Shining the light on successful sponsorships

An assessment of Ulster Bank’s festival sponsorships
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Business to Arts
Advisory Consulting

Foreword
Stuart McLaughlin, Chief Executive, Business to Arts

As an organisation that is concerned with the development of creative partnerships between the arts and business communities, Business to Arts recognises that a sponsorship relationship can only be successful where there is a meeting of minds and a mutual understanding of the benefits accrued to all stakeholders.

As external observers of the maturing relationships between Ulster Bank and the Dublin Theatre Festival and the Belfast Festival at Queen’s over the last three years it has been clear to Business to Arts that these partnerships provide a framework and reference point for many other organisations. They both act as an encouragement for greater corporate involvement in the arts and help to dispel some of the myths that might exist regarding the involvement of a business in a cultural project.

With the scale of these Festivals, we know that they make an economic contribution to their respective regions. However, in a challenging environment it is more important than ever that we measure and understand the extent to which these impacts which form an important part of the “case” for both private sector and State support.

The benefits of this support are complex and multi-faceted. When considering the “output” of the Ulster Bank-sponsored Festivals we should bear in mind that this research focuses on the economic impact of the Festivals, that is to say the contribution and return that these events create for their communities due, in part, to the financial and in-kind support provided by the Bank. Within this document we have not considered the more intangible benefits related to the art itself, the critical reception of the festivals, the response of the audience to the work itself and so on. That is not to say that we consider this benefit to be unimportant, rather that the scope of this project was clear in its aim of establishing the economic impact of the events themselves in 2009.

The Ulster Bank Dublin Theatre Festival and Ulster Bank Belfast Festival at Queen’s are significant events on the island. Approximately 80,000 tickets were distributed for 400 performances over 34 days in September and October in 2009. The Festivals have international reputations for their high quality. They show a combination of national and international talent which provides an opportunity for the development of domestic theatre professionals, as well as a point of inspiration and access for audiences to performances that might not otherwise be available in Ireland.

Our findings show that the Ulster Bank Dublin Theatre Festival has an economic impact of €4.53m and the Ulster Bank Belfast Festival at Queen’s has an impact of €3.85m. The two Festivals directly employ 22.7 full time employees and generated the equivalent of 67 full time employees on the island in 2009. This impact is achieved against a total income of €4.13m.

The combination of sponsorship, box office income and public subsidy create benefits that represent multiples of the investment made. With this in mind, it is important to note that Ulster Bank’s sponsorship (cash and in-kind) is an essential part of the “landscape” of funding for both Festivals. The absence of any element of this financial model would have a detrimental impact on the wider economy and the essence of the Festivals would have to dramatically change.

Sponsorship is, of course, a subject for constant review and it represents a significant investment for Ulster Bank in these examples. As the report highlights, the sponsorship model for the Festivals is designed to deliver a number of benefits in terms of brand awareness, staff engagement and community support. All of these elements can be evaluated individually, and their distinctive benefits identified relatively simply. However, what we hope this report demonstrates is that the partnership between Ulster Bank and Dublin Theatre Festival and Belfast Festival at Queen’s goes beyond these basic principles and delivers a far greater economic and cultural value to the Island of Ireland than might previously have been considered.
This report was undertaken by Business to Arts, with support from PricewaterhouseCoopers (PwC). The role of Business to Arts is to broker, enable and support creative partnerships between business and the arts, in addition to managing the largest programme of business-skills training for artists and arts organisations in Ireland.

The purpose of the report is two-fold:

- To explore the characteristics of a successful model of engagement such as that demonstrated between Ulster Bank and Ulster Bank Dublin Theatre Festival (UBDTF) and Ulster Bank Belfast Festival at Queen’s (UBBFQ)
- To evaluate the economic impact of Ulster Bank’s sponsorship of UBDTF and UBBFQ on the regional and all-Ireland economy which stems directly from the Festivals’ expenditures, i.e. payments made to employees and payments made to Irish enterprises in return for products or services, etc.

The methodology adopted entailed:

- A quantitative data-collection exercise undertaken by each festival company, with statistical analysis support provided by PwC, to gather information in relation to income, employment and spend of both the festival companies, both locally and all-Ireland in staging the events
- A survey of Festival audiences in Dublin and Belfast undertaken by each festival company to identify their place of residence, party size and economic spend, with data analysis support provided by PwC
- A series of face-to-face consultations conducted by Business to Arts with relevant Festival participants, including the Festival Chief Executives, national and international directors, actors and managers and Ulster Bank Festival Ambassadors / Volunteers in both Dublin and Belfast in order to get a better insight into the model of engagement between Ulster Bank and the Festivals, and the benefits of the sponsorship to the arts community. Some of their insights are captured in the quotes throughout the document.

The remainder of this report comprises three chapters:

- Chapter 2 profiles the two Festivals and their audiences
- Chapter 3 describes Ulster Bank’s model of engagement with UBDTF and UBBFQ
- Chapter 4 quantifies the immediate economic impact made by Ulster Bank’s Arts Sponsorship of their Festivals to their respective regional economies and the all-Ireland economy.

"An Assessment of Ulster Bank’s Festival Sponsorships PricewaterhouseCoopers"

\[\text{One of the main reasons that this sponsorship is perceived to be a successful one, is because Ulster Bank has been very aware of our needs in the same way the Festival has been flexible and able to respond to Ulster Bank’s needs. There is a clear duality in our relationship.}\]

\[\text{Loughlin Deegan, Artistic Director & Chief Executive, UBDTF}\]

\[\text{The Festival is now on a more secure level [as a result of Ulster Bank’s sponsorship] which has had a considerable impact on the size and scope of its programme. This has had a huge impact on what other stakeholders think of the Festival. The Festival is enjoying record audience levels that are experiencing performances of increased quality.}\]

\[\text{Graeme Farrow, Festival Director, UBBFQ}\]
2. Profile of the Festivals

2.1 Introduction

This chapter presents an overview of UBDTF and UBBFQ, including details of their programming, length of operation, a breakdown of their sponsorship, including support from Ulster Bank, as well as a profile of their audience members. A range of stakeholders are involved in a festival such as UBDTF and UBBFQ, as illustrated in Figure 2.1.

Central to this ‘cultural ecosystem’ is the festival company which has responsibility for marketing, business development, administration and programming for the festival. Typically, these companies employ a number of full-time staff, as well as part-time/contract staff during the busy months in the run up to, and during, the festival.

A festival company will engage theatre production companies to stage performances, often comprising a balance of both leading international productions and national productions, which can cover a range of art forms such as theatre, dance, classical music, literature, jazz, comedy, etc. The production companies typically comprise a producer and a small core team, however once they have established a particular production, the company will engage artists / performers, creative staff (e.g. costumes, stage design) and / or technical staff (e.g. lighting).

The festival company will also hire many of the venues to stage the productions. Some venues may open specifically for the purpose of the festival, while other venues are open all year around (e.g. Abbey Theatre, Gate Theatre in Dublin). The audience members attending the productions typically include local residents, domestic tourists / day trippers as well as international tourists, the mix of which will depend on the profile of the event.

2.2 Overview of Ulster Bank Dublin Theatre Festival and its Audience

UBDTF was founded in 1957 by Brendan Smith of the Olympia and Brendan Smith Academy of Acting. At that time, the Irish Tourist Board was interested in helping to finance events on what was termed ‘shoulder months’ of the tourist season - May, June, September and October. The Festival currently runs for 18 days, starting at the end of September and running for the first two weeks of October each year, presenting leading international theatre artists and companies alongside leading Irish work. The Festival currently employs 6 full-time staff responsible for marketing, administration, business development and programming for the Festival, as well as up to 45 staff on a part-time basis during the Festival in October. This equates to 13.2 FTES.

2009 highlights included The Manganiyar Seduction, The Pitmen Painters and Tales of Ballycumber, as well as a new addition to the Festival, a light-installation on Liberty Hall called Playhouse which gave people the opportunity to create animations that were displayed on the building

Ulster Bank had been a sponsor of the Festival for a number of years prior to 2007, but in 2007, they announced their first title sponsorship deal with the Festival. 2010 is the fourth year of the relationship and represents an investment by Ulster Bank of approximately €1.3 million over four years. UBDTF reported that the relationship with Ulster Bank has enabled them to enhance the profile of the Festival and the scope of artistic programming and performances on offer.

Table 2.1 below presents an overview of the number of participating theatre companies, performances and receiving venues involved in the Festival pre-Ulster Bank title sponsorship in 2006, and since the title sponsorship began in 2007. It is evident that the scale of the Festival has grown since Ulster Bank’s title sponsorship began in 2007.

Table 2.1

<table>
<thead>
<tr>
<th>Theatre companies, performances, receiving venues / stages in UBDTF, 2006-09</th>
<th>Pre-Ulster Bank title sponsorship</th>
<th>Post-Ulster Bank title sponsorship</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year</td>
<td>Number of productions</td>
<td>2006</td>
</tr>
<tr>
<td>National</td>
<td>21</td>
<td>33</td>
</tr>
<tr>
<td>International</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>Number of performances</td>
<td>161</td>
<td>224</td>
</tr>
<tr>
<td>Main theatre venues</td>
<td>14</td>
<td>18</td>
</tr>
<tr>
<td>Secondary / temporary venues</td>
<td>12</td>
<td>14</td>
</tr>
<tr>
<td>Duration of festival (days)</td>
<td>17</td>
<td>18</td>
</tr>
</tbody>
</table>

* 50th Anniversary Festival

1Playhouse received over 1,800 submissions and 68,477 hits on the website, with 13% of visitors coming from outside Ireland. Approximately 500,000 people would have seen Playhouse during this Festival, both from the streets in Dublin and online around the world.

Since Ulster Bank became title sponsor of the Festival, interest in the Festival and its general profile has increased dramatically as a result of marketing, advertisements on television and on-street banners

Samantha Coventry, Group Resources & HR / Festival Volunteer, Ulster Bank, Dublin
Figures 2.2 and 2.3 present an overview of UBDTF income by source in 2009. As seen in Figure 2.2, the largest proportion is from public funding (e.g. Arts Council, Culture Ireland, Fáilte Ireland, etc) at 43%, followed by commercial income (e.g. box office takings, programme sales, etc) at 30% and private sector investment at 27%. Figure 2.3 shows that Ulster Bank’s cash sponsorship represented over a third of all private investment (36%) received by the Festival in 2009. Ulster Bank’s sponsorship of UBDTF is the third largest source of income after box-office takings and the Arts Council’s grant.

In 2009, the in-kind sponsorship contributed to a marketing campaign including banners / street flags, PR, etc. Ulster Bank also purchased a number of tickets for staged events, including 1,000 tickets for A Night for Dublin and several hundred tickets for Ulster Bank staff engagement and client entertainment and other events. A total of 47,500 tickets were distributed for the 221 performances during the Festival in 2009, equating to an average of 215 people per performance. There were approximately 12,500 unique purchasers, highlighting the tendency of people to attend more than one event. Table 2.2 below outlines the key results from the audience survey conducted by UBDTF during the 2009 Festival.

The vast majority of attendees were from the Republic of Ireland (89%), and 74% of attendees were resident in County Dublin, showing a strong local support for the Festival. The remaining Irish audience members were domestic tourists from a broad mix of counties, the strongest representation being those counties in close proximity to Dublin, namely Wicklow, Kildare and Meath. In terms of international representation, the remaining 12% of audience members were from the USA (4%), England (1.7%), Germany (1.6%), Northern Ireland (1.2%), Canada, Italy and Spain, etc.

The survey also found that 49% of domestic and out-of-state tourists came to Dublin primarily for the purpose of attending an UBDTF event, thus highlighting the tourism benefits the Festival brings to Dublin.
2.3 Overview of Ulster Bank Belfast Festival at Queen’s and its Audience

UBBFQ was established in 1962 when an undergraduate of Queen's University, Belfast started running a small event based on the campus of the university. It has now grown to a 16-day festival covering a wide range of international and national art forms, including theatre, dance, classical music, literature, jazz, comedy, visual arts, folk music and popular music. The Festival Company currently employs 6 full-time staff throughout the year, and 9 temporary staff before and during the Festival. This equates to 9.5 FTE staff.

2009 highlights included Valery Gergiev with the Mariinsky Orchestra, Seamus Heaney and Michael Longley with the Ulster Orchestra, talks by Noam Chomsky and Michael Mansfield, comedy from Julian Clary and Stewart Lee, and drama from Prime Cut and the Abbey Theatre.

Ulster Bank has been a main sponsor of the Festival for many years, but in 2008, they announced their first title sponsorship deal with the Festival representing an investment of over £1 million (€1.2m) over three years. Ulster Bank’s three-year commitment has enabled Festival organisers to plan ahead with confidence. With most public sector bodies offering one-year funding subject to applications, the Festival had operated on a hand-to-mouth basis throughout its history, prior to the Ulster Bank commitment.

The Festival Company reported that the relationship with Ulster Bank has enabled it to increase the scale and quality of the artistic programming, investing more heavily in local theatre companies and securing internationally renowned performers such as Valery Gergiev.

Table 2.3 below presents an overview of the number of participating theatre companies, performances and receiving venues involved in the Festival pre-Ulster Bank title sponsorship in 2007, and since the title sponsorship began in 2008, which shows how the scale of the Festival has grown since 2007.

### Table 2.3

<table>
<thead>
<tr>
<th></th>
<th>Pre-Ulster Bank title sponsorship</th>
<th>Post-Ulster Bank title sponsorship</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2007</td>
<td>2008</td>
</tr>
<tr>
<td>Number of productions</td>
<td>64</td>
<td>72</td>
</tr>
<tr>
<td>- National</td>
<td>18</td>
<td>29</td>
</tr>
<tr>
<td>- International</td>
<td>46</td>
<td>44</td>
</tr>
<tr>
<td>Number of performances</td>
<td>189</td>
<td>167</td>
</tr>
<tr>
<td>- Main theatre venues</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>- Secondary / temporary venues</td>
<td>23</td>
<td>30</td>
</tr>
<tr>
<td>Duration of festival (days)</td>
<td>16</td>
<td>16</td>
</tr>
</tbody>
</table>

**Source:** UBBFQ / PwC derived

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6 FTE = full time equivalent, e.g. two half-time workers equate to one FTE.
Table 2.4 outlines the key results from an audience survey conducted by UBBFQ in 2009. A total of 32,260 tickets were sold for the 172 performances during the Festival in 2009, equating to an average of 188 people per performance. The survey found that there were approximately 8,426 unique purchasers, highlighting similar propensities of people to attend multiple performances.

The vast majority of audience members (92%) were from Northern Ireland, of which 85% were either from County Antrim or County Down. The remaining 8% were domestic tourists / day trippers from other counties in Northern Ireland. The remaining 8% of audience members were out-of-state, including Republic of Ireland (4%), England (3%), and other countries such as Scotland, Wales, USA, France, Spain. The survey also found that 74% of domestic and out-of-state tourists came to Belfast primarily for the purpose of attending an UBBFQ event, and 44% were influenced in their decision to go to Belfast by an UBBFQ event.

2.4 Key Chapter Findings

- A range of stakeholders are involved in a festival such as UBDTF and UBBFQ ranging from theatre production companies engaged to stage performances; producers / directors, artists and other creative / technical talent involved in staging a production; ticket purchasing venues hired to stage performances.

- Ulster Bank has been the title sponsor of both Festivals over the past three years, which provided them with a sense of security and an opportunity to enhance the scale and scope of artistic programming offered. A total of 47,500 tickets were distributed for the 221 performance shown in UBDTF in 2009. The Festival has strong local support, as the vast majority of attendees are from County Dublin (74%), however the Festival also attracted visitors from the USA, Germany, England and other European countries.

- A total of 32,260 tickets were sold for the 172 performances in this year’s UBBFQ. Similar to UBDTF, the Festival has a strong local support with 85% of audience members coming from the Belfast Region, as well as attracting overseas visitors from countries such as the US, France and Spain.

- Ulster Bank’s sponsorship of both Festivals is significant and amounted to circa €2.5m in cash over the period of their sponsorship commitment. This does not include the very real and significant support provided in-kind (i.e. marketing / PR / branding / advertising, etc).

- Ulster Bank’s sponsorship of UBBFQ is the second-largest income source after box-office takings. With regards to UBDTF, Ulster Bank sponsorship ranks after box-office takings and the Arts Council grant.

Table 2.4

<table>
<thead>
<tr>
<th>Number of unique attendances</th>
<th>Number</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northern Ireland attendances</td>
<td>7,179</td>
<td>92%</td>
</tr>
<tr>
<td>Domestic resident1</td>
<td>7,179</td>
<td>85%</td>
</tr>
<tr>
<td>Domestic Tourist2</td>
<td>540</td>
<td>7%</td>
</tr>
<tr>
<td>Out of State attendances3,4</td>
<td>707</td>
<td>8%</td>
</tr>
</tbody>
</table>

Proportion of tourists that travelled to Belfast primarily to attend an UBBFQ event

- Out of State & Domestic Tourist
  - Yes 74%
  - No 26%

Proportion of tourists influenced in their decision to go to Belfast by an UBBFQ event

- Out of State & Domestic Tourist
  - Yes 44%
  - No 56%

Source: UBDTF / PwC derived

1Survey results are based on an online survey conducted by the Festival Company of UBBFQ, with support in the statistical analysis of results provided by PwC. Total survey respondents were circa 1,100. No oversight in the administration / collection of these surveys was provided by PwC. 2Domestic resident defined as audience member living in County Antrim or County Down. Domestic defined as audience member living Northern Ireland outside of County Antrim or County Down. 3Out of state defined as audience member living outside Northern Ireland.

The 2009 audience survey results show that there were 8,426 unique attendances at UBBFQ highlighting the tendency of people to attend more than one event. Approximately 92% of these originate from within Northern Ireland and the remainder are out-of-state. 74% of domestic and out-of-state tourists travelled to Belfast primarily to attend an event at UBBFQ.
3. Ulster Bank's Model of Engagement with the Festivals

3.1 Introduction
This chapter describes the evolution of the model of engagement applied by Ulster Bank with their sponsorships of UBDTF and UBBFQ, looking at the objectives and how the focus has developed and changed.

Business to Arts is often asked what makes an effective arts sponsorship. While it is a difficult question, the answer is often found in a sponsorship relationship that has a clear understanding and ongoing focus on the objectives of both the commercial sponsor and the arts organisation; where a strong audience and customer development focus are evident; and where a successful joint brand image and association is achieved. Ulster Bank’s festival sponsorships are often held up as good examples of effective arts sponsorship, and this was borne out by the unanimous praise for the relationship with UBDTF from external judges at the 2008 Allianz Business to Arts Awards where it won ‘Best Sponsorship of an Event’. In 2010, UBBFQ received similar praise when it won the Allianz Arts & Business Northern Ireland Cultural Branding Award.

Figure 3.1
What are Ulster Bank’s Arts Sponsorship Objectives?

- Establishing a sponsorship association which makes Ulster Bank a prominent brand
- Attract new customers through profile-raising and creating positive feeling towards the Bank
- Providing unique entertainment opportunities for their customers and potential customers
- Using sponsorship to highlight and motivate staff engagement
- Increasing accessibility to the best of Irish and international theatre for all ages and demographics
- Investing in flagship festivals which generate a return for the Irish and Northern Irish economies.

While the focus of driving business remains very important, there is an increased emphasis on Corporate Social Responsibility. Ulster Bank is actively contributing to the cultural life of its community and makes arts and culture more accessible to the general public.

Loughlin Deegan, Artistic Director & Chief Executive, UBDT

Graeme Farrow, Festival Director, UBBFQ
3.2 Describing Ulster Bank’s Model of Engagement

While Ulster Bank’s arts sponsorship strategy continues to develop and evolve, the sponsorship of the UBBFQ and UBDTF began with a very clear commercial focus on business development for both the Bank and the Festivals. Securing the title sponsorships gave them the opportunity to have a greater impact and achieve visibility with people living, working in and travelling through Dublin and Belfast – leaving them in no doubt that the Festivals were on, as well as vital recognition for Ulster Bank’s involvement in bringing world class performances to both cities.

Business to Arts identifies four key elements that have contributed to the success of Ulster Bank’s festival sponsorships. At the forefront has been the development and implementation of highly customised marketing campaigns by Ulster Bank and the Festivals. Working collaboratively, the Festivals’ traditional marketing campaigns which focused on print and digital media, city flags and IPA sites have been enhanced by Ulster Bank’s additional spend/leverage on 48-sheets as well as online promotion over recent years. The marketing campaign success is due to on-going communication between the Festivals and the Bank with planning and evaluation on an annual basis.

Another key element of the success of Ulster Bank’s is how it has been driven through their branch network and staff. Internal ambassadors/festival volunteers who play an active role promoting the Festivals internally along with creative in-branch merchandise and advertisements on ATMs and customer statements have all helped to increase the profile of the sponsorship with Ulster Bank staff, customers and the general public. Customer offerings such as discounts on tickets for account holders have also helped to drive new business for the Bank and loyalty among the Bank’s existing customer base.

There can be no doubt that the current economic climate and the recent crisis in the banking sector have driven the need for an increased focus on connections with the community and the audience development objectives of Ulster Bank’s sponsorships over the past two years. UBDTF’s Open House and UBBFQ’s Community Ticket Scheme and A Night for Belfast & Dublin have been successful events aimed at bringing new audiences to the arts. Through the events individuals, community groups and charities across the island, who might not normally have the chance to visit the Festivals, are given the opportunity to experience world class productions and fantastic nights out.

Finally, and perhaps most importantly from a commercial perspective, is the success of Ulster Bank’s wider sponsorship strategy and the role the arts portfolio plays in this. By developing a broad portfolio of high-profile sport, arts, community and business sponsorships which include the GAA Football Championship and Ulster Bank Business Achievers Awards, Ulster Bank has successfully developed opportunities to continue to build its profile and create meaningful connections with a wide cross-section of Irish society.

The success of Ulster Bank’s sponsorship strategy is demonstrated in the results of consumer research commissioned by Ulster Bank and conducted by Onside Sponsorship which has shown that major festival sponsorship scores highly on top-of-mind reach among consumers. Ulster Bank’s sponsorships of UBDTF and UBBFQ helped to move 138,000 consumers on the island of Ireland closer to their brand in 2009.
4. Economic Impact of Ulster Bank’s Festival Sponsorships

4.1 Introduction

Ulster Bank’s financial support to the Festivals equated to 10% of total income (excluding in-kind sponsorship) for UBDTF and 16% for UBBFQ. This chapter describes the economic contribution made by UBDTF and UBBFQ to their respective regional economies and the all island economy. While significant in its own right, it does not reflect the real engagement at many levels that Ulster Bank has provided as the principal sponsor of these events. This level of engagement has enriched the staging of both festivals in terms of their reach, scale and ability to plan and programme in advance and is a result of not only Ulster Bank’s financial sponsorship but also significant in-kind support provided in terms of marketing, PR, event management and physical human resources.

The chapter analyses the economic benefits that flow to the region from income streams (i.e. Ulster Bank sponsorship and other funding sources) and subsequent expenditure of the Festivals and domestic and overseas visitors. Expenditures fall into two distinct categories, namely:

- expenditure on labour, e.g. salaries paid to Festival personnel
- expenditure on goods and services, e.g. payments made to companies supplying goods and services relating to the promotion, production and staging of the actual Festival and spend by domestic and international visitors.

Reflecting the regional emphasis of this study, the actual expenditures of the Festivals were disaggregated according to the place of residence of the company or individual to whom the payment was made. Payments made to companies or individuals based outside of Dublin / Belfast were considered separately for the purposes of the analysis, which follows.

The remainder of this chapter comprises four sections. The next section describes the methodology underpinning the estimation of the immediate economic contribution of the Festivals to their regional economies. Section 4.3 presents details of UBDTF and UBBFQ incomes and expenditures for the year 2009, while Section 4.4 applies the economic impact “multipliers” to these expenditures to arrive at an estimate of regional and all island economic contribution. A summary of chapter findings is presented in Section 4.5.

4.2 Economic Impact Multipliers Explained

Additional expenditures within a national or a regional economy have favourable downstream implications, i.e. benefits beyond those enjoyed by the immediate beneficiary of the payment, which are measured using “economic impact” multipliers. The economic benefits of a defined increase in expenditure (i.e. €1 m increase in spend) fall into three distinct categories, namely:

- direct - the economic benefits that derive from the initial payment, e.g. the increased profitability of the local coffee shop as a result of the daily purchase of coffees by UBDTF employees
- indirect - benefits to the economy that result from the increased production activity of suppliers to the initial beneficiary of expenditure, e.g. local manufacturer of bread
- induced - the economic benefits that derive from the expenditures of individuals who are in receipt of additional earnings as a result of the initial expenditure, e.g. the expenditure of an additional employee of the local coffee shop in a local restaurant

The direct, indirect and induced economic benefits associated with incremental expenditures within a national or regional economy can be measured in different ways. Two of the most commonly used measures are:

- output – the impact of the additional expenditure on the output of the economy in question. As is the case for any enterprise, output is defined with reference to the “value-added” that is brought by an economy to a given set of inputs. The standard measure is GDP
- employment – the impact of the increase in final demand on levels of employment in the national or regional economy. The standard measure of employment is full-time equivalents (FTE)

Economic multipliers are not common across sectors or areas of expenditure (e.g. restaurant services vs. designer clothes), rather the dependence of the sector in question on locally-produced or procured inputs is a crucial determinant of the relationship between a €1 increase in final demand and the benefits that ultimately flow to the local economy. Tobacco is a good example of a product, additional demand for which has few spin off benefits – reflecting the fact that the product is typically imported in a finished form and that the value added which is distributed between wholesalers and retailers is typically small. By contrast, additional demand for restaurant services, which are often characterised by a high dependence on local labour and inputs, typically has very favourable spin offs.

Economic impact multipliers for Ireland are very outdated. For this reason, multipliers prepared in respect of the Scottish economy in 2004 are used here. This is considered legitimate to the extent that the sectoral dependence of the Scottish economy on imports is broadly in line with that for Ireland.

10Gross Domestic Product.

11See http://www.scotland.gov.uk/Topics/Statistics/Browse/Economy/Input-Output/IOAFiles2004 for details. Type II multipliers were used. Please note that employment effect multipliers were adjusted for Euro purposes.
4.3 Profile of Festivals’ Incomes and Expenditures 2009

Direct, indirect and induced economic benefits derive from the payroll and non-payroll expenditures of the two Festivals are outlined in Table 4.1 below. Total payroll costs associated with UBDFT and UBBFQ are estimated at €484,000 and €263,000 respectively – a total of €747,000. Income tax and employer and employee contributions have been excluded from the take-home pay of employees.

This estimate of employee take-home pay is reduced by a further 15% to reflect the fact that some share of pay is absorbed by savings. Therefore, employees of UBDFT and UBBFQ are assumed to have a disposable income of approximately €384k and €127k respectively – a total of €411k. Table 4.1 presents an overview of the assumed distribution of this disposable income spend by product or service category.

Approximately 70% of (disposable) employee spend is assumed to be on product categories, with the remainder accounted for by a variety of services, including hotels, pubs and restaurants.

Table 4.2 presents details of the non-payroll expenditures of UBDFT and UBBFQ and affiliated enterprises, disaggregated by product or service category in 2009.

The total goods and services expenditures of UBDFT in 2009 was €2.25m – with €1.26m of this accruing to Republic of Ireland-based suppliers. The total goods and services expenditures of UBBFQ in 2009 was €1.76m – with almost €1.65m of this accruing to Northern Ireland-based suppliers. Production costs, (e.g. artist wages, accommodation, subsistence and venue costs), were the largest category of expenditure in this year, accounting for €2.1m (64%) of total spend. Marketing, advertising & PR accounted for a further quarter of total spend at €820k. Professional services, utility costs, logistics, telecommunications and miscellaneous business costs made up the remaining 11% of total spend.
4.4 Economic Impact of Ulster Bank's Festival Sponsorships

The application of economic impact multipliers to the expenditure details contained in Section 4.3 allowed for the computation of the direct, indirect and induced contribution of the UBDTF and UBBFQ to their respective economies.

Table 4.3 presents details of the direct, indirect and induced benefits that derive from the local economy expenditures of festival employees. It shows that the expenditures of UBDTF and UBBFQ employees contributed €444k and €200k respectively to their local economies in 2009. This expenditure supported an estimated 6 FTE jobs in the same year.

The downstream economic benefits associated with UBDTF and UBBFQ (non-labour) expenditures on goods and services in 2009 are presented in Table 4.4.

In 2009, it is estimated that the local economy (non-labour) expenditures by the Festivals contributed more than €5.8m to output of the all-island economy (€2.79m and €3.02m respectively). These expenditures supported 23 jobs in RoI and 25 jobs in Northern Ireland (excluding festival employees) – a total of 48 full-time employees.

Table 4.5 below presents details of visitor / ticket numbers, their associated spend, and the proportion of spend which is directly attributable to each Festival. This analysis is based on research findings derived from the audience survey conducted by each Festival, with statistical analysis support provided by PwC1. To determine ‘additional’ spend in the economy as a result of the Festivals, audience members were asked:

(i) Whether they were a local resident, domestic tourist or overseas tourist

(ii) Whether they visited Dublin / Belfast ‘primarily for the purpose of attending the Festival’

Domestic and overseas tourism spend was included in this analysis only, as it is widely assumed that local resident spend is not additional spend in the local economy, as this expenditure would have been incurred regardless of the Festival. While conservative, this is considered best practice. It was also assumed that 100% of the spend of domestic and overseas tourists who visited Dublin / Belfast primarily for the purpose of the Festivals, was attributed to the Festival; while 25% of spend was attributed to the Festivals for tourists who did not visit the city solely to attend the festival.

In 2009, based on 20,833 unique purchasers / 79,760 tickets distributed, associated visitor spend was a total of €1.62m across the two Festivals, of which €1.05m was directly attributable to the Festivals. The associated impact to output of this spend was €1.30m and €629k for UBDTF and UBBFQ respectively – a total of €1.93m.

While not included in the economic analysis, previous commissioned research by UBBFQ found that local resident spend can be significant. This research found that attendees (including overseas, domestic and local) directly spent £1.1m (€1.24m) in the local economy during the 2008 Festival, which is equivalent to €55 spend per person per night. A similar study was not available for Ulster Bank Dublin Theatre Festival, but an equivalent measure would apply.

In summary, Table 4.6 shows the total impact of UBDTF and UBBFQ, their employees and audience spend to their regional economies.

Including Festival expenditure on goods and services, employment, and domestic and international visitor spend it is estimated that UBDTF and UBBFQ contributed a combined total of €8.4m to the output of the all-island economy (€4.5m and €3.9m respectively). In addition, it supported an estimated 67 jobs across Ireland in 2009 – 36 in RoI and 31 in Northern Ireland.

In 2009, on the basis that 100% of the spend contributed by local resident and overseas tourist attendees was a result of the Festival, the associated impact to output of this spend was €1.93m across the two Festivals. Of this amount, €1.05m (65%) was attributable to the UBDTF, and €629k (35%) to the UBBFQ.

To determine ‘additional’ spend in the local economy as a result of the Festivals, audience members were asked:

(i) Whether they were a local resident, domestic tourist or overseas tourist

(ii) Whether they visited Dublin / Belfast ‘primarily for the purpose of attending the Festival’

Domestic and overseas tourism spend was included in this analysis only, as it is widely assumed that local resident spend is not additional spend in the local economy, as this expenditure would have been incurred regardless of the Festival. This is considered best practice. It was also assumed that 100% of the spend of domestic and overseas tourists who visited Dublin / Belfast primarily for the purpose of the Festivals, was attributed to the Festival; while 25% of spend was attributed to the Festivals for tourists who did not visit the city solely to attend the festival.

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In 2009, based on 20,833 unique purchasers / 79,760 tickets distributed, associated visitor spend was a total of €1.62m across the two Festivals, of which €1.05m was directly attributable to the Festivals. The associated impact to output of this spend was €1.30m and €629k for UBDTF and UBBFQ respectively – a total of €1.93m.

Table 4.6 Direct, Indirect & Induced Economic Benefits of UBDTF and UBBFQ 2009

<table>
<thead>
<tr>
<th>Festival (Non Labour Expenditures)</th>
<th>UBDTF</th>
<th>UBBFQ</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ impact to Output</td>
<td>€2.79m</td>
<td>€3.02m</td>
<td>€5.81m</td>
</tr>
<tr>
<td>Supported Employment</td>
<td>22.79</td>
<td>24.92</td>
<td>47.71</td>
</tr>
</tbody>
</table>

In summary, Table 4.7 shows the total impact of UBDTF and UBBFQ, their employees and audience spend to their regional economies.
An Assessment of Ulster Bank’s Festival Sponsorships

PricewaterhouseCoopers

4.5 Key Chapter Findings

The previous chapter described the “immediate” economic benefits associated with Ulster Bank’s sponsorship of UBDTF and UBBFQ, i.e. those economic benefits which derive from the labour and non-labour spend of the Festivals.

Key findings are as follows:

- Total payroll expenditures of UBDTF and UBBFQ in 2009 was €484k and €263k – a total of €747k. Festival employees have a reported disposable income of €411,000.
- Non-labour expenditures of the Festivals in 2009 was circa €4m. Production costs (e.g. artist wages, accommodation, subsistence and venue costs), was the largest category of expenditure in this year, accounting for over €2.1m (64%) of total spend.
- Associated visitor spend totalled €1.62m across the two Festivals, of which €1.05m was directly attributable to the Festivals. The impact to output of this spend amounted to €1.30m and €629k for UBDTF and UBBFQ respectively – a total of €1.93m.
- While not included in this economic analysis, local resident spend can be significant.
- Through the application of economic impact multipliers, the direct, indirect and induced contribution of company and employee expenditures on the output of RoI and Northern Ireland economies in 2009 was estimated at €8.4m.
- The employment associated with these earnings is estimated at 67 FTEs:
  - €4.53m impact on output and 36.08 FTEs to the RoI economy by UBDTF
  - €3.85m impact on output and 31.22 FTEs to the NI economy by UBBFQ.

UBDTF and UBBFQ supported 67 jobs across Ireland in 2009 – 36 in RoI and 31 in Northern Ireland.

Business to Arts

Ulster Bank Dublin Theatre Festival has a very good reputation and I actually knew a lot of people who were going to Dublin specifically for the Festival to have a look at Irish plays…. There is good domestic and international participation in the Festival which made me excited about bringing the production to Dublin.

Roysten Abel, The Manganiyar Seduction