

Repucom  
Sponsorship Analysis  
Tourism Tasmania  
2008 Hawthorn FC Report

## Contents

<b>1.0</b>	<b>Executive Summary</b>	<b>3</b>
1.1	Overview	3
1.2	Key Findings	4
1.3	Background	6
<b>2.0</b>	<b>Exposure Analysis</b>	<b>7</b>
2.1	Match Exposure – Branding and Share of Voice Analysis	7
2.2	Consumer Research - Tasmania as a Destination	9
2.3	Economic Benefits and Direct Expenditure	12
<b>3.0</b>	<b>Repucom Background</b>	<b>13</b>
<b>4.0</b>	<b>Methodology</b>	<b>14</b>

## 1.0 EXECUTIVE SUMMARY

### 1.1 Overview

Repucom was commissioned by Tourism Tasmania to undertake an evaluation of their sponsorship of the Hawthorn Football Club ('Hawthorn FC') across the 2008 AFL season. This season marks the second year of the sponsorship agreement between the Tasmanian Government and Hawthorn FC and Repucom conducted a similar analysis in 2007. Repucom was briefed to conduct an analysis across three specific components including – brand exposure analysis, consumer research and an economic impact study<sup>1</sup>.

The 2008 AFL season was extremely successful for Hawthorn FC, winning the AFL Premiership for the first time in recent years. Following a consistent rise up the AFL ladder in recent seasons, the club comprehensively beat Geelong FC in an upset win in the September Grand Final. The on field success of Hawthorn FC in 2008 has led to a positive impact for the Tasmanian Government as a commercial partner. As highlighted below there has been growth across all key measurement indicators including media exposure, consumer impact and economic expenditure.

The following table is a summary of key findings across the 2008 Hawthorn FC sponsorship evaluation project:

Season	Hawthorn FC Television Audience Reach	Tasmania Total Media Exposure Value	Tasmania Sponsorship Awareness	Association with the “discover” image statement	Consideration for Travel to Tasmania in Next 12 Months	Actual Travel to Tasmania	Total Net Value Added to Tasmanian Economy <sup>2</sup>	Total Full Time Equivalent Jobs Added
2008	18,373,564	\$3,429,742	42% Hawthorn fans 15% general AFL fans	40% all respondents	82% all respondents	12% all respondents	\$15,135,598	299
2007	12,910,000	\$1,950,543	32% Hawthorn fans 4% general AFL fans	36% all respondents	82% all respondents	9% all respondents	\$7,269,370	110

<sup>1</sup> Economic Impact Study was conducted by PriceWaterhouseCoopers.

<sup>2</sup> 2007 net value added result reported in 2007 dollars.

## 1.2 Key Findings

- i. The sponsorship generated a total media exposure value of **\$3,429,742** throughout the season. Importantly the success of the club on the field translated into a 76% increase in media value compared to the 2007 season. Tasmania control a 26% share of voice amongst Hawthorn FC sponsors and recorded the 12<sup>th</sup> highest<sup>3</sup> media exposure result of all AFL, NRL, S14 and A-League club major partners. Repucom notes the above figure is a media exposure equivalent and does not represent the total value of the sponsorship investment.
  
- ii. The partnership recorded **42%** unprompted sponsor recall for Tasmania, amongst Melbourne based Hawthorn FC fans. Importantly awareness has grown from 32% in 2007 and is now above that of joint major club partner HSBC (HSBC awareness 24%). Repucom notes this highlights strong penetration amongst fans after only year two of the agreement and now positions Tasmania as the number one brand associated with the club. Given that sponsorship is seen as a less overt form of marketing, this represents an excellent impact across a relatively short timeframe.

Consideration for travel to Tasmania remains strong amongst all respondents (a positive sign for overall tourism). However consideration remains strongest amongst Hawthorn FC members and those respondents aware of Tasmania as a sponsor of the club. Importantly the net positive impact of the sponsorship on the consideration to travel to Tasmania is now **67%** amongst Hawthorn members (double 2007 results).

Overall travel to Tasmania increased slightly from 2007, however the positive sign was that those aware of the sponsorship stated a declining importance on actual AFL matches as a reason for travel. This indicates the sponsorship is beginning to drive visitation for Tasmania as a holiday destination, rather than an AFL travel trip.

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<sup>3</sup> Benchmarking conducted on the 2008 AFL, NRL and S14 seasons and 2007/2008 A-League season

- iii. The visitation of interstate tourists across the five matches held at Aurora Stadium throughout the season, created a net value add of **\$15.136m** to the Tasmanian economy. The net value added accounts for total activity minus the cost of inputs and of this total \$7.794m was a result of direct expenditure. The majority of expenditure was towards entertainment (30% share of voice) followed by meals (22%) and accommodation (18%). The matches also created a total of **299** full time equivalent employment positions from both direct and indirect flow on effects.

The increase in economic expenditure is extremely positive, highlighted by gains across all factors directly contributing to economic impact. Positive growth was recorded across:

- total number of interstate visitors to matches at Aurora Stadium
- the percentage of interstate visitors indicating the AFL was the primary reason for travel
- average daily spend
- average number of nights spent in Tasmania.

### 1.3 Background

In 2007 the Tasmanian Government commenced a five year sponsorship agreement with Hawthorn FC. This agreement included both rights as a co-major partner and the club playing minimum four home matches each year at Aurora Stadium in Tasmania. The sponsorship agreement can be defined by the following two components:

1. Naming rights of Hawthorn FC (including branding on the front of playing jersey) \$1,800,000 per annum
2. Agreement for a minimum of four Hawthorn FC home matches to be played at Aurora Stadium \$1,200,000 per annum.

Following a formal tender process Repucom was selected by Tourism Tasmania to deliver an independent evaluation of this sponsorship. The objective of this evaluation is to “thoroughly track and evaluate both elements of the sponsorship and evaluate the return on investment in regards to social and economic benefits to Tasmania”. This will be the second year Repucom has provided an independent evaluation to Tourism Tasmania after the completion of a similar project in 2007.

Repucom analysis and evaluation focuses on three research components:

Part I Media Exposure – branding and share of voice analysis

Part II Consumer Research – Tasmania as a destination

Part III Economic Benefits and Direct Expenditure – *this component was conducted by PriceWaterhouseCoopers.*

The following executive summary details the key findings across each of the above research components.

## 2.0 KEY FINDINGS

### 2.1 MEDIA EXPOSURE – BRANDING AND SHARE OF VOICE ANALYSIS

#### Media Exposure Value and Branding

- Tasmania generated a total media exposure value of **\$3,429,742** as a major sponsor of Hawthorn FC throughout the 2008 season. This represents a 76% year on year increase.
- The value of a successful finals campaign is clearly evident as Tasmania recorded television media exposure value of \$1.122m in the month of September (44% of total television value). The Grand Final week alone contributed over \$700,000 of combined television exposure value.
- The sponsor benefit of exposure during the Grand Final is evident with Tasmania recording \$91,000 of media value from the jersey front during post match interviews and celebrations.
- Television peripheral coverage<sup>4</sup> recorded the greatest value of all media types, a 41% share of voice. Peripheral coverage also saw the most dramatic rise in value from last season (up 155% year on year). Repucom attributes this growth to extensive coverage around the Grand Final win and heightened focus on the team throughout the month of September.
- Tasmania branding on the front of the playing jersey remains the most valuable source of exposure through match coverage, a total media exposure value of \$810,851. The jersey is also the most valuable inventory in television peripheral coverage (\$367,881) ahead of both the team polo shirt and media board.
- The Herald Sun provided the greatest value of all print publications in 2008 a total value of \$248,593. Repucom also noted an overall rise in the number of editorial press mentions of Tasmania in association of the sponsorship – 38 throughout the season.
- AFL matches broadcast on Saturday afternoon and evening were the most valuable for Tasmania, whilst Seven Nightly News recorded media value above all other news and sporting programs.
- The sponsorship continues to reach a national<sup>5</sup> media market as Tasmania generated 73% of all television exposure to a national audience.
- The most valuable peripheral insert of the season was from an interview with Lance Franklin on the AFL Footy Show<sup>6</sup> with four minutes of polo shirt exposure valued at almost \$50,000.

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<sup>4</sup> Includes nightly television news and sporting magazine programs.

<sup>5</sup> National media market defined as a broadcast reaching Sydney, Melbourne, Brisbane, Adelaide and Perth.

<sup>6</sup> Channel Nine 10<sup>th</sup> July 2008

## Television Audiences

- Hawthorn FC recorded a total cumulative television audience<sup>7</sup> of 18.374m across all match broadcasts on Channel Seven, Channel Ten and Fox Sports<sup>8</sup>. This represents a 42% increase in year on year results.
- The Hawks were the seventh most watched team on television in 2008 across all four Australian football codes. Repucom notes this reflects the fact that the AFL television schedule is planned pre season and team performance does not influence week to week scheduling.
- As expected the AFL Grand Final attracted the most viewers of all matches throughout the season, with an average audience of 3.248m.
- The sold out Hawthorn v Geelong Round 17 match on Friday night at the MCG had the highest regular season audience of 1.193m on Channel Seven. This game was the second most watched regular season match of 2008, behind the traditional ANZAC Day fixture. .
- Whilst the Round Six fixture v Richmond had an audience of 284,000, the highest on Fox Sports. This was the 2<sup>nd</sup> rated AFL match on Fox Sports throughout the season.

## Share of Voice and Benchmarking

- Tasmania media exposure represented a 26% share of voice amongst Hawthorn FC major partners, a drop from 35% in the 2007 season. Puma now receives the greatest share of voice for all sponsors 34%, as a result of a new logo featuring a larger “Puma” on the front of the playing jerseys. Repucom notes that Tourism Tasmania still receive the greatest value of all “non apparel” related sponsors at the club including HSBC.
- Tasmania media exposure results were ranked 12<sup>th</sup> when compared to all other major partners<sup>9</sup> across the AFL, NRL Super 14 and A-League. This represents gains from a position of 37<sup>th</sup> last season.
- Within the AFL Tourism Tasmania was ranked 9<sup>th</sup> of all AFL club major partners, up from the 22<sup>nd</sup> position in 2007. Repucom notes that a number of AFL clubs still have single major sponsor receiving 100% of all major inventory. Tasmania was ranked 3<sup>rd</sup> in the AFL when compared only to those clubs with joint major partners.
- Tasmania's 2008 media exposure value was above the average major sponsor return across the four football codes.

<sup>7</sup> Source OzTam and AGB Nielsen Media Research

<sup>8</sup> Fox Sports includes all live broadcasts or the first replay.

<sup>9</sup> Benchmarking conducted on the 2008 AFL, NRL and S14 seasons and 2007/2008 A-League season.

## 2.2 CONSUMER RESEARCH – TASMANIA AS A DESTINATION

The following are the key findings and comments from the “Tasmania as a Destination” consumer research study. This study was a replica of the project conducted in 2007 by Repucom and results are based on the responses from 610 Melbourne based respondents made of a sample of Hawthorn FC fans, general AFL fans (non Hawthorn fans) and non AFL fans.

The following comments rate the performance of each of Tourism Tasmania’s key research objectives as stated before the project:

### 2.1.1 Identify level of awareness of Aurora Stadium as a venue

- A total of **80%** of all AFL fans were aware that Hawthorn FC played matches at Aurora Stadium in Tasmania during the 2008 season. This represented a year on year increase from 71% of all AFL fans in 2007.
- The largest growth was witnessed amongst general AFL fans (non Hawthorn FC fans) with awareness up from 63% in 2007 to 76% this year.
- There was strong attendance at Aurora Stadium fixtures by Hawthorn FC members, with 26% of members attending a match in 2008.
- Repucom also notes positive interest for future travel to Tasmania matches in 2009 by Hawthorn members, with over 1/3 members indicating a “strong” likelihood to travel.

### 2.1.2 Identify the level of sponsorship awareness of Tasmania’s sponsorship of Hawthorn FC

- Tasmania is now the brand most associated with Hawthorn FC, generating unprompted sponsor awareness of **42%** (up from 32% in 2007) amongst Hawthorn fans and **15%** (up from 4% in 2007) amongst general AFL fans.
- Perhaps the strongest indicator for Tasmania was that unprompted recall is now greater than joint major partner HSBC, who saw a decline in Hawthorn fan awareness to 24%.

- The following table represents year on year changes in total sponsorship awareness<sup>10</sup> amongst all interest types (all changes are statistically significant unless otherwise indicated)

Tasmania Awareness Over Time		2007	2008
Unprompted Awareness	Non AFL Fans <sup>11</sup>	2.0%	5.5%
	General AFL Fans	3.9%	14.8%
	Hawks Fans	29.2%	41.8%
	Hawks Members <sup>12</sup>	39.4%	41.0%
Total Awareness	Non AFL Fans	8.1%	18.7%
	General AFL Fans	27.8%	55.2%
	Hawks Fans	65.5%	79.3%
	Hawks Members <sup>13</sup>	84.8%	84.6%

- The above table shows the platform has been set for activation towards the general AFL fan base. Tasmania can now consider leverage opportunities for the 2009 season to touch fans other than just the Hawthorn FC base.
- Branding on the front of the playing jersey remains the number one source of sponsorship awareness – 75% of all respondents. Hawthorn FC members in particular have a more interment knowledge of the sponsorship recalling branded items across membership material, the club website and team banner.

### 2.1.3 Identify the level of association of image statements associated with Tasmania

- A total of 40% of all respondents associated Tasmania with the “discover” image statement. This represents a year on year increase from 36% in 2007.
- However association with “island of inspiration” fell to 33%, a drop of three percentage points from last season.
- The positive association with “discover” is still greatest amongst Hawthorn FC members and those aware of Tasmania’s sponsorship. Repucom notes a positive sign in the strong year on year growth of association within general AFL fans and even non AFL fans.

<sup>10</sup> Total sponsorship awareness includes both unprompted and prompted results.

<sup>11</sup> Year on year difference not statistically significant (+/- 95%)

<sup>12</sup> Year on year difference not statistically significant (+/- 95%)

<sup>13</sup> Year on year difference not statistically significant (+/- 95%)

#### 2.1.4 Identify the level of consideration of Tasmania as a tourist destination

- Consideration<sup>14</sup> for travel to Tasmania amongst all respondents was 82%, balanced with 2007 results.
- Positively for the sponsorship, those respondents with an interest in AFL are displaying a greater consideration for travel to Tasmania than those with no interest in the sport. This is a significant change from last season, when consideration was greatest amongst non AFL fans.
- The impact of the sponsorship is seen as those **aware of the sponsorship displayed a significantly higher consideration for travel to Tasmania than those not aware of the relationship.**
- Scenery and sightseeing remains the greatest reason for considering travel to Tasmania.
- 19% of all respondents stated that **the sponsorship had a direct and positive**<sup>15</sup> influence on their consideration to travel to Tasmania (up from 12% in 2007).
- Repucom highlights the growth in stated influence of the sponsorship across general AFL fans, general Hawthorn FC fans and Hawthorn FC members.

#### 2.1.5 Identify current travel behaviour to Tasmania

- Of those who travelled in the last 12 months, **12%** visited Tasmania up from 9% in 2007.
- There was an increase in travel to Tasmania among those aware of the sponsorship – **16%** (year on year movement from 12% last season).
- Those aware of Tasmania's sponsorship of Hawthorn FC are now two times more likely to travel to Tasmania than those unaware.
- From those who travelled to Tasmania in the last 12 months, "holiday" was the major reason for travel.
- Those people aware of the sponsorship are significantly more likely to have travelled to Tasmania for a holiday, rather than purely to watch an AFL match. This is an extremely positive sign for Tasmania, as it shows the sponsorship is starting to drive visitation for reasons other than AFL viewing.

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<sup>14</sup> Consideration asked "Would you consider Tasmania as a future holiday destination"

<sup>15</sup> Measured by "had some influence" or had "considerable influence" on travel to Tasmania.

## 2.3 ECONOMIC BENEFITS AND DIRECT EXPENDITURE

The following is a summary of the key findings from the economic impact study completed by PwC. The economic impact study was based on at event research conducted by Tourism Tasmania at two selected fixtures<sup>16</sup> throughout the season.

### Interstate Attendee Details

- Hawthorn FC matches held at Aurora Stadium had a cumulative attendance of 84,891 across the five fixtures throughout the season.
- At event research conducted by Tourism Tasmania found that on average 30.7% of all attendees were from interstate, an increase in the number of interstate visitors recorded year on year (20% interstate visitors across 2007). A high proportion (91%) of all interstate visitors were deemed to have travelled to Tasmania for the primary purpose of watching one of the nominated AFL fixtures.
- The economic impact study found that a total of **23,768 interstate visitors** attended matches during the year, with AFL being the number one reason for travel to Tasmania. This represents a 77% increase in the number of football related travelers year on year.
- These visitors spent an average of \$220 per day whilst in Tasmania, whilst the average length of stay was 3.2 nights. The majority of this daily spend was attributed to entertainment, followed by meals.

### Economic Impact

- The **gross economic** impact of the above attendees travel to Tasmania was **\$32.319m**. This represents a 104% year on year increase when compared with the 2007 gross impact<sup>17</sup>.
- The above results consisted of a direct impact of \$16.931m and flow on impacts of \$15.388m.
- The growth in economic impact year on year is a result of a higher percentage of interstate visitors at matches, with a rise in the AFL as the primary reason for travel.
- The total **net impact**<sup>18</sup> to the Tasmanian economy was **\$15.136m**, consisting of \$7.794m in direct expenditure.
- The study also found a total of 299 full time equivalent employment positions were created in the state.
- Of these positions 197 were a direct result of increased tourist visitation, the most of which resulted from accommodation, cafes and restaurants.

<sup>16</sup> Research was collected at the Brisbane Lions and Western Bulldogs Aurora Stadium fixtures.

<sup>17</sup> Year on year increase measured against gross impact of \$15.8m in 2007 (adjusted by CPI). The actual 2007 dollars economic impact figure was \$15.16m.

<sup>18</sup> Net impact is increase in economic activity less cost of inputs.

### 3.0 REPUCOM BACKGROUND

Repucom is the world's fastest growing sponsorship and broadcast research and evaluation network. We have specialised in sponsorship evaluation since 1996 and employ some of the most experienced personnel in the global sponsorship market. Repucom is an independent, Australian owned company. This has allowed us to develop best practice methodologies based on the combined experiences within the international sponsorship industry.

Repucom International currently has wholly owned offices in Australia, Singapore, The United States of America, The United Kingdom, Japan, India and South Korea. We gather information and insights across the industry to deliver market-leading intelligence to the world's biggest brands, sporting bodies, agencies and broadcasters

Operating under a common framework, our regional hubs provide specialist local knowledge, products and information for the measurement of sponsorship in their own territory. When combined, this creates a depth of sponsorship intelligence unsurpassed in the industry and available exclusively to Repucom International clients worldwide.

#### Why Repucom?

**THE DATA** – decision making and management are more accurate and effective when based on the hard facts, not purely gut feel. Over 10 years we have amassed the most comprehensive databases in sport and sponsorship that allow us to not only determine specific performance but to put that performance in perspective with benchmarking across a wide range of criteria.

**ANALYSIS TOOLS** – we continue to acquire and develop the latest sponsorship evaluation tools and technology to ensure our analytics team delivers the advice needed by our clients

**INSIGHTS** – our long standing position within the sponsorship industry (since 1993) has given our people acute understanding of what is happening in the market as well as trends and new developments, both here and internationally.

**INDEPENDENCE** – we DO NOT sell or manage sponsorships, therefore our measurements do not have a conflict of interest. We work with corporations in all segments of the industry – testimony to our independent and unbiased work.

## 4.0 METHODOLOGY

### 4.1 Television Analysis

Television analysis is conducted using the Radiuss automated image recognition technology. **Repucom** has developed an advanced version of our sponsorship television evaluation system - **SpindeX2®**. This improved sponsorship television evaluation system includes automated image recognition software, Radiuss, to capture sponsor television exposure data, combined with the market accepted analysis and valuation methodologies unique to the **Spindex®** system. As a final layer, **Repucom** utilises market intelligence and experience, providing insights and comments to improve and understand exposure performance.

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

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

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

### 4.2 Print Analysis

**Repucom** analyses major metropolitan newspapers and a selection of sport/sponsorship specific publications for editorial and pictorial references to sponsor brands, logos & mentions.

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

### 4.3 Consumer Research

The 2008 Tourism Tasmania consumer research was conducted via an online survey in field from 5<sup>th</sup> – 15<sup>th</sup> November 2008. The survey was completed by a total of 610 respondents, who were all residents of Melbourne.

The survey sample was constructed by the following three mutually exclusive groups:

- 150 respondents with NO interest in the sport of AFL
- 310 respondents with an interest in the sport of AFL of which Hawthorn FC was NOT their favourite AFL club
- 150 respondents with an interest in the sport of AFL of which Hawthorn FC WAS their favourite AFL club.

#### 4.4 Economic Impact Study

To determine the economic impacts of the five matches in terms of additional tourism and associated expenditure, a standard input-output approach has been adopted.

Input-output analysis considers the flow on effects for output growth resulting from expenditure or consumption. The output is estimated using a series of integrated multipliers<sup>19</sup> which trace the relationship between the transactions of various industries in the economy. The analysis summarises all the economic responses, both direct and indirect, resulting from a change in the economic system – in this case, additional tourism and associated expenditure as a result of the five matches played in Tasmania in 2008.

Three outcomes have been modelled by the input-output analysis in relation to the economic impacts of the Tasmanian Government's match sponsorship of the HFC during 2008. These are the:

- Total output impact of additional tourism and associated expenditure;
- Value added impact of additional tourism and associated expenditure; and
- Employment impact of additional tourism and associated expenditure.

The key assumptions in modelling the economic impact of the matches were established from results of market research undertaken at two Hawthorn FC games at Aurora Stadium in Tasmania during 2008. Details on the model and inputs are presented in Part III – detailed economic impact analysis report.

It should be noted that the analysis considers the impact on the Tasmanian economy in 2008 only. As such, the long term impacts may be higher.

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<sup>19</sup> Australian Bureau of Statistics, 2008, '5209.0 - Australian National Accounts: Input-Output Tables', 1996-97