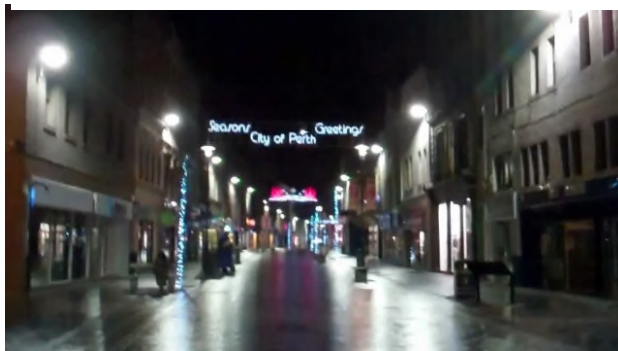


Bellerby Economics

in partnership with



Economic Impact Assessment of the Perth Christmas Lights Switch On Event

Report for Perth & Kinross Council

January 2017

Contents

1.	Introduction	1
1.1	Preamble	1
1.2	Study Objectives	1
1.3	Method	2
1.4	Perth Christmas Lights Switch On Event	2
1.5	Approach	4
1.6	Report Structure	4
2.	The Visitor Survey	5
2.1	Introduction	5
2.2	Background to the Survey	5
2.3	Visitor Profile	5
2.4	Visit to the Perth Christmas Lights Switch On event	8
2.5	Perth Winter Festival	10
2.6	Marketing & Promotion	10
2.7	Reasons for Visiting and Counterfactual	11
2.8	Travel to the Event	12
2.9	Length of Stay	13
2.10	Accommodation	13
2.11	Other Expenditure	13
2.12	Quality of the Visit	13
2.13	Return Visits	15

3.	The Business Survey	16
3.1	Introduction	16
3.2	Benefits	16
3.3	Impact	16
3.4	Quality of the Switch On event	17
3.5	How to Improve the Switch On event	18
4.	Economic Impact Assessment	19
4.1	Introduction	19
4.2	Economic Impact Assessment Method	19
4.3	The Visitors	22
4.4	Net Additional Employment	23
4.5	Gross Value Added	23
4.6	Overview	24
5.	Conclusions	25
5.1	Introduction	25
5.2	Economic Measures	25
5.3	Social & Community Benefits	25

1. Introduction

1.1 Preamble

In 2015 PKC commissioned Bellerby Economics in partnership with IBP Strategy & Research to prepare a report that demonstrated the scale of the economic benefit that the Christmas Lights Switch On event brings to the local economy. The report estimated that the event contributed some **£1.6m** in net additional spend in the local economy, helped to support **23.6** annual jobs and contributed **£0.6m** of gross value added.

Bellerby Economics, in partnership with IBP Strategy and Research, were subsequently commissioned to undertake an evaluation of 2016 Christmas Lights Switch On event.

1.2 Study Objectives

The overall aim of this study is to estimate the economic impact of the Event, focusing on:

- net additional expenditure in the PKC and Scottish economies
- Gross Valued Added (GVA) to the PKC and Scottish economies.

In addition the evaluation provides PKC with an understanding of:

- the importance of the Christmas Lights Event in a visitor's decision to come to Perth/Scotland;
- the geographical origin of Event attendees;
- the expenditure of attendees during their stay on shopping, food/drink, entertainment, leisure activities and accommodation;
- length of stay by attendees at the Event, split into: day visitors, Scottish visitors overnight stays, UK visitor overnight stays and overseas visitors overnight stays;
- quality of attendee experience at the Event, including satisfaction levels, perception of the event, whether they would recommend it to others etc;
- motivation for attending the Event and if they would attend again in future years and/or have attended previous Events;
- perceptions of Perth as a visitor destination;
- how they heard about the Event (reference marketing/PR activity/industry network/reputation etc); and
- basic information about attendees including age, gender, occupation, ethnic origin, residence, how they travelled to the event etc.

1.3 Method

The method adopted in conducting the study included:

- desk based review of:
 - data from the event organisers relating to footfall in the City; and
- a survey of:
 - 387 visitors to the City on the day of the event.

To supplement the survey of visitors PKC sent a link to an online survey (and a hard copy of the questionnaire) to city centre businesses, seeking their views on the impact on their business - positive and negative - of the Winter Festival events held on the weekend of 19/20th November, including the Lights Switch on.

As in 2015 a full footfall count was not undertaken in 2016. It has been estimated, that the footfall in Perth on 19th November 2016 was 112,00, based on 2014's full footfall count and then increased to take account of increased footfall count by the main shopping mall in Perth. As there could be double counting as people visit the mall on more than one occasion, the 112,00 figure is likely to overestimate the actual number of people in the City. As in 2015 we assume that on average an individual would walk past the footfall counter on 1.5 occasions. This this gives a figure of 74,667 - which we will round up to 75,000 for the purpose of the EIA.

On this basis, the survey of the 387 visitors presented in **Chapter 3** attracts a standard error of +/-5% - this suggest that the survey results are robust. This means, for example, that if the survey results say that 50% of the sample answered "yes" to a question, then when the answer is grossed up to the population as a whole, the true answer will lie somewhere between 45% and 55%.

However we would introduce a caveat. We believe that the random sample survey underestimates the scale of overnight visitors - only four individuals who were interviewed were overnight visitors¹. In conducting the EIA we therefore adopt the visitor profile on 2015 to take account of this under reporting - 97% day visitors and 3% overnight visitors.

The random sample survey showed that 50% of overnight visitors stayed with friends and relatives - in light of the number of hotel room booked for the 19th November 2016 our view is that the results overstates the number of overnight stays with friends and relatives, so we adopt the proportion from 2015 and average spending figures to compensate for the survey results when estimating economic impact.

1.4 Perth Christmas Lights Switch On Event

The 2016 Switch on event was staged on 19th November 2016, and included the following events based in the City centre's main streets:

¹ Our understanding is that Perth City Centre area has approximately 1,100 bedrooms, and the majority of these were booked for the night of Saturday 19th November 2016.

Tay Street:

- The Half of 8
- Lorraine Crosby
- Slade
- Christmas Lights Switch On - with fireworks
- Fleur East
- Professor Green
- House of Hemmingway DJ Set;
- Horse Cross Plaza:
 - Ice rink
 - Igloo silent disco
 - Cobbler the Clown
 - Basil Brush
 - Princess Show
 - Mini Minx
 - Justine Bieber Show
 - Magic acts
 - ABBA spectacular;
- King Edward Street:
 - Food stalls
 - Stage:
 - Andrew Blair
 - Cover Daddy
 - Julie Young Dance Group
 - Horse Cross Dancers
 - Blair Davie
 - JGN Dance Attic
 - Twirleum Twirlsters & Fair City Baton Twirlers
 - Kyleigh Marie Morgan (X Factor)
 - East 17;
- High Street:
 - Festival of Chocolate;
- George Street:
 - Santa's Grotto
 - Reindeer, donkeys and huskies;
- St John's Plaza:
 - Horne's' Pleasure Rides;
- St John's Street
 - Ice sculptures; and
- Thimble Row:
 - Christmas Parade.

1.5 Approach

1.5.1 Economic

The eventsIMPACT² Toolkit provides organisers and supporters of public events with some key guidance and good practice principles for evaluating the economic impacts associated with their event.

The approach adopted by Bellerby Economics is the *advanced impact* approach as this enables the analysis to reflect the full economic impact of the event.

1.5.2 Social & Community Benefits

The eventsIMPACT guidelines and principles identify that events also contribute to social and community benefits. The visitor survey sought to identify:

- Satisfaction Impacts: the extent to which attending the event had been a pleasurable experience - quality of the programme, atmosphere, the City's amenities etc.

1.6 Report Structure

The remainder of this report is structured as follows:

- **Chapter 2** presents the results from the survey of visitors;
- **Chapter 3** presents the results from PKC's survey of local businesses;
- **Chapter 4** presents the economic impact analysis; and
- **Chapter 5** presents a brief set of conclusions.

² eventIMPACTS is the result of collaboration between UK Sport, Visit Britain, EventScotland, the London Development Agency, the North West Development Agency, Yorkshire Forward and Glasgow City Marketing Bureau.

2. The Visitor Survey

2.1 Introduction

This chapter presents an analysis of the visitor survey conducted by IBP Strategy and Research at a number of locations in Perth City on 19th November 2016, the date of the Christmas Lights Switch On. A total of **387** interviews were completed.

Where appropriate we make comparisons between the 2016 and 2015 surveys. We would caution against reading too much into any differences, as these may be a function of sampling errors - the results we report can have values across the whole population of visitors of +/-5%.

2.2 Background to the Survey

The face-to-face survey was conducted on the basis of a random sample. The survey asked a series of questions to elicit information on:

- normal residence of the visitor;
- how they became aware of the Switch On event - PR, Marketing etc;
- importance of the Switch On event in the decision to visit Perth & Kinross (P&K)/Scotland;
- previous visits to P&K/Scotland;
- previous visits to the Perth Christmas Lights Switch On event;
- future visits to Winter Festival Events;
- whether the visitor is staying away from home;
- travel to and within Scotland;
- expenditure on food and drink, entertainment, shopping, travel etc;
- expenditure on accommodation;
- number in the visiting party;
- what they would have done that day if the Perth Christmas Lights Switch On event was not being staged;
- evaluation of the visitor experience at the Switch On event;
- perception of P&K/Scotland as a visitor destination;
- likelihood of future visits to P&K/Scotland; and
- demographics - age, gender, occupation etc.

2.3 Visitor Profile

The survey sample consisted of 44% males and 56% females³ - this represents more males in 2016 than 2015 (38%). The age profile of the visitors surveyed is shown in **Table 2.1**, and the 2016 findings are compared with the 2015 profile.

³ This excludes 3 individuals who preferred not to answer the question.

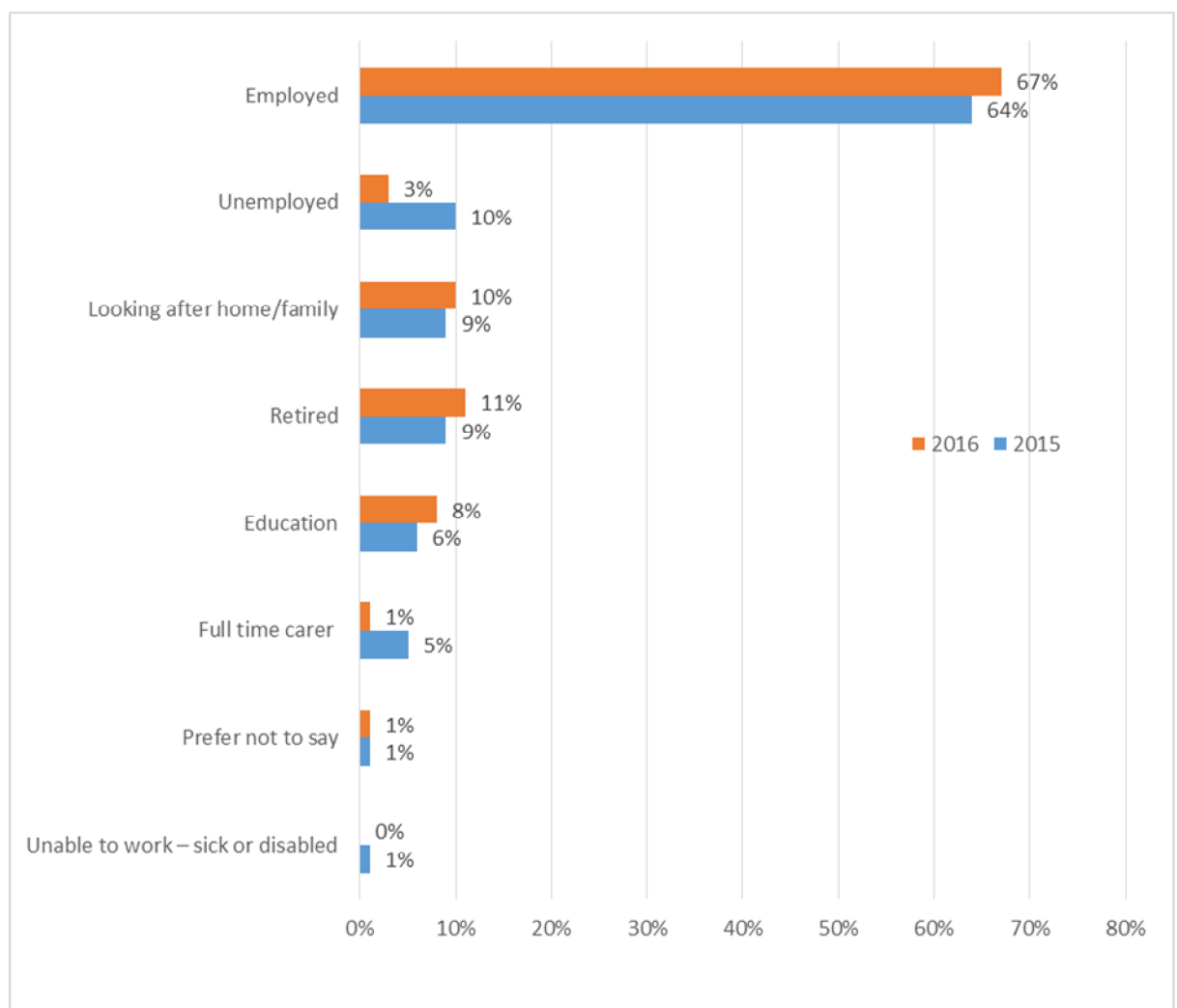
Table 2.1: Respondent Age Groups 2015 and 2016

Age Range	Total		%	
	2015	2016	2015	2016
18-19	20	12	5%	3%
20-24	46	36	12%	9%
25-34	107	108	28%	28%
35-44	122	115	32%	30%
45-54	40	45	10%	12%
55-64	30	36	8%	9%
65+	10	32	5%	8%
Prefer not to say	1	3	<1%	1%
Total	384		100%	100%

The survey data highlights that the bulk of visitors in 2016 (70%) were aged under 45; the figure in 2015 was 77%

Figure 2.1 illustrates the employment status of the sample.

Figure 2.1: Employment Status of the Sample 2015 and 2016



Almost three-quarters (70%) of the sample is economically active, with 67% of respondents in full, part-time or self-employment; the figure for 2015 was 64% in employment.

Based on survey responses to questions about the occupation and industry of the chief wage earner in the interviewee's immediate family, the following social class categorisation was made⁴.

- 21% (15% in 2015) belonged to the upper middle/middle class group (AB) e.g. higher or intermediate managerial or professional;
- 42% (28% in 2015) fell into the lower middle class group (C1) e.g. junior managerial, supervisory or clerical;
- 26% (23% in 2015) were identified as skilled working class (C2) e.g. skilled manual workers;
- 8% (16% in 2015) were working class (D) e.g. semi and unskilled manual workers; and
- 3% (17% in 2015) fell into the lowest level of subsistence group (E) e.g. casual or lowest grade workers.

The survey suggests that the Perth Christmas Lights Switch On event drew a large proportion visitors from the higher social groups as 63% were identified as middle class - upper and lower. One in three of visitors were working class, of which one in four were skilled working class. The 2016 event attracted a higher proportion of visitors from the higher level social classes than the 2015 event.

Table 2.2 illustrates the ethnic background of the sample.

Table 2.2: Ethnic Background

	Number	%
White - Scottish	351	91%
White - British	14	4%
White - Irish	1	>1%
White - Other	3	1%
Asian - Indian	3	1%
Asian Chinese	3	1%
Asian Pakistan	5	1%
Black African	2	1%
Prefer not to say/no answer	5	1
Total	387	100%

The survey suggests that almost all visitors were of white origin (96%), with White Scottish accounting for over 91% of all visitors. In contrast, the 2015 sample were 100% of white origin.

Table 2.3 reports the normal place of residence of the sample. This data demonstrates the event has attracted almost one in five of its visitors from outwith the P&K area.

⁴ These social class classifications are from the Registrar General's Social Class categories, taken from Census of Population. They exclude 87 individuals who declined answer.

Table 2.3: Usual Place of Residence

	Total	%
Perth & Kinross	306	79%
Elsewhere in Scotland	78	20%
Elsewhere in UK	1	1%
Outside the UK	2	1%
Total	387	100%

Figures may not sum to 100% due to rounding

Almost all visitors were from Scotland - 79% from the local area, 20% from elsewhere in Scotland, with 2% of visitors were from outwith Scotland. In 2016 there has been a slight shift away from local visitors (81% in 2015).

Those surveyed were asked how many individuals were in their immediate party, including themselves, and the results are shown in **Table 2.4**.

Table 2.4: Size of Visiting Group

	Size of Groups
Total number of adult males	387
Total number of adult females	542
Total number children (aged under 16)	468
Total	1,398

Those surveyed were part of a wider visiting party totalling 922 adults, of whom 42% were male and 58% were female - the same proportions as in 2015. The adults were accompanied by 468 children.

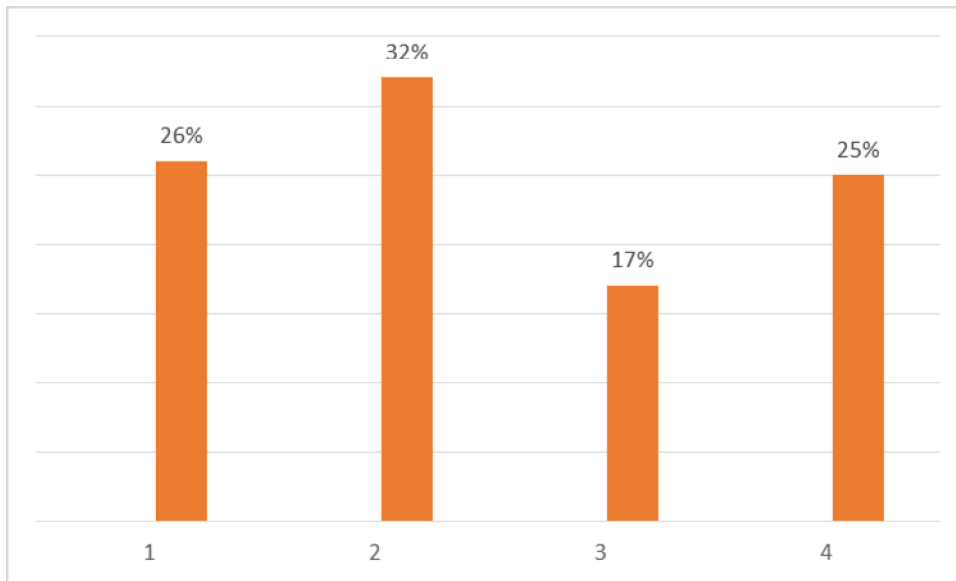
Of those who normally reside outside Perth & Kinross and were prepared to answer the question (68 respondents) 94% have visited the area before.

2.4 Visit to the Perth Christmas Lights Switch On event

2.4.1 Previous Visits

Some 75% of visitors had attended previous Perth Christmas Lights Switch On events - this compares favourably with the 67% who had attended previous Lights Switch On events in 2015, suggesting a higher degree of repeat visits than in previous years. **Figure 2.2** details the number of previous Switch On events visited by the three-quarter of visitors who had visited previously, and shows a loyal following, with 25% of this group having visited all previous Switch On events, and almost one in three having attended two previous events.

Figure 2.2: Previous Visits to the Perth Christmas Lights Switch On event



2.4.2 Future Visits

The vast majority (62%) of the visitors (67% in 2015) said that they would definitely return to the Event in subsequent years, with 34% saying that they would probably return (29% in 2015). The main reasons for this were:

- best event organised in Perth;
- an enjoyable day out, especially for children;
- great atmosphere in the City;
- events seem to be getting better;
- a good community event;
- a great event for Christmas spirit;
- lots to do;
- a good family event; and
- a well organised event.

The very small number (4%) who indicated that they would not tend to find the City too busy for them.

2.4.3 Recommendation

When asked whether they would recommend the Perth Christmas Lights Switch On event to others 68% definitely would, 29% probably would, and 3% would not.

The main reasons for this were:

- a good day out;
- well organised;
- nice and friendly;

- nice day out for the family;
- Christmassy;
- lots for children to see and do;
- the atmosphere/buzz in the City; and
- good entertainment.

Those who would not recommend the event did not offer a view as to why not.

2.5 Perth Winter Festival

When questioned as to whether they intended to visit any future event staged in Perth & Kinross area as part of the 2016 Winter Festival a significant proportion (36%) answered that they would definitely visit further events, and 22% would probably attend another Festival event. One in three were still to make a decision, and only 6% said that would not be attending future winter festival events.

The key events that the 58% who said that they would or might attended a further event are illustrated in **Table 2.5**.

Table 2.5: % Visiting Other Winter Festival Events (unprompted responses)

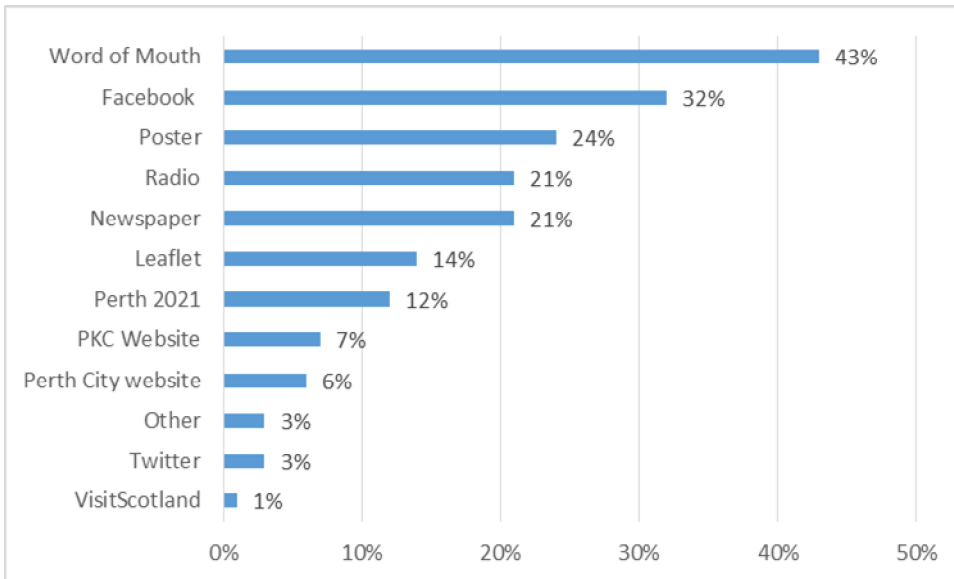
Event	%		%
Scotland's Outdoor Festival of Chocolate	32%	Christmas Carol Concert at Scone Palace	11%
Perth Community Christmas & Craft Market	38%	Santa Run	57%
Perth Christmas Truck visit	42%	Elftastic Fun - Playtime with Santa's Little Elves	17%
St Andrews Day Scottish Festival	33%	Dick McWhittington Pantomime	19%
Pitlochry Christmas Festival	14%	Perth Youth Theatre Concert	7%
Pitlochry New Year Street Party	15%	Child Line Christmas Concert	11%
Christmas Lantern Parade & Nativity Scene	22%	Carols at the Castle	9%
Perth Farmers' & Craft Markets	40%	Phil Cunningham's Christmas Song Book	5%
Cancer UK Christmas Fair Scone Palace	8%	Chinese New Year Party	3%

2.6 Marketing & Promotion

Almost all respondents (89%) knew that the Christmas Lights Switch On event was taking place, almost three quarters knew that the event was part of the Winter Festival.

Figure 2.3 highlights where respondents found out that the Lights Switch on event was taking place - these are unprompted responses. It highlights that a wide range of marketing and promotional material informed them that the event was taking place. Word of Mouth, Facebook, Poster, Radio and Newspapers were the key sources of information.

Figure 2.3: Awareness of the Perth Christmas Lights Switch On event (multiple answers allowed)



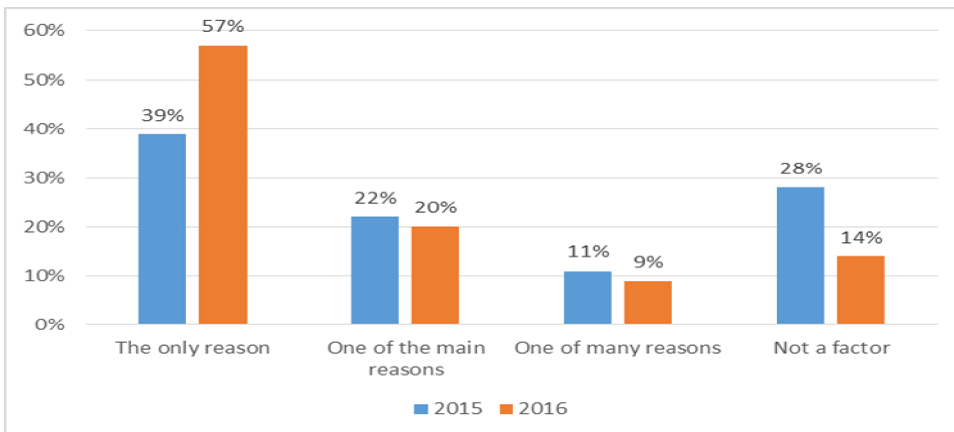
Those who answered “other” did not identify the source of their information.

2.7 Reasons for Visiting and Counterfactual

An event such as the Perth Christmas Lights Switch On event has the opportunity to generate not only additional visitors to the area during the event, but can help to improve the level of repeat visits made by visitors and assist in creating a wider economic impact in the local economy. The following sections will illustrate how the Festival led to people from outside P&K both attending the event and spending money in the area on accommodation, transport, food and drink, leisure and shopping, etc.

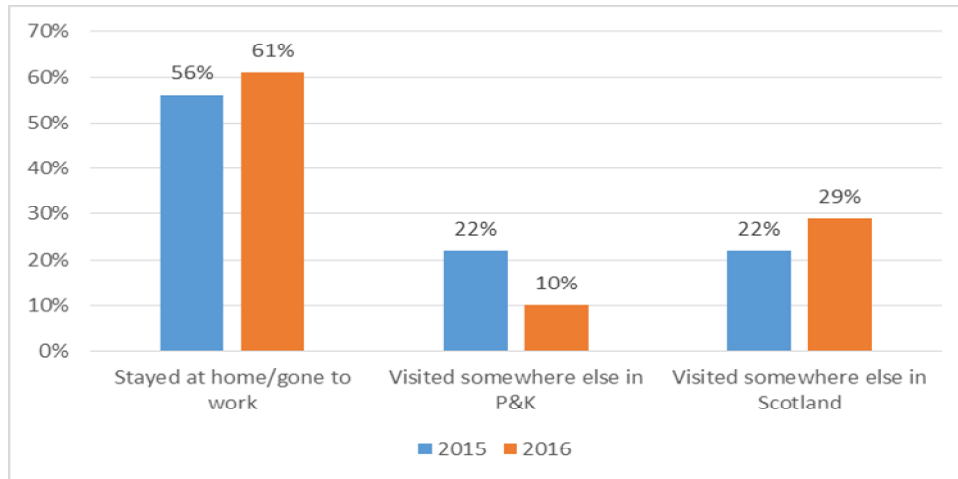
Figure 2.4 examines the extent to which the Perth Christmas Lights Switch On event was an important factor in respondents’ decisions to visit P&K. It shows that the event was an important factor in the decision to visit Perth & Kinross, as 77% of non- P&K residents said that it was the only reason or one of the main reasons, for their visit on the day interviewed.

Figure 2.4: Importance of the Switch On event in Decision to Visit P&K - Non-Residents



Respondents were then asked what they would have done if they had not visited Perth City that day. **Figure 2.5** presents their answers.

Figure 2.5: What Would Have Done Instead?



Over 60% of non-P&K residents would have stayed at home/gone to work had it not been for the Lights Switch On event.

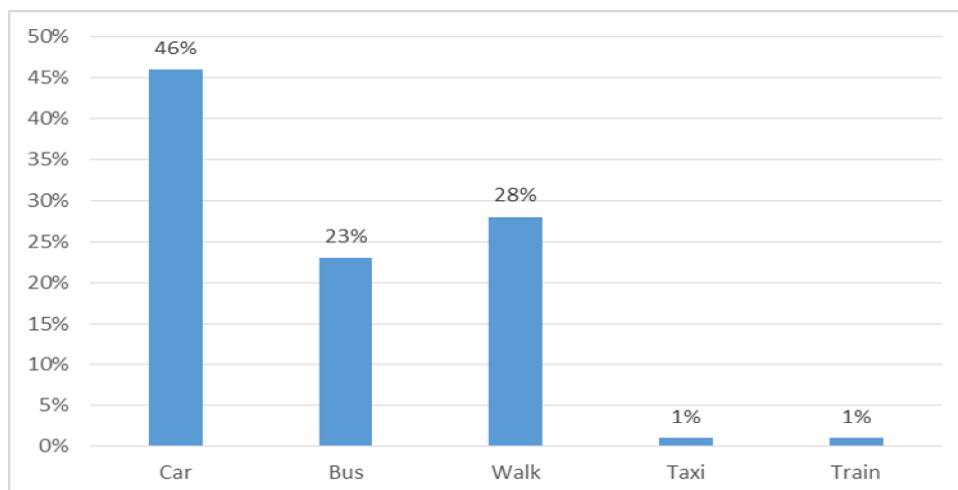
These results indicate that event was a greater draw of visitors to the City in 2016 than in 2015.

2.8 Travel to the Event

All but three of the visitors live in Scotland - and they travelled to Scotland either by bus or airplane to Glasgow Airport.

When asked which method of travel respondents had used to get to the Switch On event on the day that they were interviewed, the most popular, as was the case in 2015, was by car, followed by bus. **Figure 2.6** presents the full details.

Figure 2.6: Mode of Transport on the Day of the Event



When asked whether they would have preferred to have travelled by another method only 6% answered in the affirmative - the preference here was for a dedicated bus service/park and ride.

2.9 Length of Stay

Almost all visitors to the Perth Christmas Lights Switch On event were day visitors (99%), with only 1% staying overnight⁵. The average number of nights spent away from home to attend the Switch On event by the 4 respondents was 1.5.

2.10 Accommodation

Half of those who stayed overnight in order to attend the Perth Christmas Lights Switch On event were staying with friends and relatives, and the other half stayed in a hotel at a cost of £60 per night.

2.11 Other Expenditure

Table 2.6 shows average level of expenditure (excluding accommodation) whilst attending the Perth Christmas Lights Switch On event by normal area of residence.

Table 2.6 shows that those from outwith Scotland had higher expenditure levels than other visitors, at an average of £80-£85 per day. However, some caution should be exercised here as there were responses from only two UK visitors and one overseas visitor.

Table 2.6: Average Expenditure

Origin	P&K	Elsewhere Scotland	Other UK	Overseas
Food and Drink	£13.49	£20.85	£20	£30
Leisure/Entertainment	£6.25	£12.82	£20	£35
Other Shopping	£11.92	£18.10	£20	£23
Transport	£1.34	£3.28	£20	£0
Other	£0.75	£2.77	£0	£0
Total	£33.75	£57.82	£80	£88
2015 Totals	£56.62	£107.20	£85	n/a

All of the “Other” expenditure was accounted for by parking fees.

2.12 Quality of the Visit

Respondents’ experience of their visit to the Perth Christmas Lights Switch On event and the wider P&K area can encourage repeat visits and enhance the profile of Perth & Kinross and Scotland.

Table 2.7 highlights visitors’ experience of the 2016 Perth Christmas Lights Switch On event.

⁵ As highlighted in Chapter 1 we think that the sample survey underestimates the proportion of visitors who stayed overnight. We therefore, in Chapter 4, base the EIA on the 2015 survey proportions - 3% overnight visitors.

Table 2.7: Quality of Visit to the Switch On event*

Activities	Very Good	Good	Neither Good Nor Poor	Poor	Very Poor
Music Stage, King Edward Street	38%	58%	3%	>0.5%	>1%
Children's Stage, Horsecross Plaza	52%	39%	9%	0%	>1%
Main Stage, Tay Street	47%	44%	8%	>1%	>1%
Street Activities	44%	48%	7%	>1%	>1%
Chocolate Festival	47%	47%	5%	>1%	>>1%
Christmas Parade	51%	36%	11%	1%	1%
Christmas Lights Switch-On	54%	39%	6%	1%	1%
Main Stage Performers	54%	39%	5%	1%	>0.5%
The Buzz/atmosphere in the City	57%	39%	4%	>0.5%	>0.5%

* Those who did not experience a particular event are excluded from the analysis. Answers may not sum to 100% due to rounding

Table 2.7 reveals very high levels of satisfaction with the Perth Christmas Lights Switch On event, with all components attracting except the Christmas Parade attracting a very good/good score of 90%+. In particular:

- 96% of visitor rated the City Buzz/atmosphere as very good/good;
- 96% of visitor rated the Music Stage performers as very good/good;
- 94% of visitors rated the Lights Switch On as very good/good; and
- 94% of visitors rated the Chocolate as very good/good

Respondents were also asked to rate the quality of the various amenities that they had experienced during their visit to the event. **Table 2.8** and **Table 2.9** details the responses of those who experienced an amenity.

Table 2.8: Rating of Amenities - Perth & Kinross Area

Amenity	Very Good	Good	Neither Good Nor Poor	Poor	Very Poor
Accommodation	100%	0%	0%	0%	0%
Restaurants	57%	40%	2%	0%	0%
Bars	36%	55%	8%	1%	0%
Other Entertainment	36%	52%	8%	3%	0%
Shopping	51%	40%	7%	2%	>1%
Parking	30%	36%	22%	11%	1%
Overall	57%	38%	4%	>1%	>1%

* Those who did not experience a particular amenity are excluded from the analysis. Accommodation score is based on two responses

Table 2.8 highlights that visitors had a very good experience on their visit to Perth, with all amenities, except Other Entertainment and Parking, attracting a very good rating above 90%. The overall experience and restaurants attracted the highest very good rating from 57% of visitors. Parking attracted the least favourable score, although two-thirds of respondents ranked it very good/good.

Table 2.9 reveals very high levels of satisfaction with their visit to Perth & Kinross.

Table 2.9: Rating of Visit Experience

Ranking	P&K
Very good	87%
Good	13%
Average	0%
Poor	0%
Very poor	0%

NB: Excludes those who live in P&K or who did not answer.

2.13 Return Visits

Visitors were asked how likely they were to revisit P&K in the next three years. **Table 2.10** shows that almost all non-P&K residents are very likely/likely to return within the next 3 years.

Table 2.10: Likelihood of a Return Visit with Three Years

Likelihood	%
Very Likely	92%
Likely	6%
Not Sure	1%
Very Unlikely	0%
Definitely Will Not Visit	1%

NB: Excludes those who live in P&K or who did not answer

3. The Business Survey

3.1 Introduction

PKC City Centre Team sought to understand the impact on the Winter Festival events staged on the weekend 19th/20th November 2016 on City centre businesses. Each city centre business on their database was sent a link to an online survey that asked a series of questions to enable it to quantify the scale of the impact - both positive and negative impacts were sought. Those without email addresses were sent hard copies of the questionnaire.

The key areas of questioning relevant to this report focused on:

- whether the 2016 Christmas Light Switch On event had any benefit to the business; and
- the scale of any change in footfall or sales when compared to the same weekend in 2015.

To date (15 December 2016) 42 responses have been received, although not all answered every question. Our analysis excludes those who did not offer an answer.

3.2 Benefits

When asked whether the Christmas Light Switch On event on the 19th November 2016 had led to an increase in the number of visitors/shoppers to the city centre the following responses were received:

- 95% felt that the Lights Switch On event had generated additional visitors to the city centre; and
- 63% felt that the Lights Switch On event had generated additional shoppers to the city centre, with:
 - 79% estimating that it received an additional 10% shoppers, 37% an additional 11-20% and 11% estimating an additional 50% shoppers to their business.

Extending the event's activities to the Sunday - 20th November 2016 - was seen by almost half (49%) as having a positive impact on their business, with just over half (51%) experiencing no impact on their business.

3.3 Impact

Businesses were asked whether the Switch On event had generated any benefit to the business:

- 60% indicated that the event had had a positive benefit on the business. Of these:
 - 26% indicated an increase of up to 10% in sales
 - 26% indicated an increase of 11-20% in sales
 - 32% indicated an increase of 21-50% in sales
 - 16% indicated an increase of more than 50% in sales;
- 17% suggested the event had had no impact on their business; and
- 24% felt that the event had had a negative impact on their business.

Those who indicated that the event had had a negative impact on their business offered the following comments in support of their answer:

- regular customers stayed away due to changes in traffic flow;
- the noise from the Stage deterred customers;
- lack of parking made customers stay away; and
- the event should not be on a Saturday as this is a busy retail day anyway.

Extending the event to the Sunday had the following impact on sales for those reporting a positive benefit:

- 20% indicated an increase of up to 10% in sales;
- 47% indicated an increase of 11-20% in sales;
- 20% indicated an increase of 21-50% in sales; and
- 13% indicated an increase of more than 50% in sales.

Businesses were also asked to compare their sales during the weekend of the Switch On event in 2015 with sales during the 2016 event. Responses indicated that:

- 37% indicated that sales in 2016 were higher than in 2015;
- 39% indicated that sales in 2015 and 2016 were about the same; and
- 24% indicated that sales in 2016 were lower than in 2015.

When asked to quantify the scale of the change in sales, the respondents provided the following information:

- An increase in sales in 2016:
 - 45% reported sales in 2016 as up to 10% more than in 2015
 - 39% reported sales in 2016 up by 11%-20% than in 2015
 - 9% reported sales in 2016 up by 21%-50% than in 2015
 - 9% reported sales in 2016 up by more than 50% above sales in 2015;
- A fall in sales:
 - 25% reported sales in 2016 as being up to 10% lower in 2016 than in 2015
 - 50% reported sales in 2016 as being 11-20% lower in 2016 than in 2015
 - 25% reported sales in 2016 as being 20-50% lower in 2016 than in 2015.

3.4 Quality of the Switch On event

Businesses were asked to rate, from a business perspective, the quality of the Perth Christmas Lights Switch On event. **Table 3.1** present their responses.

Table 3.1 shows high levels of satisfaction where each event attracts a very good/good rating from 80% of businesses.

Table 3.1: Quality of Visit to the Switch On event

Activities	Very Good	Good	Neither Good Nor Poor	Poor	Very Poor
Music Stage, King Edward Street	45%	41%	14%	0%	0%
Children's Stage, Horsecross Plaza	38%	48%	14%	0%	0%
Main Stage, Tay Street	54%	29%	13%	4%	0%
Street Activities	38%	50%	13%	0%	0%
Chocolate Festival	38%	46%	14%	4%	0%
Christmas Parade	43%	35%	17%	0%	4%
Christmas Lights Switch-On	52%	32%	16%	0%	0%
Main Stage Performers	52%	35%	12%	0%	0%
The Buzz/atmosphere in the City	65%	26%	6%	0%	3%

3.5 How to Improve the Switch On Event

Businesses were afforded the opportunity to comment how the Switch On event could be improved to the benefit of their business. Those who commented (23 respondents) highlighted the following:

- move the Lights Switch On to a Sunday - Saturday is always a busy day anyway and a Sunday event will bring in more visitors to a quiet day;
- better traffic management;
- free parking - this will encourage more visitors;
- spread the events across a wider area of the City rather than on a few streets;
- spread the events across the week to encourage more visitors during quieter times; and
- provide earlier notification of Switch On event to aid planning for the event.

4. Economic Impact Assessment

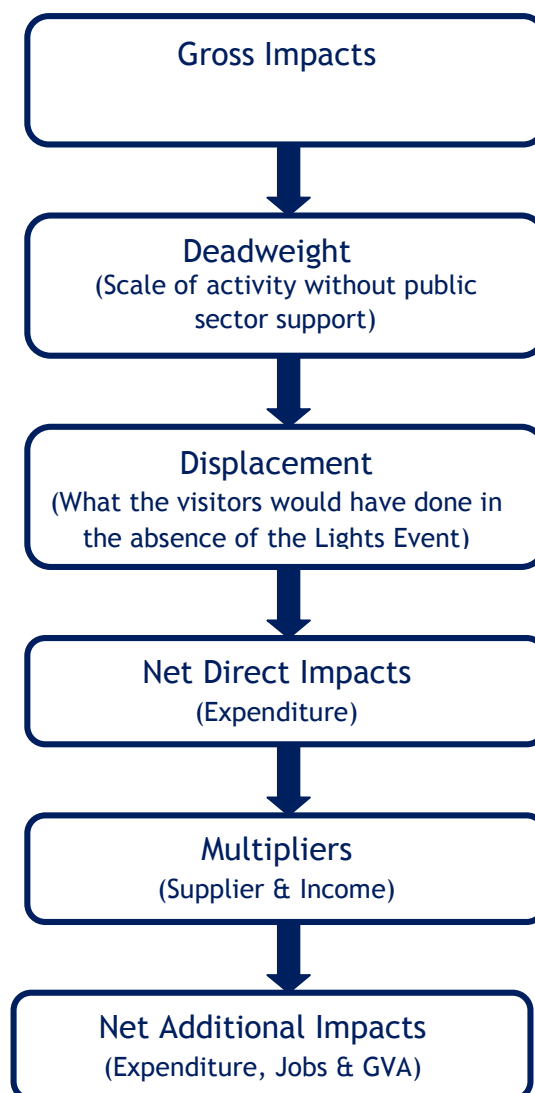
4.1 Introduction

This Chapter provides an assessment of the economic impact of the 2016 Perth Christmas Lights Switch On event, utilising data from the survey work and from the event organiser. The economic impact has been assessed at the Perth & Kinross (P&K) and Scottish levels. As discussed in Chapter 1 some adjustments have been made to take account of the under reporting of overnight visitor numbers and spend.

4.2 Economic Impact Assessment Method

Our approach to the economic impact assessment is given in **Figure 4.1**, and is consistent with the *advanced impact approach* within the eventsIMPACT Toolkit.

Figure 4.1: Economic Impact Assessment Method



4.2.1 Gross Expenditure

Gross expenditure relates to the direct spend of the visitors to Perth on the day of the Christmas Lights Switch On event on accommodation, food, shopping, entertainment etc. This information is derived from the visitor survey, where a series of questions were asked to determine the average level of expenditure by the respondent.

Gross expenditure impacts will be measured according to the following formulae:

$$GE = ndv.dedv.ndv + nov.deov.lov$$

Where:

GE	gross expenditure
ndv	number of day visitors
dedv	daily expenditure of of day visitors
ndv	number of days visited
nov	number of overnight visitors
deov	daily expenditure of overnight visitors
lov	length of stay of overnight visitors

4.2.2 Gross to Net

The net impact of the 2016 Perth Christmas Lights Switch On event is the true measure of the economic benefit to P&K and Scotland. To move from gross to net it is necessary to take account of:

- deadweight;
- displacement;
- multiplier effects.

Deadweight

Without funding from PKC the event would not have gone ahead in the form it did - scale and quality.

We therefore assume zero deadweight.

Displacement

Displacement is a measure of the extent to which the Christmas Lights Switch On event has simply moved expenditure from one part of the economy to another. Displacement levels have been assessed using information from the survey on:

- visitor origin;
- importance of the event in the decision to visit the area; and
- counterfactual i.e. what the visitor would have done in the absence of the Christmas Lights Switch On event.

The displacement factors shown in **Table 4.1** relate to the proportion of the visitors by origin reporting that they would have been in P&K or Scotland irrespective of the Christmas Lights Switch On event and whose expenditure is therefore displaced - i.e. not included in the net calculations.

Table 4.1: Displacement

	Perth & Kinross	Scotland
Day Visitors		
Perth & Kinross	1.00	1.00
Elsewhere in Scotland	0.22	1.00
Elsewhere in UK	1.00	1.00
Overnight		
Elsewhere in Scotland	0.0	0.0
Overseas	0.0	0.0

P&K residents are allocated a displacement factor of 1 at both the P&K and Scotland level - indicating that at some point in time they would have made their expenditure elsewhere in the local/Scottish economy. Scottish residents are also allocated a displacement factor of 1 at the Scotland level - indicating that at some point in time they would have made their expenditure elsewhere in the Scottish economy.

Table 4.1 demonstrates that:

- day visitors:
 - a visit to the Switch On event was the only or main reason why 78% of day visitors from elsewhere in Scotland were in P&K - hence a displacement factor of 22% (0.22)
 - a visit to the Switch On event was not a factor in the decision by any of the UK day visitors to be in Perth of the day of the event - hence a displacement factor of 0% (1.0); and
- overnight visitors:
 - a visit to the Switch On event was the only reason or main reasons why all of the visitors from both elsewhere in Scotland and from overseas were in P&K - hence a displacement factor of 100% (0.0).

Multipliers

The expenditure generated as a result of the Switch On event will have had two types of wider impact on the economy:

- supplier effect: an increase in sales in a business will require it to purchase more supplies than it would have otherwise. A proportion of this ‘knock-on’ effect will benefit suppliers in the local and national economies; and
- income effect: an increase in sales in a business will usually lead to either 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 and national economies.

The Scottish Tourism Multiplier Study (STMS)⁶ provides standard supplier and income multipliers for the tourism sector. This estimates that the combined supplier and income multiplier for Perth & Kinross of **1.32** at the local level and **1.52** at the Scottish level.

⁶ Surrey Research Group (1993), *Scottish Tourism: Multiplier Study*, Volumes 1-3, Report for the Scottish Office, HMSO.

4.3 The Visitors

4.3.1 Numbers and Origin

As discussed in Chapter 1 the total number of visitors to Perth on the day of the Christmas Lights Switch On event was estimated to be 75,000.

Table 4.2 shows the visitor numbers, split by day and overnight, with 3% spending at least one night away from home. These proportions are based on the 2015 survey profile to take account of under reporting of overnight visitors in 2016.

Table 4.2: Type of Visitor

Type of Visit	Number	%
Day Visitor	72,750	97%
Overnight	2,250	3%
Total	75,000	100%

The pattern of visitor behaviour varies by origin and type of visit i.e. day and overnight. Therefore these effects have been analysed separately in order to derive the economic impact. Table 4.3 gives a breakdown of type of visitors by origin.

Table 4.3: Visitors by type and origin

Type of Visit	Day		Overnight	
	Number	%	Number	%
Perth & Kinross	58,200	80%	1913	0%
Elsewhere in Scotland	13,823	19%	0	85%
Elsewhere in UK	727.5	1%	337.5	0%
Overseas		0%	2,250	15%
Total	72,750	100%	1913	100%

4.3.2 Expenditure

The level of expenditure also varies by origin, and day and overnight visitors. The average daily expenditure of each group is shown in Table 4.4.

Table 4.4: Average Daily Expenditure

Origin	Day	Overnight
Perth & Kinross	£44.14	£0.00
Elsewhere in Scotland	£55.82	£232.75
Elsewhere in UK	£80.00	£0.00
Overseas	£0.00	£210.00

The average length of stay for overnight visitors to enable them to attend the Christmas Lights Switch On event is 1.5 nights.

Applying the gross expenditure formula detailed in Section 4.2 gives gross expenditure figures as detailed in Table 4.5.

Table 4.5: Gross Spend

	Gross Expenditure
Day Visitors	£3,398,720
Overnight Visitors	£774,014
Total	£4,172,734

Net Additional Expenditure

Applying displacement and multipliers gives net additional expenditure resulting from visitors, as set out in **Table 4.6**.

Table 4.6: Net Additional Expenditure

	P&K	Scotland
Gross spend	£4,172,734	£4,172,734
Displaced Expenditure	£2,943,788	£4,066,422
Net Direct Expenditure	£1,228,946	£106,313
Multipliers	1.32	1.52
Net Additional Expenditure	£1,622,209	£161,595

The total net additional economic impact generated by Christmas Lights Switch On event is £1.62m at the local level and £0.2m at the Scotland level; these figures are similar to the 2015 EIA.

4.4 Net Additional Employment

Due to the short-term nature of Christmas Lights Switch On event the employment impacts will not meet HM Treasury criteria of being full-time and of 10 year in duration.

It is, instead, likely that the employment impacts will be short-lived. We have, therefore, calculated annual equivalent jobs (aejs). We have applied output: employment factors derived from the STMS up rated for inflation: £53,643 at the local level; and £44,849 at the Scottish level.

Applying the output: employment factor to the net additional expenditure figures gives employment impacts generated by the visitors to the event of:

- **30.2** aejs at the P&CK level; and
- **3.6** aejs at the Scotland level.

4.5 Gross Value Added

Gross value added (GVA) provides a monetary value for the amount of goods and services that have been produced, less the cost of all inputs and raw materials that are directly attributable to that production.

For the purpose of this impact assessment we apply GVA per employee ratios⁷ of £20,205 at the P&K level and £19,856 at the Scottish level. This gives changes in GVA attributed to the Light Switch On event of:

⁷ These values are estimated from data obtained from Scottish Annual Business Statistics 2014 - the latest data available - and relates to the *accommodation and food service activities* used as a proxy for tourism spend. These data were last updated in August 2016.

- £610,191 at the P&K level; and
- £71.482 at the Scotland level.

4.6 Overview

Table 4.7 presents an overview of the economic impact of Christmas Lights Switch On event.

Table 4.7: Summary of Economic Impacts

Impact	P&K	Scotland
Net additional expenditure	£1.62m	£0.2m
Employment impact (annual jobs)	30.2	3.6
GVA	£0.6m	£0.07m

5. Conclusions

5.1 Introduction

This Chapter provides conclusions for the study centred on the key aims of the evaluation. The conclusions therefore cover:

- Economic measures:
 - net additional expenditure in the Perth and Kinross and Scottish economies;
 - Gross Valued Added (GVA) to the Perth and Kinross and Scottish economies; and
- Social & Community Benefits.

5.2 Economic Measures

The economic impacts generated by the staging of the Christmas Lights are detailed in Table 5.1,

Table 5.1: Economic Impact Measures

Impact	P&K	Scotland
Net additional expenditure	£1.62m	£0.2m
Employment impact (annual jobs)	30.2	3.6
GVA	£0.6m	£0.07m

5.3 Social & Community Benefits

Within the eventsIMPACT tool kit social and community benefits relate to

- Satisfaction Impacts: the extent to which attending the event had been a pleasurable experience -quality of the programme, atmosphere, the City’s amenities etc.

Evidence from the visitor survey identifies very high levels of social and community benefits, in that:

- almost all visitors said that they would return to the Event in subsequent years - 62% would definitely return with 34% saying that they would probably return;
- almost all visitors said that they would recommend the event to others - 68% would definitely recommend with 29% saying that they would probably recommend; and
- very high levels of satisfaction with the event. In particular:
 - 96% of visitor rated the City Buzz/atmosphere as very good/good;
 - 96% of visitor rated the Music Stage performers as very good/good;
 - 94% of visitors rated the Lights Switch On as very good/good; and
 - 94% of visitors rated the Chocolate as very good/good.