reflect a significant number of young people who are considered as visitors, but are perhaps staying to study or as part of a gap year.
- 3.11 It should be noted that the impacts for each area are cumulative. The impact for Edinburgh is included in the value for Edinburgh and Lothian, and this is included in the value for Scotland as a whole. Taking account of these factors, we estimate that the trips to Princes Street Gardens generated:
- gross visitor expenditure of just over **£1.5m in Edinburgh**
 - gross visitor expenditure of just over **£1.7m in Edinburgh and Lothian**
 - gross visitor expenditure of just under **£1.8m in Scotland.**

Table 3.3: Gross impact at Edinburgh level

	<i>number of trips</i>	<i>average daily spend</i>	<i>% of daily spend in Edinburgh</i>	<i>Average days in Edinburgh</i>	<i>Gross spend in Edinburgh</i>
Edinburgh resident	2,813	£16.82	100%	1.00	£47,318
Day trippers from rest of Lothians	879	£18.86	82%	1.00	£13,596
Day trippers from rest of Scotland	2,637	£19.41	69%	1.00	£35,322
Day trippers from outside Scotland	0	£17.22	68%	1.00	£0
Tourists from rest of Scotland	484	£77.29	73%	1.60	£43,649
Tourist from outside Scotland	1,187	£86.68	99%	13.50	£1,374,897
Total	8,000				£1,514,782

Table 3.4: Gross impact at Edinburgh and Lothian level

	<i>number of trips</i>	<i>average daily spend</i>	<i>% of daily spend in Lothians</i>	<i>Average days in Lothians</i>	<i>Gross spend in Lothians</i>
Edinburgh resident	2,813	£16.82	100%	1.00	£47,318
Day trippers from rest of Lothians	879	£18.86	98%	1.00	£16,249
Day trippers from rest of Scotland	2,637	£19.41	78%	1.00	£39,929
Day trippers from outside Scotland	-	£17.22	72%	1.00	£0
Tourists from rest of Scotland	484	£77.29	73%	1.60	£43,649
Tourist from outside Scotland	1,187	£86.68	100%	15.33	£1,577,043
Total	8,000				£1,724,187

Table 3.5: Gross impact at Scotland level

	<i>number of trips</i>	<i>average daily spend</i>	<i>% of daily spend in Scotland</i>	<i>Average days in Scotland</i>	<i>Gross spend in Scotland</i>
Edinburgh resident	2,813	£16.82	100%	1.00	£47,318
Day trippers from rest of Lothians	879	£18.86	100%	1.00	£16,580
Day trippers from rest of Scotland	2,637	£19.41	100%	1.00	£51,191
Day trippers from outside Scotland	-	£17.22	73%	1.00	£0
Tourists from rest of Scotland	484	£77.29	100%	1.85	£69,136
Tourist from outside Scotland	1,187	£86.68	100%	15.57	£1,601,732
Total	8,000				£1,785,958

Net Economic Impact

3.12 The aim of an economic impact assessment is to determine the *difference* that the event has made to the local economy. The concepts of *additionality and displacement* ensure that the

impacts measured are only those that are attributable to the event. These are considered in the next section.

Additionality and displacement

- 3.13 ***Additionality*** is the extent to which a publicly supported activity (and its associated outputs and impacts) takes place as a consequence of assistance. The converse, *non-additionality*, is the extent to which benefits arising from assisted projects might reasonably be expected to have arisen in any event. **We have assumed that without public sector support the MTV awards would not have taken place in Edinburgh and by definition neither would MTV in the Gardens.**
- 3.14 ***Displacement*** is the extent to which the expenditure attracted to Edinburgh by the event, would have been made anyway and has been shifted from other shops or attractions. To ascertain the level of displacement, visitors were asked what they would have done otherwise in the absence of the MTV awards and whether this would have affected their level of expenditure in Edinburgh. **For those that would have visited Edinburgh anyway, we have assumed that their expenditure would have taken place in Edinburgh, in any case.** More than half the visitors from outside Scotland (53%) would have been in Edinburgh anyway compared to visitors from within Scotland (4% to 36%) (Table 3.6).

Table 3.6: What visitors would have done otherwise

	Stayed home/worked	Visited Edinburgh anyway	Visited another part of the Lothians	Visited another part of Scotland	Visited area outside Scotland	Total
Edinburgh resident	64%	36%	0%	0%	0%	100%
Day trippers from rest of Lothians	78%	9%	0%	13%	0%	100%
Day trippers from rest of Scotland	94%	4%	0%	2%	0%	100%
Day trippers from outside Scotland	68%	29%	0%	3%	0%	100%
Tourists from rest of Scotland	86%	0%	0%	14%	0%	100%
Tourist from outside Scotland	47%	53%	0%	0%	0%	100%

- 3.15 Taking these results into account, we are able to calculate a non-displacement factor, which indicates the proportion of additional expenditure generated as a result of the event - the higher the percentages, the *lower* the level of displacement and the greater the contribution to economic impact. The groups with the highest level of attributable spend are day trippers from the rest of Scotland (94%). These visitors were very unlikely to have visited Edinburgh and Lothian if MTV had not been attracted. At a Scottish level, however, their expenditure is not additional. The key figure is the level of displacement among tourists from outside Scotland. Forty seven percent would not have been in Edinburgh if MTV had not been held in the city.

Table 3.7: Non displacement of visitor expenditure

	<i>Edinburgh level</i>	<i>Lothian level</i>	<i>Scottish level</i>
Edinburgh resident	0%	0%	0%
Day trippers from rest of Lothians	91%	13%	0%
Day trippers from rest of Scotland	96%	96%	0%
Day trippers from outside Scotland	71%	71%	68%
Tourists from rest of Scotland	100%	100%	0%
Tourist from outside Scotland	47%	47%	47%

3.16 Taking account of the gross spend and the non-displacement factor, we are able to estimate the net spend generated by the Princes Street Gardens event in the Edinburgh, Lothians and Scottish economies (Tables 3.8, 3.9 and 3.10). We estimate that the trips generated:

- net visitor expenditure of **£736,132 in Edinburgh**
- net visitor expenditure of under **£825,304 in Edinburgh and Lothian**
- net visitor expenditure of over **£752,814 in Scotland**

Table 3.8: Net impact at Edinburgh level

	<i>Gross spend in Edinburgh</i>	<i>Non-displacement factor</i>	<i>Net spend in Edinburgh</i>
Edinburgh resident	£47,318	0%	£0
Day trippers from rest of Lothians	£13,596	91%	£12,372
Day trippers from rest of Scotland	£35,322	96%	£33,909
Day trippers from outside Scotland	£0	71%	£0
Tourists from rest of Scotland	£43,649	100%	£43,649
Tourist from outside Scotland	£1,374,897	47%	£646,202
Total	£1,514,782		£736,132

Table 3.9: Net impact at Edinburgh and Lothian level

	<i>Gross spend in Lothians</i>	<i>Non-displacement factor</i>	<i>Net spend in Lothians</i>
Edinburgh resident	£47,318	0%	£0
Day trippers from rest of Lothians	£16,249	13%	£2,112
Day trippers from rest of Scotland	£39,929	96%	£38,332
Day trippers from outside Scotland	£0	71%	£0
Tourists from rest of Scotland	£43,649	100%	£43,649
Tourist from outside Scotland	£1,577,043	47%	£741,210
Total	£1,724,187		£825,304

Table 3.10: Net impact at Scotland level

	<i>Gross spend in Scotland</i>	<i>Non-displacement factor</i>	<i>Net spend in Scotland</i>
Edinburgh resident	£47,318	0%	£0
Day trippers from rest of Lothians	£16,580	0%	£0
Day trippers from rest of Scotland	£51,191	0%	£0
Day trippers from outside Scotland	£0	68%	£0
Tourists from rest of Scotland	£69,136	0%	£0
Tourist from outside Scotland	£1,601,732	47%	£752,814
Total	£1,785,958		£752,814

Multiplier effects

- 3.17 The values we have used here from the STMS (see previous chapter) are specific, sectoral output multipliers for Edinburgh and Scotland. To take into account the wider Lothian area, we have assumed that the multiplier value is 6% of the difference between the Edinburgh and Scotland values. (*This is based on the rest of Lothian's share of rest of Scotland GDP*). The multipliers we have used are shown in Table 3.11 below.

Table 3.11: Combined supplier and income multipliers by area

	<i>Edinburgh</i>	<i>Lothians</i>	<i>Scotland</i>
Accommodation	1.5175	1.5310	1.7425
Food and drink	1.6984	1.7131	1.9439
Entertainment	1.5493	1.5631	1.7801
Shopping	1.5408	1.5642	1.9302
Transport	1.3864	1.3950	1.5295

- 3.18 In order to apply these multipliers, it is necessary to set out the expenditure by category rather than type of visitor. This is done in the following tables. The appropriate multipliers are then applied to each category to give a total net expenditure figure for the Edinburgh, Edinburgh and Lothian and Scottish economies (Tables 3.12, 3.13 and 3.14).

Table 3.12: Net impact at Edinburgh level

	<i>Direct expenditure</i>	<i>Edinburgh</i>	<i>Total with multipliers</i>
Accommodation	£179,349	1.5175	£272,162
Food and drink	£211,795	1.6984	£359,712
Entertainment	£103,117	1.5493	£159,759
Shopping	£142,424	1.5408	£219,447
Transport	£99,448	1.3864	£137,874
	£736,132		£1,148,954

Table 3.13: Net impact at Edinburgh and Lothian level

	<i>Direct expenditure</i>	<i>Edinburgh and Lothian</i>	<i>Total with multipliers</i>
Accommodation	£203,737	1.5310	£311,921
Food and drink	£233,411	1.7131	£399,863
Entertainment	£116,415	1.5631	£181,973
Shopping	£160,845	1.5642	£251,589
Transport	£110,895	1.3950	£154,698
	£825,304		£1,300,044

Table 3.14: Net impact at Scottish level

	<i>Direct expenditure</i>	<i>Scotland</i>	<i>Total with multipliers</i>
Accommodation	£193,241	1.7425	£336,722
Food and drink	£201,057	1.9439	£390,835
Entertainment	£114,034	1.7801	£202,992
Shopping	£155,287	1.9302	£299,736
Transport	£89,195	1.5295	£136,423
	£752,814		£1,366,708

3.19 The following table summarises the net impact resulting from the Princes Street Garden event by sector. Bars and restaurants benefited the most from the programme of events, generating £360,000 additional expenditure in Edinburgh. This was followed by accommodation which generated £272,000 in Edinburgh and entertainment £160,000.

Table 3.15: Net impact summary

	<i>Edinburgh</i>	<i>Edinburgh and Lothian</i>	<i>Scotland</i>
Accommodation	£272,162	£311,921	£336,722
Food and drink	£359,712	£399,863	£390,835
Entertainment	£159,759	£181,973	£202,992
Shopping	£219,447	£251,589	£299,736
Transport	£137,874	£154,698	£136,423
Total	£1,148,954	£1,300,044	£1,366,708

- Overall, we estimate that the Princes Street Garden MTV event generated just over £1.1m in Edinburgh, £1.3m in Edinburgh and Lothian and around £1.4m in Scotland.

Net Employment Supported

- 3.20 It is possible to convert this expenditure to the equivalent employment supported using the employment multipliers for Edinburgh presented in the STMS. These have been adjusted to current prices and the values used take account of the induced and indirect as well as the direct expenditure required to support one full time equivalent (FTE) job *for one year*. The values are presented in the table below.

Table 3.16: Net employment impact (FTEs) Edinburgh and Lothian

	<i>Net expenditure (before multipliers)</i>	<i>Employment multiplier</i>	<i>One year FTE jobs</i>
Accommodation	£203,737	£32,125	6.34
Food and drink	£233,411	£31,976	7.30
Entertainment	£116,415	£23,117	5.04
Shopping	£160,845	£51,449	3.13
Transport	£110,895	£64,250	1.73
Total	£825,304		23.53

- 3.21 It should be noted that the employment impact will have been generated over a much shorter period than one year. Therefore, it is likely that the event generated a larger impact in terms of actual jobs supported, although these would only have been supported for a much shorter time. As a result, many of these positions would have been absorbed through overtime and casual employment. Nevertheless, the event does support the strategic aim of extending the shoulder seasons, which allows tourism businesses to maintain higher levels of employment throughout the year leading to a reduction in seasonality within tourism businesses.

4 Economic impact of additional events and other related expenditure

Additional events

4.1 Aside from the actual award ceremony itself, there were a number of other functions that took place as a result of the awards being hosted in Edinburgh. These events were organised by various groups, including sponsors, corporate attendees, production crews and MTV directly and they represent a substantial stream of new expenditure into the local economy. The more prominent of these events included:

- the MTV pre and post awards party which was held in Ocean Terminal shopping centre on the day and night of the awards
- the MTV breakout concerts, which were held in the days leading up to the event and the period immediately after it, (1st-8th November). These were organised by MTV, DF concerts and Colours
- a number of other events organised by sponsors, corporate guests, MTV networks and others

4.2 Some of these events were identified from the interviews and are set out in table 4.1. A number of the organisers were contacted to collect information on the number of attendees and costs.

Table 4.1: Additional events related to MTV

<i>Event</i>	<i>Venue</i>	<i>Attendees</i>
Pre-show party ⁷	Ocean Terminal, Leith	1,500
Post-show party	Ocean Terminal, Leith	3,500
MTV Base party	City Nightclub,	1,829
Scotsman recovery party ⁸	Scotsman hotel	30
Scotsman aftershow party	Scotsman hotel	800
AMEX 'Dream lounge' event ⁹	Lighthouse, Leith	550
BMG Party ¹⁰	Opal Lounge	275
Corporate Dinner, Wed- MTV Spain ¹¹	Olorosso	14
Corporate Lunch, Thursday- MTV	Royal Mile	33
Corporate Lunch Friday- MTV	Leith	18
First Minister reception	Edinburgh Castle	275

4.3 All these events were very well attended with near full capacity reported in most cases. On average we understand that around 90% of guests were from outside Edinburgh. It is assumed that most of those attending were also present at the Leith arena or the Gardens and their expenditure has already been included as part of the previous analysis. It is important to note that figures for expenditure on the breakout events and the pre and post parties have also been included as part of the production budget estimates provided by MTV and are not, therefore, included in the final total here. However the organisational expenditure in hosting these events represents new income to the Edinburgh economy, with the expenditure on one event reported to be in excess of £150,000.

4.4 Based on the figures that we have been able to collect from each of these additional events, we have been able to calculate an average expenditure of £44.20 per head on hosting these events. Using the actual expenditure data where this has been made available and applying this average to the number attendees where we do not, gives a total expenditure on additional events of £310,000. There were no doubt other events that we have not identified and on this basis we have assumed that, in total, additional events would have generated in the region of **£350,000**.

⁷ Data obtained from consultation with production company charged with setting up the party

⁸ Data obtained from Scotsman hotel

⁹ Data obtained from AMEX consultations

¹⁰ Data obtained from venue

¹¹ Data for all corporate lunches and dinners based on information received through telephone interviews with various attendee groups

Displacement and multipliers

- 4.5 These events are unlikely to have displaced other events and are new or additional parties. For the companies delivering these events, it is likely to be additional work, with other potentially conflicting events likely to be arranged around MTV.
- 4.6 The multipliers used are the same as those applied to the organisational expenditure in the second chapter, 1.3 for Edinburgh, 1.4 for Edinburgh and Lothian and 1.6 for Scotland. This gives total net expenditure of:
- £460,000 in Edinburgh
 - £490,000 in Edinburgh and Lothian, and
 - £560,000 in Scotland.

Business links

- 4.7 Hosting the MTV awards also represented an opportunity for Edinburgh businesses to build up an improved portfolio of new contacts and perhaps get some additional work in the future as a result of these contacts. Whilst this is difficult to quantify, there were some interesting findings. These are best analyzed from the perspective of each of the interviewed groups; corporate guests, performer management companies and hoteliers.
- 4.8 Of the corporate guests interviewed, three of the 15 were able to directly identify new business ventures as a result of attending the MTV awards in Edinburgh. In one case, a local Edinburgh marketing company had been used for a “guerrilla” marketing campaign. One of the main sponsors had accompanied their involvement with the awards in Edinburgh with a marketing campaign to sign up new businesses through Edinburgh retailers and another had advertised in a Scottish newspaper to support their presence in Edinburgh during the event.
- 4.9 The remaining corporate guests expected no additional business to be generated as a result of MTV. Some already have a strong presence in Edinburgh and Scotland and so felt that any future business they did in the region would be a continuation of that presence. **However, 27% of these businesses believed that hosting the awards had improved their view of Edinburgh and its professionals.**
- 4.10 Performer management companies could attribute little or no extra business in Edinburgh or Scotland as a result of attending the MTV awards. For them, the priority of the event was looking after the artists and not making new business contacts. They reported that in several cases performers had expressed an affinity for Edinburgh and Scotland in the press which could lead to more tour dates in the future.

- 4.11 Hoteliers were much more positive about the future prospects of increased business due to the awards. **Seventy five percent of the hoteliers interviewed expected some additional business either directly or through an improved profile of the city as a result of the awards.** However none were able to directly quantify this amount and all stated that it was too early for this to take effect.
- 4.12 This response was more positive among hotels than guesthouses and centrally located hotels were generally more positive than those in Leith. One of the two major hotels interviewed in Leith expected no additional business directly from MTV. Central hotels especially emphasised the benefits from the promotion of the city, with one stressing the value of profile in the US and the role that MTV will have played.
- 4.13 *Edinburgh Film Focus* provided information on companies that they had contact with before and during the event. Table 4.2 sets out the data collected and estimates of the expenditure by these media companies.
- 4.14 In total, these companies used 71 local people and generated 310 overnight stays in the city, with expenditure of £160,400. These figures are based on questionnaires returned to Edinburgh Film Focus.

Table 4.2: Additional media companies identified by Edinburgh Film Focus

<i>Name</i>	<i>No. of local freelance/staff used</i>	<i>No of nights x people in local hotel accommodation</i>	<i>Total Estimated Expenditure in Edinburgh</i>
ARC Facilities Post Production	3	-	£20,000
BBC Radio 5 Live	2	-	£500
MTV – Stockholm	-	9	£900
MTV – The Countdown Show	5	15	£15,000
MTV – The Top 20	0	9	£3000
At It Productions for T4	4	91(Dundas Castle)	£32,000
Extra Vegetables	36	50	£56,000
MTV 2	0	10	£3000
Crystal Media	21	0	£21,000
MTV Euro Awards – Edinburgh Trailer	0	9	£900
MTV Networks International, crews from Holland, Germany, Russia, Norway, Romania	0	110	£11,000
Total	71	310	£160,400

Displacement and multipliers

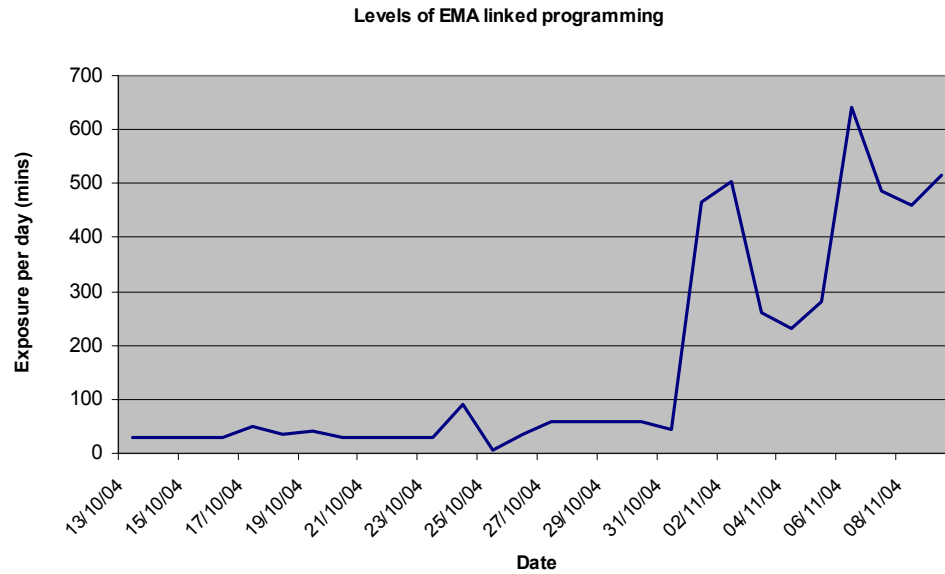
- 4.15 Of the expenditure that we have been able to quantify (£160,000), this is unlikely to have displaced other activity and will have been absorbed as additional income by the companies and individuals receiving the work.
- 4.16 We have used the organisational expenditure multipliers explained in chapter two and these are applied to the expenditure of £160,000 to give the following totals:
- £210,000 in Edinburgh
 - £224,000 in Edinburgh and Lothian
 - £256,000 in Scotland.

5 Media Value of MTV Europe Music Awards for Edinburgh

- 5.1 Perhaps the most important aspect of Edinburgh's hosting of the Awards is the profile and media coverage that it affords the city. There is no doubt that this was extensive with 77 hours of coverage and a huge range of related coverage carried by various media. This is coverage that the city would not have achieved otherwise and as a result of the perceived success of the event this level of coverage is likely to be of enormous value to the city and Scotland. It is notoriously difficult to put a value on this. We have used several methods to provide some indicative estimates for this study and these should be treated as indicative. These values cannot reasonably be compared or added to the actual expenditure identified in the previous chapters. It is of value to the city in that it may attract new activity in the future, but this is yet to be realised.
- 5.2 In preparing these estimates we were advised on media valuation theory and methodology by Paula McNulty from the School of Communication Arts, Napier University. Napier University also carried out the valuation of the international press coverage.

TV exposure

- 5.3 All of the programming relating to the MTV Europe Music Awards mentioned Edinburgh in some way. Several programmes such as *Road to Edinburgh* and *Come to Scotland video* focused more closely on the city itself. In total there were 77 hours of programming covering the awards over a four week period starting early October and finishing three days after the awards. The graph below shows how the levels of coverage changed in the run up to the ceremony. The amount of time devoted to the awards peaks around the live show of the awards ceremony on the 6th of November.



Audience levels

5.1 The awards were shown live on 11 MTV Europe channels covering 48 countries; this network can reach 114 million households. Worldwide we understand that 440 million homes can receive MTV. The total European audience (age 4+) for the Awards show has been estimated at 12 – 14 million. When the whole package of programming surrounding the show was taken into account in 2002, this rose to 35 million. The awards were also shown on Channel four on the 9th November. The estimated audience for this was 772,000. Details of viewing figures for the live awards show on key channel are shown in table 5.1 below.

Table: 5.1 Headline ratings for the 2003 MTV Europe Music Awards from key territories

Country	Normal average rating	Live show average rating	Change in audience as compared to 2002
UK	0.14	3.6	+200%
Sweden	0.28	3.0	+25%
Spain	unknown	0.29	+45%
USA	Highest rated MTV Europe Music Awards premiere ever		+38%

5.4 Several channels had significantly higher audiences compared to the 2002 show held in Barcelona.

- **in the US, the ratings were the highest yet (38% up)**
- **the UK audience was double that of the live show last year**

- **45% more people in Spain, where the awards were hosted in 2002, watched the ceremony this year.**

5.5 The conclusion is that Edinburgh benefited from a significantly higher level of coverage than achieved in the previous year.

Estimating media value

5.6 Media Analysis/Evaluation is the systematic assessment of the reach and effect of the content of media coverage. It involves:

- tracking each element of content in the coverage
- estimating the number of people in the target audience reached by the coverage
- assessing the likely effect of the content on those who saw it.¹²

5.7 We have examined two elements, the TV coverage and the press media:

TV coverage

5.8 The most straightforward method of valuing the television coverage is to consider how much the advertising equivalent value of the output is worth. Any type of media evaluation using advertising equivalent values is always subject to some judgement, but this remains the best understood methodology. It is important to remember that although we can provide an advertising equivalent value, the MTV Awards programming, including the *Road to Edinburgh* and the *Come to Edinburgh* video, would be unattainable as part of an advertising campaign.

5.9 In total, the MTV Awards programming was 77 hours, however, only a proportion of this was directly related to Edinburgh or Scotland. Most of the coverage focused on the stars and the music. In order to provide an indicative value, we have assumed that, 5% of the programming mentioned Edinburgh and/or Scotland in some specific way. This would be equivalent to 231 minutes. The value of this exposure can be calculated by comparing it to the cost of a 30 second feed during a live show on MTV Europe to all Channels which is 9,000 Euros (£6,206)¹³. The 231 minutes represents 462, thirty second adverts which gives a value of £2.87m. Because this time is not actually advertising but part of the editorial content and being delivered as part of MTV's programming, it is considered to be more valuable, quite how much more valuable is difficult to assess, but evaluations of this nature use a range of factors from two to around nine to account for this. We have used three, a fairly

¹² www.impacon.com

¹³ Based on a range provided by MTV

conservative estimate in these calculations to reflect the added value of core programming exposure to give:

- **a media value of £8.6m for the TV exposure enjoyed by Edinburgh.**

5.10 Another method that can be used to compare value for money of media coverage is the ‘Cost per thousand’ method (CPT). This can be calculated by dividing the cost of the coverage by the audience level. The extra value SEEL and CEC gained in terms of exposure can be compared to what this would have cost ordinarily. Using a mid point of 13 million viewers estimated to have watched the live show in Europe, we can calculate that:

- the cost to SEEL and CEC (assuming the investment was made with only profile raising objectives) was £750,000 giving **a cost of 58 pence for every thousand viewers reached.**

5.11 If only a third of the funding was explicitly invested with the aim of raising the profile of Edinburgh, the value for money of the coverage received improves to a cost of 19 pence per thousand viewers reached.

5.12 Lastly, the celebrity endorsements Edinburgh enjoyed during the Awards show (45 in total) have a huge value, particularly in terms of reaching younger audiences. Positive remarks made about Edinburgh by some of the worlds biggest stars have the power to raise the profile and improve perceptions of Edinburgh as a tourist destination but also as a place to live and work.

Press coverage

5.13 A second major element of the MTV impact on the city’s profile is press coverage. To value this, Napier University were contracted to undertake a detailed assessment of the press cuttings collected by MTV from publications across a number of key countries.

5.14 The evaluation was carried out using a quantitative data analysis technique to produce statistical information such as the number of articles, size of the articles, the circulation of the publication, number of publications used. It has also been possible to go beyond this to calculate the value of the press cuttings against the standard cost of press advertising and to make some adjustment for the fact that the cuttings were editorial content rather than advertising.

5.15 Table 5.2 shows the press coverage of the cuttings. The main points are:

- there were a total of 2,094 articles covered across 19 countries
- these were carried by 928 different publications

- the publications had a combined circulation of 213m. Using the common ratio of 2.4 readers per publication, this would give a readership of just over 500m.
- almost all the coverage was very positive about Edinburgh and Scotland.

5.16 The advertising equivalent value has been calculated by measuring the size of each article to produce averages for each country. Photographs which were almost entirely of the stars appearing at MTV were excluded from the size of the article. By reviewing advertising costs across a number of publications, it was possible to calculate an average cost for a single centimetre column. This was then used to produce the average advertising equivalent cost of articles in each of the countries. These values are shown in the final column in Table 5.2.

Table 5.2: Activity press coverage outputs by country

<i>Country</i>	<i>No. of Publications</i>	<i>Circulation¹⁴</i>	<i>No. of articles</i>	<i>Estimated Advertising Equivalent Cost</i>
UK & Ireland	222	55,304,493	478	£524,750
USA	36	34,551,681	55	£518,700
France	40	27,535,500	88	£57,400
Spain	91	24,265,840	147	£102,200
Germany	179	18,803,754	286	£140,800
Russia	20	9,769,000	27	£286,000
Norway	40	8,769,132	90	£19,200
Denmark	30	7,805,870	41	£121,000
Netherlands	52	6,703,247	121	£135,000
Italy	13	4,425,000	24	£37,200
Sweden	57	3,426,656	133	£118,400
Poland	23	3,295,000	31	£18,400
Scotland	40	3,213,564	418	£35,100
Portugal	38	2,681,766	74	£117,600
Finland	43	2,037,821	73	£93,100
Romania	4	522,770	8	£77,000
Totals:	928	213,111,094	2,094	£2,401,850

Adjusting for type of coverage

5.17 The final column in Table 5.2 shows the cost if you were to purchase the same amount of display advertising as the articles covered (excluding photographs). As we suggested in the previous section, this coverage is not advertising and several adjustments have to be made to reflect the type of the coverage. Because this is not advertising copy, there is no control over

¹⁴ The circulation figures quoted are based on the aggregate audited circulation figures for publications which covered the MTV awards

the messages that are contained in the articles. This means that positive messages tend to be more valuable than advertising, but that negative messages will be much less valuable.

- 5.18 It is therefore essential in this type of work to draw conclusions about the content of the message. In this case, the content was almost entirely positive and consequently we would conclude that the value of these articles would be much greater than the advertising equivalent cost. In addition, the positive associations with a number of the stars appearing at the Awards increase the likelihood that this coverage was greater than the straight advertising costs.
- 5.19 Against this, in making these adjustments, we must also reflect the fact that in many cases the articles focused on the stars and MTV and not Edinburgh or Scotland, although they no doubt benefit by association.
- 5.20 In practice, this type of coverage cannot be bought (or sold) and therefore there is no market price that can be used as a benchmark against which to compare its value. The most commonly used method is to increase the advertising equivalent value by a factor of two or three depending on some of the factors discussed above. In this case we have used a factor two in the calculations.

- **After applying a factor to take into account the nature and type of coverage we estimate that the value of the press articles generated was around £4.8m**

Qualitative findings from the press coverage review

- 5.21 Napier University's analysis concludes that coverage was widespread and extensive. The event was widely reported across Europe with wall-to-wall coverage in Scotland and the rest of the UK and Ireland. International reporting was universally positive where Edinburgh and Scotland were mentioned. The winners, performers and presenters were heavily featured, supported by good photo pieces. There are also good examples from the press in a number of countries
- **Denmark** - the second biggest national broadsheet 'Politikken' were very interested in the use of the 'kilt' within the ceremony. In general the majority of publications either mentioned Edinburgh or Scotland or both positively as a host in their copy. Ocean Terminal, Princes Street and the 'home victory' for Scottish band 'Travis' were also mentioned in some publications.
 - **Finland** - the coverage was neutral about Edinburgh and Scotland. It generally focussed on the awards and the stars with greatest emphasis on Justin Timberlake and Christina Aguilera. Stories reflected local rivalries with Sweden. However, copy generally mentioned Edinburgh and Scotland.

- **France** - France's *Tele 7 Jours* its largest selling TV guide and magazine called Edinburgh the 'flamboyant capital of Scotland' and this set the tone for much of the other copy. In general, pieces mentioned Edinburgh, the Castle and Ocean Terminal. The copy about Edinburgh and Scotland was positive and upbeat portraying the city as a vibrant and modern city which had retained a balance with its past. The numbers of spectators was widely mentioned as was Justin Timberlake's spending in Edinburgh's bars and clubs.
- **Germany** - The German coverage generally mentioned Edinburgh as host city and in some cases also named hotels and venues. *Musikmarkt*, a German music magazine, described the MTV awards as an example of near perfect organisation judging the overall event to be the, 'pop spectacular deluxe'. The stories concentrated on the awards and the winners, illustrated with photographs of the performers. The copy emphasised the US domination of the awards. The only example we found of product tie-in was found in *Prinz* magazine with a themed promotion for American Express.
- **Italy** - The Italian press generally mentioned Edinburgh and Scotland positively. Although some of the media coverage was quite critical of the awards and the behaviour of some of the stars, Edinburgh and Scotland were looked on favourably. Ocean Terminal, Prince Street Gardens, and local hotels were also mentioned in some of the articles. One daily newspaper mentioned that Vin Diesel was wearing a 'kilt' and sung the Scottish song 'Flower of Scotland' and also mentioned the song's origin.
- **Netherlands** - The Dutch coverage generally mentioned Edinburgh and Scotland as the host city and country and hotels in the city were also mentioned. In some instances the event in Princes Street Gardens was mentioned, particularly focussing on how the local community had a chance to join in the celebrations of European Music with a free concert. The overall image portrayed was positive with favourable with comment on the event planning and how the event ran smoothly in Edinburgh and some mention of the friendliness of the city.
- **Norway** - The majority of the focus was on particular celebrities and the award winners. All the press cuttings mentioned Edinburgh and some mentioned Scotland. In some of the publications Ocean Terminal, hotels, and venues (such as pubs and nightclubs) across the city that were visited by the celebrities were also mentioned. The *Telemarksavisa* also discussed the Film festival in Edinburgh in relation to music videos. The general theme in the *Dagbladet*, one of the largest newspapers in Norway, was that 'Scotland makes it great on the night' as the paper praised Scotland for how it hosted and ran the awards. The publication also reported that there was a lack of consideration for the local population due to lack of places provided for local residents at the awards and that the tickets were very expensive for the local residents.

- **Poland** - The Polish press focused mainly on the award ceremony, winners and the winners of 'Best Polish Act'. Most publications mentioned Edinburgh and Scotland, and all of this coverage was positive. Some of the press mentioned Ocean Terminal and the castle. The *Trybuna Slaska* quoted Justin Timberlake thanking 'the Scots for their warm welcome'. The *Metro* claimed that 'many Scottish accents gave splendour to the ceremony' and also reported how the Scottish actor Billy Boyd joked about Scotland inventing Hip Hop. The *Gazeta Wyborcza Katowic* referred to the event in Edinburgh as being 'immensely impressive'.
- **Portugal** - The Portuguese coverage was positive and talked frequently about Edinburgh entertaining the world on the night. Edinburgh was also called a 'glamorous city' and Scotland was referred to frequently.
- **Romania** - The media coverage was mainly centred on the winners of the MTV awards for the 'Best Romanian Act', the band AB4. All media mentioned Edinburgh as the host city and Scotland was mentioned in the majority of publications. Some of the press also mentioned the Ocean Terminal Arena and hotels in Edinburgh. In an interview for *The Event of the Day*, one of the most popular Romanian newspapers, the winners from AB4 described their experience in Edinburgh as memorable. The host city was depicted as an amazingly well preserved medieval city, though very modern. There was passing mention of the friendliness of the Scottish people and the general relaxed atmosphere governing the event.
- **Russia** - The clippings from the Russian media were largely positive and mainly provided coverage of the stars that were there. Many articles tied in coverage with predictable Scottish angles, such as the wearing of 'kilts'. They mentioned that fans slept rough overnight to get tickets. One magazine wrote that the detours and diversions in the city centre for the festivities might have caused grumbles among the locals but otherwise the references to Scotland were positive.
- **Spain** - The Spanish press spoke favourably about the event, and how it was organised. The Ocean Terminal was generally praised as a good venue with easy access. Edinburgh was portrayed as a 'beautiful city' with a historical appeal.
- **Sweden** - The majority of the coverage from Sweden focused on the celebrities and the awards. Edinburgh and Scotland were favourably mentioned as the host city and country.
- **USA** - The best quote comes from influential US magazine, *Billboard*, whose writer Gordon Masson said, '[the MTV awards] demonstrated how the event can be used to showcase a city – or indeed a country – to the world'. Generally the pieces concentrated on the winners and the US domination of nominees and winners. The

gossip pieces centred on the behaviour of Christina Aguilera and how she is perceived to be in dispute with other female artistes.

Domestic coverage

- **Scotland** - Scottish coverage was generally positive. There was greater emphasis in the Scottish media on the economic effect and likely legacy of the awards. The papers concentrated on Edinburgh and the success the city made of the event. Local and regional papers looked for quirky and feature angles to provide a regional hook for pieces. Other stories included computers stolen from MTV's temporary offices based in the former Royal Yacht Britannia and a piece in the *Edinburgh Evening News* regarding ticketing and the treatment of fans. The awards themselves were widely covered with copy supported by extensive photography.
- **UK and Ireland** - Edinburgh was generally mentioned as the host city with a number of pieces concentrating on the city's attractions, in particular the castle, the countryside, the architecture and the views featured highly with the warmth of the people and their hospitality also coming across well. The *Sunday Times* noted that, although US artists dominated the awards the event itself was, 'a truly Scottish affair and the 6,000-strong crowd made sure the award will be one that lives long in the memory'. Other articles were dominated by reports of the awards and the winners with heavy emphasis on photographs of the presenters and performers.

Summary

5.22 Taken together, the TV and press coverage has been extensive and very positive. The key points are:

- ratings for this year's awards were significantly higher than the previous year in the USA, the UK and in Spain, where they were held last year.
- there were 77 hours of MTV Awards coverage, assuming that 5% of this was related to Edinburgh and Scotland we estimate that this was worth around £8.6m
- in terms of press coverage, across 19 countries there were some 2,094 articles identified in 928 publications with a combined readership of just over 500m.
- we have estimated the value of these articles to be around £4.8m
- there was also a lot of very positive and complimentary comment in the press. Three examples were:
 - *"the MTV awards] demonstrated how the event can be used to showcase a city – or indeed a country – to the world"*, Billboard

- France's Tele 7 Jours, the largest selling TV guide and magazine, called Edinburgh the "*flamboyant capital of Scotland*"
- Musikmarkt, a German music magazine, described the MTV awards as an example of near perfect organisation judging the overall event to be the '*pop spectacular deluxe*'
- "*Scotland makes it great on the night*", Dagbladet (Norway)
- "*many Scottish accents gave splendour to the ceremony*" The Metro (Poland)
- "*a truly Scottish affair and the 6,000-strong crowd made sure the award will be one that lives long in the memory*" The Sunday Times

6 Distribution of impact

6.1 This section uses the research to draw out some of the impacts on a range of businesses likely to have benefited from hosting the awards. These are:

- accommodation providers
- retailers
- other businesses

Hotels and guesthouses

6.2 In order to ascertain the benefits to hotel business, data was collected in two ways:

- the Edinburgh Principal Hotels Association (EPHA) collected data from the actual MTV hotel bookings for the week, 2nd-7th November for 22 principal hotels. This was done prior to the event.
- SQW carried out a second supplementary survey, again using the EPHA database, but also a number of guesthouses. Returns were received from 27 of the city's hotels and three guesthouses. This data has allowed us to compare occupancy rates for each hotel during the week 1st - 7th of November 2003 (when the awards were taking place) with the same week in 2002 (2nd-8th of November). The sample for this second survey included 14 of the hotels from the original sample given by EPHA.

6.3 Information was also collected through telephone interviews conducted with hotels. This included:

- was there any additional MTV business outside the monitored week of the event itself
- what proportion of the change in occupancy between 2002-3 could be attributed to MTV and what other factors could be responsible for the changes
- some indication of displacement of hotel business as a result of overcapacity during the week and where hoteliers thought this business may have gone.

EPHA data

6.4 The Edinburgh Principal Hotels Association provided data about MTVs hotel bookings, by day, over the week and this is shown in Table 6.1.

Table 6.1: Number of rooms booked and revenue from MTV bookings by day of the week based on EPHA data from 22 hotels

<i>Date</i>	<i>Expenditure (£)</i>	<i>Rooms booked</i>
2 nd November	71,500	325
3 rd November	228,140	1,037
4 th November	320,100	1,455
5 th November	366,520	1,666
6 th November	408,320	1,856
7 th November	196,900	895
Totals	1,591,480	7,234

6.5 The figures represent the total value received by the major hoteliers from MTV for all the hosted guests. Given that we know that roughly 1,452 corporate attendees and 329 journalists were *not* hosted and by applying an average cost per room from the total expenditure figures above of £220p/head, an additional £391,820 can be added to the figure quoted above. This gives a total of £1,983,300.

6.6 This figure reflects the expenditure with the major hotels in the city and probably covers the majority of the direct income for accommodation providers. We also know, from the survey of visitors to the Princes Street Gardens event that a further £200,000 was spent on accommodation (before multipliers). Overall, it is reasonable to assume that at least **£2,200,000**, was received by accommodation providers in Edinburgh as a direct result of the awards.

SQW occupancy survey

6.7 SQW also carried out a survey and interviews with 24 of the major hotels in the city and three guesthouses, to determine the impact on occupancy rates. Compared with the same week in 2002, the occupancy data for the week 1st-7th of November 2003 showed a significant increase (Table 6.2).

Table 6.2: SQW survey data from 27 hotels and guesthouses - data for week of 2nd to 9th November 2003 compared with 2002

	<i>2002</i>	<i>2003</i>	<i>Difference</i>
Total Rooms sold during week in...	18,483	20,843	2,360
Total Room occupancy during week in...	74%	83%	9.4%

6.8 The key points from the interviews with hotels were:

- Occupancy rates among the major hotels contacted were:
 - **9.4% higher than in the same week in 2002, and**

➤ **26% higher on the night of the Awards compared with the same night in 2002.**

- Within the sample, a total of 2,360 extra rooms were sold across the week against the same period in 2002
- while most major hotels saw the awards as a substantial boost to their business, two of the three guesthouses interviewed reported little or no extra business directly from the MTV awards, stating that there would have needed to be many more tickets for the public for their business to have benefited. One guesthouse did experience a substantial boost from crew coming up to Edinburgh to work on the awards. All stated that they expected the enhanced profile of Edinburgh gained from the awards to be of substantial benefit to them in the long term
- Among guesthouses bed occupancy was up 28.8% compared with the same week in 2002.
- The proportion of this growth that hotels attributed to MTV was also varied between hotels and guesthouses, with hotels attributing on average 90% of the growth to MTV and 40% reporting that MTV had complete run of house and occupied every room. Only one major hotel reported that some of this additional business had been received from a conference held over the same week and this is reflected in the overall average level of attribution of 90%. Guesthouses reported that only 35% of the additional growth could be attributed to MTV.
- Given the capacity of these hotels over the period and the proportion of that capacity attributable to MTV, it is likely that there would have been displacement and this has been calculated in chapter two. While it is likely that some of this may have led to cancellations, hoteliers were adamant that this was unlikely. They reported that regular business guests had been contacted in advance and asked to postpone trips or had been accommodated in other hotels in the city attached to the same hotel group. Much of the overspill was in fact MTV related and these guests would have been unable to postpone or cancel their trip. This makes it likely that there would have continued to be a slight increase in occupancy in the weeks on either side of the awards as these displaced trips were accommodated and evidence from the occupancy statistics collected for the Edinburgh and Lothian tourist Board supports this. In addition, those hotels that were hosting production crew reported receiving MTV business from as early as the start of October, demonstrating that some of this business took place over a much longer time frame than just the week of the awards.

Retailers

- 6.9 Visitors to Edinburgh for the awards would have spent a proportion of their expenditure with local retailers. In order to assess this expenditure, interviews were completed with leading Edinburgh retailers both directly and via the Edinburgh City Centre Management Company.
- 6.10 The data obtained from retailers paints a mixed picture. Some 37% of the businesses contacted reported increases in either revenue or footfall and 37% reported no impact from the MTV event. The remaining 26% stated that the event had in fact had a *negative* effect on their business. This was largely attributed to both the actual road closures and the media reporting Princes Street as being ‘closed for most of the day’¹⁵ which is likely to have deterred shoppers. This tallies with earlier concerns that were raised by retail groups in the press prior to the awards. There appears to broadly be a balance between retailers that benefited and those that had been negatively impacted.
- 6.11 In terms of the wider marketing impacts, 63% of retailers believed that the awards would boost the city’s profile and attract more visitors, which could provide some benefit in the long run.
- 6.12 Those retailers that did experience a marked benefit in footfall and or revenue often had specific events tied to the MTV awards, which helped stimulate trade, although this was not always the case. It was the top end retailers that received most benefit from the Awards.
- 6.13 The retail groups felt that better dialogue between the various public bodies was essential to improve the situation concerning events and road closures and believed that this could have been managed more effectively. Although there is contact between the public agencies and retailers at a senior level, more contact with retailers would be helpful in future. They also felt that more needed to be made of the retail element generally within the overall promotion of the city to visitors and during events.

Other suppliers

- 6.14 We have identified substantial new income generated for businesses supplying MTV and other related events. This would predominantly have gone to local venues, production companies, crew, catering and beverage suppliers etc. SEE&L held a number of seminars and events prior to the Awards to encourage local suppliers to engage with the event and the high proportion of local businesses that were successful is testament to the value of this approach. Not only does this increase the economic impact on the city, it also provides local business with experience of working with a major organisation. This is impressive experience which can be used by these businesses in the future to win other work.

¹⁵ Taken directly from retailers describing a Glasgow based radio programme

- 6.15 Many of the events took place in bars and restaurants who, as a group, will have received a substantial amount of the money. Evidently, this was often not just from bar and food sales or hosting costs, in fact, in some instances these services were sponsored either by brands or by the venues themselves with a view to using these high profile events and clientele as a marketing tool to promote the venue. They also reported staffing benefits, as some of the larger Edinburgh hospitality groups were contacted to provide bar staff for the pre and post show party in Ocean terminal and other MTV events.
- 6.16 The employment benefits tended to be short term rather than long term. In catering for MTV, local businesses usually absorbed the additional work among their existing staff through offering more hours or hiring over a short period. Employment in the city will have risen sharply over this period both through additional hours worked and through the short term jobs taken up by the seasonally unemployed or perhaps used as a stop-gap by the frictionally unemployed.
- 6.17 Data we obtained from a local crewing company supports this picture. They took on a reported 50 new staff in the period leading up to and including the awards to satisfy demand and also brought in an additional 35 from other parts of the country to work over 4000 hours collectively. This firm also strongly emphasised the wider marketing benefits of being involved in the MTV awards and the weight that they would add to their profile as a business when they were pitching for future work.

Creative Industries

- 6.18 The MTV awards were not only a major opportunity for suppliers to the event itself but also a chance for Edinburgh and Scotland to promote its creative businesses. Although there is some debate over how this is defined, the creative industries in Edinburgh relate to businesses with a creative content and are not necessarily constrained to those that relate to technology such as digital media. In Edinburgh the main forum for the creative industries is Creative Edinburgh, but having been launched in the last year and with limited resources, consultees believed that it was difficult to make a major impact during MTV.
- 6.19 The opportunities envisaged were for some of the creative businesses to have the opportunity to meet and network with senior business people and others in the music and media industries and to use the spotlight on Edinburgh to promote their own activities. The immediate business benefits were realised by direct suppliers to media companies, while networking opportunities proved to be limited.
- 6.20 Perhaps the biggest opportunity was the First Minister's reception. The objectives of this were to:

- raise the profile of Scottish creativity with international influencers in TV production and Music
 - promote networking between Scottish and with international companies
 - present actual opportunities to Scottish companies through personal introductions.
- 6.21 As part of the project 2,500 delegate packs were distributed through hotels. These consisted of a music CD from NEMIS (New Music in Scotland) with a special cover featuring a letter from Frank McAveety and mentioning SE's Creative Industries, a Seriously Scottish CD with logos from SE, BBC, SAC, British Council and Learning Teaching Scotland, a copy of Edinburgh, the Capital Guide, produced by Pastime Production, and a letter of welcome from Jack McConnell. A further 200 were produced for the Castle event which also included tartan ribbon, a miniature of Scotch Whisky contributed by Diageo and a Creative Edinburgh leaflet.
- 6.22 At the event itself there were visual presentations including a video loop of TV production in Scotland and a showreel produced by Creative Edinburgh. Around 400 creative Scots were invited to the event, of which around 50 were part of Creative Edinburgh. There was no record of who actually attended the event, although there was positive feedback from several Scottish-based business people.
- 6.23 However, it is worth considering whether the Awards are genuinely the type of event that could generate opportunities for these businesses. With hindsight, while the event undoubtedly did raise the profile of the city, the opportunities for individual businesses were limited.
- 6.24 While half of SE's funding in support of MTV came through the creative industries, this was always regarded as a profile raising opportunity most likely to deliver benefits in the long term to this sector of the economy. It is a very diverse sector and, with Creative Edinburgh in its infancy, there was little time to plan how creative businesses could make the most of the opportunities of MTV beyond the immediate supply of services.
- 6.25 The event provided a hugely valuable opportunity for the promotion of Edinburgh generally as a dynamic and interesting city. For creative businesses pitching for work elsewhere in the UK and Europe, it helps to put Edinburgh on the map, particularly where customers are focused on London.
- 6.26 In this respect the investment in supporting the awards in Edinburgh should be seen not as providing direct opportunities for specific businesses, but generating interest and raising the profile of the city in way which provides a positive backdrop against which creative industry businesses can grow outwith Scotland. However, the momentum needs to be continued and there is an opportunity for businesses and the public agencies to build on the positive images of the event. For the creative industries and Creative Edinburgh, serious thought should be

given to how this can be done. One suggestion was to hold a marketing forum event to bring some of the commissioning directors of potential customer companies to the city to meet potential suppliers. This type of event would now be far more likely to attract senior people as a result of the MTV publicity. The public agencies should consider how this type of follow up could be supported.

7 Perceptions of Edinburgh

7.1 Information on the perceptions both of Edinburgh as a host city and the event itself were obtained from three major sources:

- **our own telephone interviews with various groups** - these were carried out with corporate guests, journalists, event organisers and performer management who have attended many of these types of events, including past MTV Awards and are able to provide comparative feedback on Edinburgh.
- **the Vegas report provided by MTV.** Following discussions with MTV, a number of questions on perceptions of Edinburgh were included in their own research work conducted by Vegas. The data for this report was obtained via interviews with both attendees and TV viewers, and via an on-line survey that was conducted. Specifically, interviews were conducted with 30 attendees on the night of the event and further three more in-depth interviews. Six interviews were conducted with TV viewers in London of which three were UK nationals and another three were European nationals living in the UK.
- **from interviews conducted by NFO Worldgroup** with attendees from the Princes Street gardens event – covered 150 attendees at the Princes Street Gardens concert, more information can be found in the appendix.

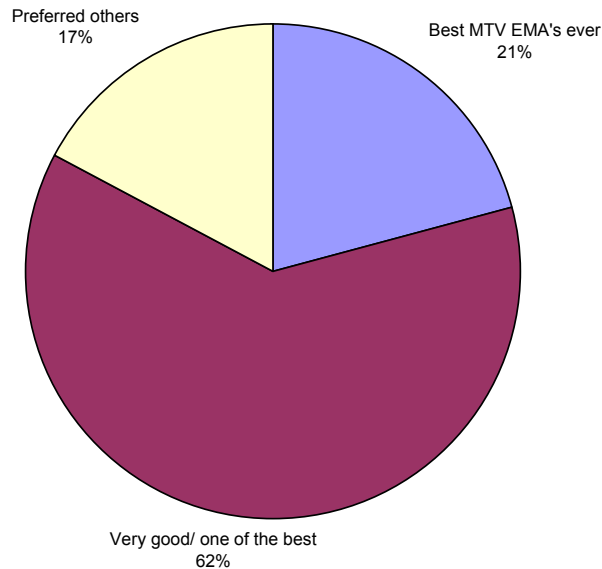
7.2 Of these, the consultations that we undertook are perhaps the most valuable.

Overall impact of the event

7.3 Looking at the information contained in the Vegas report, and from our own consultations it is clear that the awards were highly rated by attendees. Within the Vegas study, it was reported that attendees thought that the appeal of MTV far exceeded that of both the Brit awards and the Oscars, especially because the event represents much more than an awards ceremony, it is a show. The study found that many attendees had been offered considerable amounts of money for their tickets, up to £1000, but hadn't been tempted to sell. This information fits with our own findings. Among corporate guests, journalists and performer management companies, 83% rated the 2003 Awards amongst the best they had attended (Figure 7.1).

Figure 7.1, Satisfaction with delivery of event.

Breakdown of overall satisfaction with event



7.4 From our own consultations, most guests were very positive about the city as a tourist destination, focussing specifically on the historical/cultural elements. The Vegas report included a comment that Edinburgh was not glamorous enough for the Awards believing it to be “a few steps behind London”. This was also a view expressed by a corporate guest. However, in the main, others saw the city on equal terms with Dublin, Manchester and Newcastle.

7.5 Not only can Edinburgh be expected to attract more, younger short break tourists as a result of the coverage of the city, which was highlighted by Vegas, but there were also seen to be significant impacts to the city as a destination for events in future. In these areas our own consultations revealed that many groups felt that there would be great marketing value from the awards. Retailers, bars and restaurants, production groups, hotels and others stated that when bidding for new contracts the experience of MTV would add significant value to their portfolio of work and should make these bids more successful. In at least one case this value was believed to be sufficient to provide services to MTV for free and for events run at a loss in order to obtain this business.

7.6 The integration of the MTV and Edinburgh brands for the event represents a good match for the city that should support Edinburgh’s promotion of itself as a young and vibrant city. The MTV brand carries with it considerable weight as a global player with strong influence on young people and youth culture. This match should lead to mutual benefits. This was

reaffirmed with interviews we conducted with some of the major corporate sponsors who commented on the value of the MTV brand in promoting their products to young people, they felt this value was considerable and that as a host, Edinburgh would be expected to benefit similarly, especially in terms of tourism. Overall 10% of those interviewed felt hosting the awards had raised their perceptions of the city.

Key Strengths and Weaknesses of Edinburgh as a host city

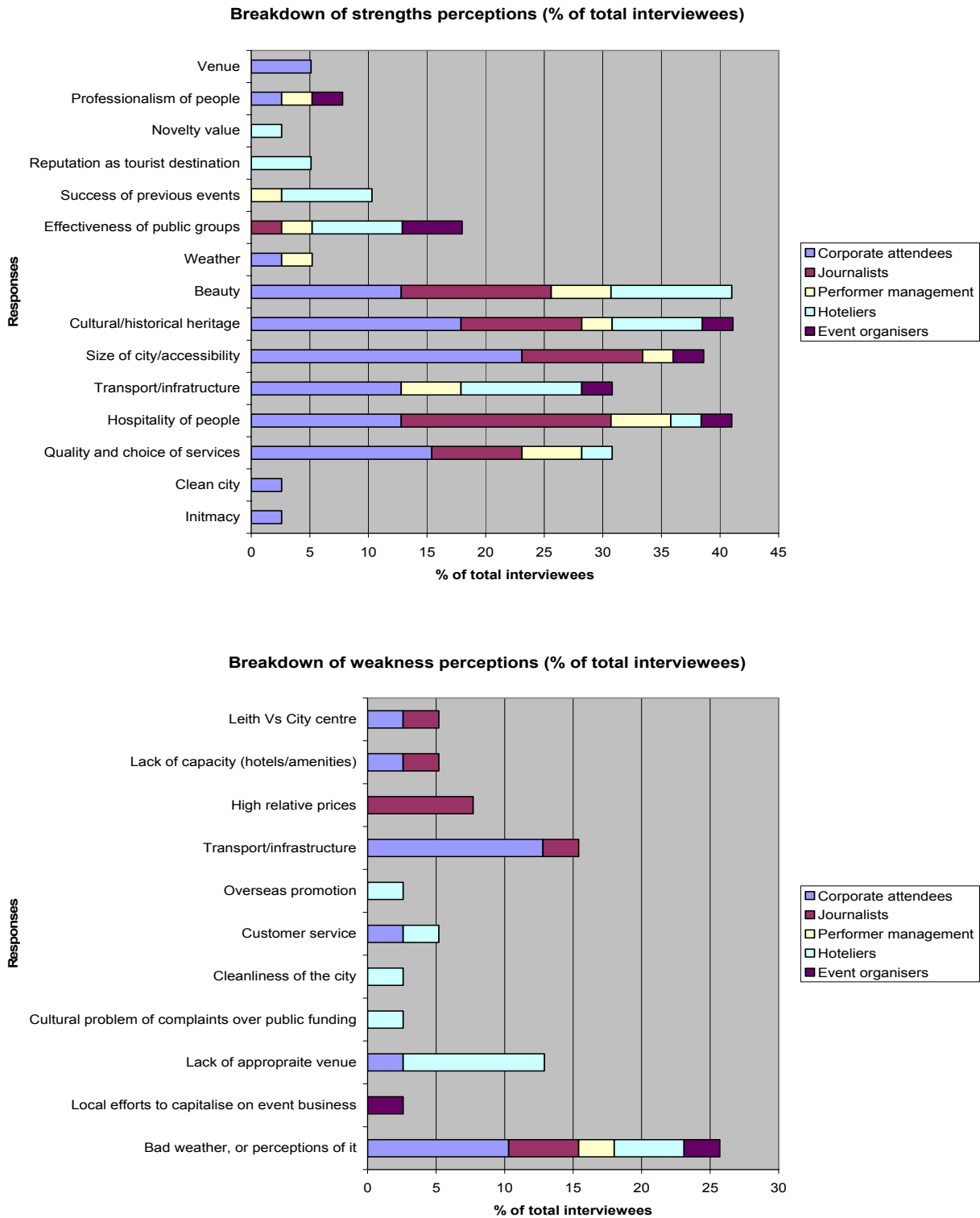
Table 7.1: Strengths and Weaknesses reported by consultees

<i>Strengths</i>	<i>Weaknesses</i>
Intimacy (C)	Public transport/ infrastructure- congestion (C,J)
Clean city(C)	Weather (C,J,P,H,E)
High quality and choice of services (C,P)	Customer service in some cases (C)
Hospitality and people(C,J,P)	Lack of appropriate venue(c)
Accessibility(C,J,P,E)	Shortage of top end accommodation(C)
Culture/Architecture/ Historical significance romantic element (C,J,H,E)	Would have been better if it was nearer the centre of town (J)
Beautiful city (C,J,P,H)	Expensive in relation to Europe (J)
Kind weather (C)	Cleanliness of the city (H)
Professionalism of people was excellent (E)	Need indoor venue of this size (H)
Experience of big events builds confidence for future success (H)	Need to stop people complaining about the public money that gets spent on these events (H)
Efforts of council/police etc in staging these events, who really got behind the organisers to make these events a success (J,P,E)	Event was scaled down to fit city therefore if city wants to host bigger events, needs to expand capacity of accommodation/services etc (J)
Infrastructure/transport systems can cope with big hits (H)	Customer services skills of service industry personnel (H)
Comfortable size of city (J,P)	Could still do more to promote the city abroad(H)
Reputation of Edinburgh as a well known tourist destination (H)	Wasn't aware of local efforts to capitalise on awards business etc (E)

C = corporate guests, J = journalists, P = performers management, H = hotels, E = events organisers

7.7 Figure 7.2 shows the responses and applies percentages to them according to the number of interviewees that mentioned them.

Figure 7.2: Summary of frequency of Strengths and Weaknesses for all interviewees,



7.8 Overall, the beauty and historical and cultural elements of the city were thought to be its strongest points with the hospitality of its people and its size and accessibility close behind. In terms of weaknesses, bad weather or the perception of bad weather was the greatest

negative, followed by a poor transport infrastructure, although twice as many respondents saw this as a strength.

- **Corporate guests** were very positive about Edinburgh as a host city for the event, highlighting the quality of its services and its accessibility most strongly. Many interviewees stated that they were either intending to make a return journey, or knew of people who were. Weaknesses that were emphasised strongly include the weather and transport or congestion problems.
- **Journalists** were also positive about the city, emphasising similar points, namely the hospitality of the people, the beauty, history and heritage of the city and the quality of its services and amenities. However they also praised all the ‘relevant groups’ who worked together to make the event run smoothly, i.e. the council, the police etc, stating that the city regularly hosts these types of events and therefore has become very good at these types of things. This is high praise given that most of the journalists had attended many of these ceremonies and therefore had a strong basis for comparison. In terms of weaknesses, the exchange rate and cost of goods and services were emphasised by almost all journalists, especially those from Eastern Europe.
- **Performer management** emphasised the hospitality of the people, the size/accessibility of it and praised the efforts of the public sector groups in staging the event, providing late licences, etc, this, they believed, would be unthinkable in London.
- **Accommodation providers** saw strength in Edinburgh’s experience with big events, its beauty and historical and cultural significance, but all stated that they felt the lack of a permanent venue for this event was a weakness. Guesthouses highlighted the transport infrastructure, the people and the previous successes of one-off events as successes. They saw a lack of cleanliness in the city and the poor climate as potential weaknesses and stated that more could be done to advertise the city abroad.
- **Event organisers** praised the efforts of the public groups in the way that they got behind the event and highlighted the hospitality and professionalism of the people in Edinburgh. They believed that the perceptions of bad weather were holding the city back and that more might have been done to get local businesses involved in the event.
- **Retailers** were less positive about the event and Edinburgh as a host, emphasising that better communications were necessary between the retailers and public bodies on road closures which had been damaging to business.

7.9 Overall, the event was viewed by almost all those consulted as a success and even suggested as a model for future events. There was specific praise for the way in which the public

agencies had worked together to deliver the event in the city. It was generally viewed as good for business, not only through the short term expenditure generated but also the longer term benefits. This includes increasing the number of young visitors, the profile given to the city for creative businesses and the experience that it provided some of the local businesses involved.

8 Summary and conclusions

8.1 This chapter brings together the various strands of economic impact covered in the previous seven chapters. It presents the overall impact estimates, the longer term effects and draws some conclusions on the findings.

Summary of impacts

Direct net benefits

8.2 Summing up all these individual economic impacts yields a total net economic benefit to the local Edinburgh economy of **£6.4m**, with benefit of **£6.7m** in Edinburgh and the Lothians and **£8.9m** in Scotland. This is derived below from each of the strands covered in the report.

Table 8.1: Overall net expenditure generated in Edinburgh, Edinburgh and Lothian and Scotland including multipliers

<i>Source of expenditure</i>	<i>Total net expenditure/output generated in Edinburgh</i>	<i>In Edinburgh and Lothian</i>	<i>In Scotland</i>
Organisers expenditure	£1.4m	£1.5m	£3.0m
Guests attending Awards	£3.2m	£3.2m	£3.7m
Visitors expenditure (Princes Street gardens)	£1.1m	£1.3m	£1.4m
Expenditure on additional events	£210,000	£220,000	£260,000
Additional business	£460,000	£490,000	£560,000
Totals	£6.4m	£6.7m	£8.9m

8.3 These are net figures and take account of displacement and multiplier effects. The largest source of expenditure was from the guests attending the Awards ceremony in Leith. There was also significant investment by MTV with Scottish companies. The net additional expenditure generated by the MTV in the Gardens event was lower as it was predominantly attended by local and Scottish residents.

8.4 Comparing the returns with the investment of £750,000 made by the public sector agencies gives a return of 1:8.9 in the SEE&L area and 1:11.9 at a Scottish level. These figures exceed significantly the estimates of impact calculated at the appraisal stage.

8.5 While these figures represent substantial additional activity in the economy, the Awards have also created a great deal of *potential* impact as a result through the heightened profile of the city.

Longer term benefits

Media coverage

8.6 The Awards received 77 hours of coverage on MTV and were watched by around 12 -14 million people in Europe. Viewer numbers were significantly higher than last year:

- in the US, the ratings were the highest yet (38% higher than the previous year)
- the UK audience was double that of the MTV Europe Music Awards show last year
- 45% more people in Spain, where the awards were hosted in 2002, watched the ceremony in 2003.

8.7 The TV coverage of the event is valued at £8.6m. In addition, the celebrity endorsements Edinburgh enjoyed during the Awards show (45 in total) have a huge value, particularly in terms of reaching younger audiences.

8.8 In terms of press coverage, across 19 countries there were some 2,094 articles identified in 928 publications with a combined readership of just over 500m. We have estimated the value of these articles to be around £4.8m. There was also a lot of very positive and complimentary comment in the press. Examples include:

- *“the MTV awards] demonstrated how the event can be used to showcase a city – or indeed a country – to the world”, Billboard*
- *France’s Tele 7 Jours, the largest selling TV guide and magazine, called Edinburgh the “flamboyant capital of Scotland”*
- *Musikmarkt, a German music magazine, described the MTV awards as an example of near perfect organisation, judging the overall event to be the “pop spectacular deluxe”*
- *“Scotland makes it great on the night” Dagbladet*
- *“many Scottish accents gave splendour to the ceremony” The Metro, Poland*
- *“a truly Scottish affair and the 6,000-strong crowd made sure the award will be one that lives long in the memory”, The Sunday Times*

Impact on creative industries businesses

8.9 The main impact identified for creative businesses was among those engaged directly in the delivery of the event, although there was also positive feedback from several Scottish creative businesses who had the chance to meet MTV executives. In hindsight, the Awards may not have been an event that offered many opportunities for this type of direct contact. The

investment in supporting the awards in Edinburgh should be seen as generating interest and raising the profile of the city in a way which provides a positive backdrop against which creative industry businesses can grow outwith Scotland. In this respect, the Awards provided a great platform.

- 8.10 The momentum generated by the Awards needs to be continued and there is an opportunity for businesses and the public agencies to build on the positive images of the event. For the creative industries and Creative Edinburgh, serious thought should be given to how this can be done.

Distribution of the impacts

- 8.11 In total, we estimate that the hotels and other accommodation providers received around £2.2m both through MTV bookings and from visitors attending the MTV Gardens event.
- 8.12 Among the major hotels in the city, occupancy rates averaged 83%, 9.4% higher than the same week in 2002. They were also 26% higher on the night of the Awards, compared to the same night in the previous year. Based on data from the Edinburgh Principal Hotels Association MTV took over 7,250 hotel rooms over the week of the event.
- 8.13 Among retailers, 37% reported an increase in revenue, 37% no impact and 25% a decline (but 63% thought it would benefit the city in the long run). Many of those that benefited had related promotions. The closure of Princes Street and perhaps more importantly, the reporting of its closure, was given as the main reason for the decline in business. All the retailers were keen to see stronger links and involvement with promotion of city and future events.

Perceptions

- 8.14 The feedback on perceptions from those attending the event was extremely positive, particularly in relation to Edinburgh's capacity to stage events of this scale in the future. Of particular note were comments by journalists, corporate guests, sponsors and event organisers. The positive features were the cleanliness of the city, its romance, culture, history and beauty. There was considered to be a high quality and choice of service, the city was accessible, the people hospitable and there were positive comments about the professionalism of the public services compared to London - some of what was done to support the events (road closures, late licences) would be unthinkable in London.
- 8.15 Among corporate/journalists and performance management, 21% said it was the best ever MTV and 62% said very good/one of the best. The negative aspects were primarily the weather, the lack of a permanent venue, a shortage of top end accommodation and that Edinburgh was an expensive city to visit.

Conclusions

- 8.16 Overall, the evidence presented, both in terms of the direct impact results and the anecdotal feedback, indicates that the MTV Awards in Edinburgh were a great success. Feedback from the MTV staff involved in staging the Awards also indicated that they were delighted with the organisation of the event and the profile it achieved. In this respect the organisation team have done a good job in delivering a major event in the city.
- 8.17 The direct economic impact of £6.7m in Edinburgh and Lothian and £8.9m in Scotland represents a healthy return for the public sector investment of £750,000, but the wider benefits are likely to be equally if not more important in the long run.
- 8.18 A simple assessment of the value of the TV coverage generated suggests a value of £8.6m and a press coverage value of £4.8m. Perhaps most importantly the Awards have put Edinburgh on the map in a number of ways and the impact of this can be expected to be felt over the next couple of years. The heightened profile of the city does not automatically convert into new economic activity, but rather creates a platform from which Edinburgh and its businesses can benefit in the future. This is potential which provides distinct opportunities for different groups.
- for tourism, the positive exposure of the city, the association with MTV and its young audience is an opportunity to attract many new visitors to the city. We would expect to see this “MTV effect” over the next year and it may have attracted more visitors to Edinburgh’s Hogmanay 2003/04. There are certainly opportunities to use the link with MTV to reinforce future promotion of the city.
 - the success of the delivery of the Awards demonstrated to other potential events that the city not only can cope with this scale of activity, but that it has the experience, organisation and capacity to offer world class support. In MTV, the Festival and Hogmanay, the city is building up a strong portfolio of internationally recognised events.
 - this increasing capacity is also a factor for the businesses that worked on the Awards. Each has benefited from participating in the event, building experience which will not only be valuable in supporting future events in Edinburgh and Scotland but in selling services more widely.
 - for creative businesses, the Awards helped put Edinburgh on the map and raised the profile of the city as home to some innovative creative businesses. It will give more credibility to the city’s creative businesses elsewhere in the UK and Europe. This requires these businesses and the public agencies supporting them to build on the potential created by the Awards.

- finally, cultural events of this type can have further effects on the local economy. Culturally diverse and exciting cities tend to be more successful in attracting entrepreneurs, new businesses and other investment.

8.19 Overall, while the Awards have successfully achieved a substantial direct impact it has also provided a basis on which both the public agencies and businesses can capitalise. It is now important that this momentum is maintained and that the agencies involved look seriously at how this can be built upon to support future economic growth.