



ANALYSIS OF ECONOMIC BENEFIT
TO THE CITY OF AUSTIN
FROM SOUTH BY SOUTHWEST 2014

MUSIC / FILM / INTERACTIVE / EDU / ECO

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EXECUTIVE SUMMARY

SXSW 2014 marked the 28th year of this annual conference, trade show, and festival in Austin, Texas. The event reinforced SXSW's reputation as the world's premier gathering of creative professionals. In addition to its thriving legacy components—Music, Film, and Interactive—SXSW also encompasses newer, burgeoning conferences dedicated to Sustainability (SXSW Eco) and Education (SXSWedu).

Convergence remains the core value proposition of SXSW and the 2014 event was no exception. SXSW remains singular in its ability to facilitate the exchange of ideas from such a wide a variety of disciplines and cultures. The event brings together an impressive agglomeration of Music, Film, and Interactive industry leaders. Geographically, SXSW draws participants from around the world. The infusion of international talent each year during SXSW transforms Austin into a global epicenter for creative professionals.

In 2014, SXSW's core events attracted 44,500 registrants. SXSWedu set a new mark with 5,900 participants. Since 2012, SXSWedu attendance has tripled. More than 25 years after its inception, SXSW's unmatched depth and breadth of content and activities continues to provide unparalleled opportunities for creative cross-pollination.

Although it is often perceived as a single event, SXSW actually involves two distinct types of operations. SXSW itself involves industry

conferences during the day and a number of official evening events including its Music and Film festivals. SXSW registrants are overwhelmingly industry professionals from outside the Austin region.

The sheer scale and density of SXSW has proven irresistible to outside companies and marketers. In recent years, hundreds of third-party entities have produced concurrent activities in conjunction with and around the official SXSW conference, trade show, and festival. These organizations have varied relationships with SXSW. Although this attendance during SXSW is largely driven by pleasure-minded individuals from the broader Austin region, the numbers are significant. In 2014, SXSW distributed 150,000 Guest Passes to SXSW Participants at sites throughout Austin.

Both SXSW Registrants and SXSW Participants introduce and circulate money in the local economy. The 2014 South by Southwest Economic Impact Analysis is the first attempt to calculate the economic benefit to the City of Austin of all SXSW activities.

SXSW continues to be a major factor in the local economy. The economic impact of SXSW totaled \$315.3 million in 2014. *The cumulative economic impact of SXSW on Austin in just the past five years has exceeded \$1 billion dollars.*

IN 2014, SXSW WAS RESPONSIBLE FOR INJECTING MORE THAN \$315.3 MILLION INTO THE AUSTIN ECONOMY

Operational Output – A measurement of the direct, indirect, and induced local economic benefit of the year-round operations of SXSW as well as expenditures by SXSW and official sponsors. The impact of SXSW operations on the Austin economy was \$121.9 million in 2014.

SXSW Registrant Attendance Expenditures – The direct, indirect, and induced local economic benefit of all attendees of the conference and festival. Attendees include official SXSW badge-holders, industry professionals, and wristband holders, festival exhibitors, and single visitors of events such as film screenings and music concerts. The economic impact of SXSW attendance expenditures was \$136.5 million in 2014.

SXSW Participant Expenditures – The estimated impact of direct, indirect, and induced spending by SXSW Guest Pass Holders and parties affiliated, both directly and indirectly, with SXSW. 2014 marks the first year the majority of SXSW Participant Expenditures have been measured for the economic impact. In 2014, the economic impact of SXSW Participants Expenditures exceeded \$56.9 million.

SXSW ECONOMIC IMPACT

SXSW continues to be the single most profitable event for the City of Austin's hospitality industry:

- SXSW 2014 (including the Music, Interactive, Film and SXSWedu events) featured 13 days of industry conferences, a 4-day trade show, a 6-night music festival featuring more than 2,100 bands, and a 9-day film festival with more than 400 screenings.
- In 2014, SXSW directly booked 13,990 individual hotel reservations totaling 60,450 room nights. The average hotel booking was 4.32 nights.
- Limited hotel inventory helped push the average nightly hotel rate up 12 percent to more than \$287.
- SXSW Conference and Festival participation, including official registrants, artists and support crew, and single admission film and music attendees totaled 134,000 (defined as any individual who attended at least one SXSW activity).
- In 2014, SXSW attracted registrants from 87 countries and bands from 57 countries.
- SXSW's popular free-to-the-public consumer events such as the 3-night Outdoor Stage concert series at Butler Park, the 2-day Digital Creative Job Market, 3-day SXSW Create, 4-day Flatstock poster art show and Music Gear Expo, 1-day Education Expo, the 3-day SXSW Gaming Expo and the 3-day Renegade Craft Fair attracted an additional 239,700 participants.
- In 2014, SXSW distributed 150,000 SXSW Week Guest Passes. These SXSW credentials permitted the wearer to attend free-to-to the public events such as the Outdoor Concert at Butler Park, Flatstock poster art show, Music Gear Expo, Flatstock poster art show and Music Gear Expo, SXSW Gaming Expo and the Renegade Craft Fair.
- *Every March innumerable patrons with no official credentials travel to Austin to experience the Spring Festival Season that has evolved around SXSW Week. This report does not attempt to account for this significant demographic estimated to exceed 100,000 or more individuals.*

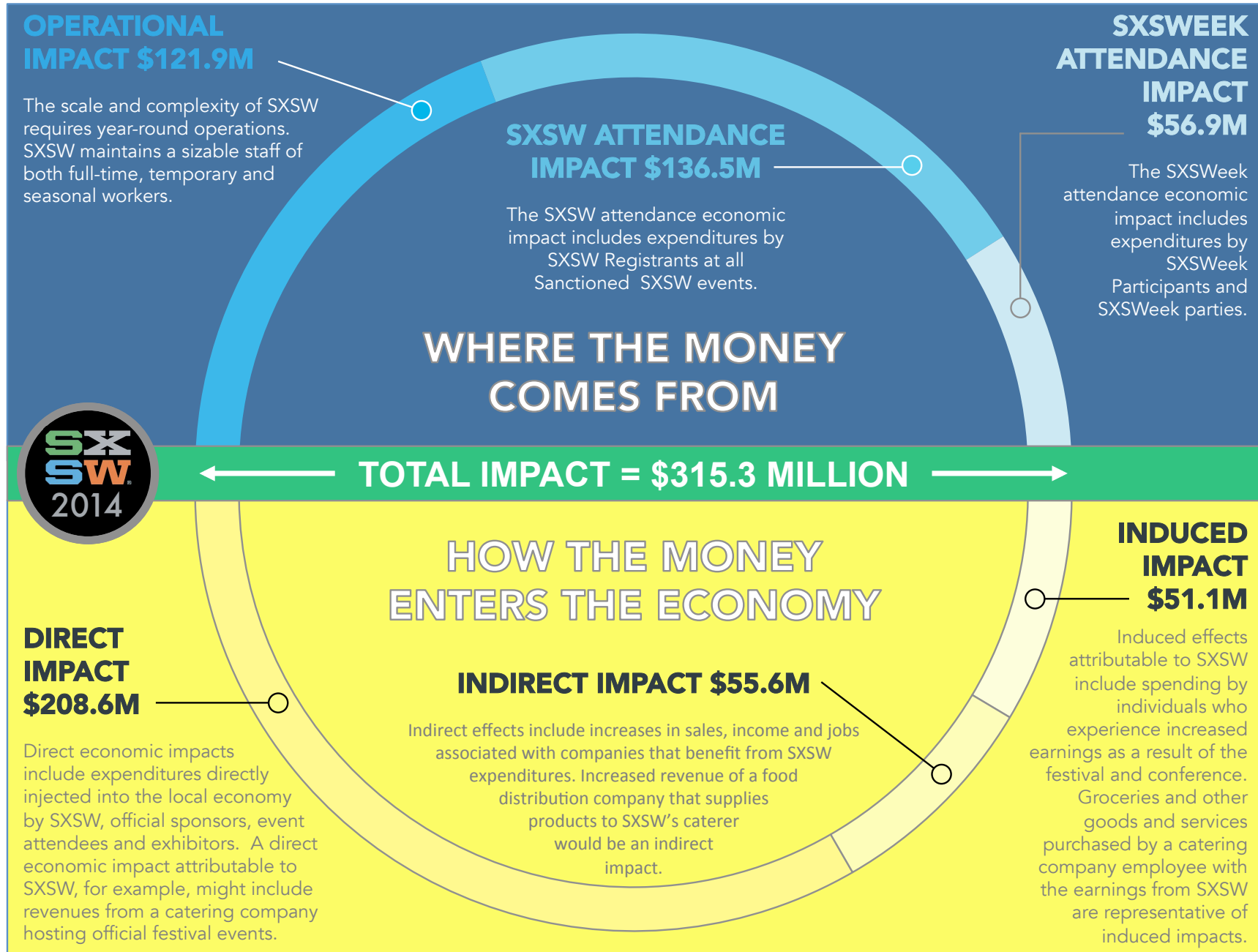
SXSW ATTENDANCE



Core SXSW Badgeholders	44,500
SXSWedu	5,900
Musicians + Crew + Posse	16,100
Wristband Holders	9,000
Film Pass	1,400
Paid Single Admission (Music & Film)	60,000
Butler Park Outdoor Stage Concert Series	62,500
Collateral Attendance	4,500
Carver Museum Theatre	700
SXSW Gaming Expo	45,500
Flatstock / Music Gear Expo	43,000
Digital Creative Job Market	4,000
SXSW Create	20,000
Education Expo	4,500
Renegade Craft Fair	55,000

TOTAL 376,600

SXSW ECONOMIC IMPACT



SXSW MEDIA VALUATION

In addition to injecting hundreds of millions of dollars into the local economy, SXSW 2014 also provided Austin with extraordinarily valuable media coverage. Since its inception, SXSW has played a critical role in helping position Austin as a place where creativity and commerce are mutually valued, nurtured, and networked. As recently noted by the tourism consultancy Resonance, "after 25 years of the South by Southwest music, film and interactive festival, the quirky capital of the Lone Star State has solidified its brand identity as a cultural destination." Austin's image benefits local workers and companies alike. A 2012 analysis of the economic impact of creative industries commissioned by the City of Austin determined that "Austin is a place that appreciates creativity and culture in a variety of evolving forms, which serves to both attract and retain talented people. This in turn has a significant impact on business recruitment, retention, and expansion, as well as local entrepreneurship."

Cities around the world recognize the value of establishing a vibrant and recognizable identity, but creating an authentic brand that resonates with both residents and the world at large is notoriously difficult and expensive. Austin is the rare major city that has crafted an authentic and distinctive identity without significant public resources. Other cities aspiring for global recognition often spend millions of dollars to secure a mega-event such as the Olympics or the Super Bowl, the benefits of which are at best short-lived. SXSW is synonymous with Austin. In contrast, few individuals recall where the 2012 Superbowl was held. Austin alone enjoys the unique advantage of commanding a global audience that perpetuates the region's reputation as a creative mecca – year after year after year.

Thanks to SXSW, global coverage affirming Austin's idiosyncratic image reaches millions of creative professionals throughout the world. **In 2014 alone, SXSW—and by extension, Austin, Texas—achieved over 86.7 billion broadcast, print, and online impressions.** Although the city's investment in SXSW is relatively modest, the media exposure enjoyed by SXSW and Austin has enormous value. The positive impact of SXSW is compounded because it strengthens the city's core identity. ***In 2014 the value of SXSW print, broadcast and online publications coverage totaled more than \$78.7 million. The large increase in the 2014 SXSW media valuation is the result of on-site, nationally broadcast programs such as Jimmy Kimmel Live and CNBC's Live Remote and includes only media coverage of scheduled programming and events.***

The true worth of SXSW's media coverage easily exceeds the preceding estimate; due to the volume and difficulty of establishing values for blog, website, radio, and foreign broadcast coverage, these outlets were not included in the preceding media valuation of SXSW. The resulting calculations, though imprecise, represent the most comprehensive attempt to properly quantify the economic benefits that accrue to Austin each year via SXSW's "media buzz" factor.

"That small, grass-roots event — which drew 700 people its inaugural year — has since mushroomed into SXSW, one of the largest and most influential gatherings on the planet."
USA Today

"The South by Southwest Music Festival has become one of the most democratic music events of the year.... SXSW sees superstars and complete unknowns all getting their moment to shine."
Wired.com

"South by Southwest has morphed into a nine-day extravaganza that's de rigueur for the digerati, music-minded and movie biz alike."
OZY

"The South By Southwest film festival is a story within a story, a film festival that continues to grow in size and influence within a larger festival that itself grows exponentially larger and more influential with each passing year."
The Dissolve

"SXSWEDU offers the best range of programming for entrepreneurs, investors, teachers, professors and administrators."
EdReach

SELECTED SXSW MEDIA COVERAGE

ABC NEWS	FORBES	NME	STAR-TELEGRAM
ADVERTISING AGE	FORT WORTH STAR-TELEGRAM	NPR	STEREOGUM
ADWEEK	FRANCE 5*	NYLON	SÜDDEUTSCHE ZEITUNG*
AIN'T IT COOL NEWS	FRANCE INTER/RADIO FRANCE*	OREGONIAN	TECHCRUNCH
AL JAZEERA AMERICA	GUARDIAN*	ORLANDO SENTINEL	TECHNORATI
ASSOCIATED PRESS	HUFFINGTON POST	PBS	TERRA ARGENTINA*
ATLANTA JOURNAL-CONSTITUTION	IFC	PCMAG.COM	TEXAS MONTHLY
BBC*	IRISH INDEPENDENT*	PEOPLE	TEXAS TRIBUNE
BET	IRISH TIMES*	PHILADELPHIA INQUIRER	THE DAILY BEAST
BILLBOARD	JAPAN TIMES*	PITCHFORK	THE HOLLYWOOD REPORTER
BUZZFEED	JIMMY KIMMEL LIVE	PITTSBURGH POST-GAZETTE	THE INDEPENDENT
CBS NEWS	KOREAN ECONOMIC DAILY*	POLITICO	THE ONION/AV CLUB
CHICAGO TRIBUNE	LA TIMES	POLLSTAR	THE STRANGER
CNBC	LAST CALL WITH CARSON DALY	POPULAR MECHANICS	TONIGHT SHOW
CNET NEWS	LATE NIGHT WITH SETH MEYERS	POPULAR SCIENCE	THE VERGE
CNN	LATE SHOW W/ DAVID LETTERMAN	RACHAEL RAY SHOW	TIME
COMPLEX	LE MONDE*	RÁDIO ATLÂNTIDA*	TRAVEL + LEISURE
DAILY BEAST	LOS ANGELES TIMES	RADIO FRANCE/LE MOUV'*	TURNER BROADCASTING
DALLAS MORNING NEWS	MARIE CLAIRE	RADIO-CANADA*	TV GUIDE
DALLAS OBSERVER	MASHABLE	RE/CODE	UNIVISION*
DENVER POST	MIAMI HERALD	REUTERS	US WEEKLY
DENVERPOST.COM	MILWAUKEE JOURNAL-SENTINEL	ROLLING STONE	USA TODAY
DIGG	MINNEAPOLIS STAR TRIBUNE	SACRAMENTO BEE	VANITY FAIR
DOW JONES	MSNBC	SALON.COM	VARIETY
E! ENTERTAINMENT	MTV NEWS	SALT LAKE TRIBUNE	VH1
E! NEWS	NATIONAL GEOGRAPHIC TRAVEL	SAN ANTONIO EXPRESS-NEWS	VIBE
EL MUNDO NEWSPAPER*	NBC NEWS	SAN FRANCISCO CHRONICLE	VICE
ENGADGET	NEW YORK MAGAZINE	SAN JOSE MERCURY NEWS	VOGUE
ENTERTAINMENT WEEKLY	NEW YORK TIMES	SEATTLE TIMES	WALL STREET JOURNAL
ESPN	NEWSWEEK	SPIN	WASHINGTON POST
ESQUIRE	NIKKEI NEWSPAPER*	ST. LOUIS POST-DISPATCH	WIRED

**International / Multi-National Outlets*