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ECONOMIC IMPACT REPORT ON GLOBAL RUGBY

PART IV: RUGBY WORLD CUP 2011

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EXECUTIVE SUMMARY

On Sunday, October 23rd the Rugby World Cup 2011 Final will take place at Eden Park, New Zealand and become the only venue to stage the event twice in the 24-year history of the Tournament. The six-week, 48-match Tournament promises to be a total Rugby experience for everybody involved, from the estimated cumulative global television audience of 4 billion to the 95,000 international visitors expected to attend and from the 20 competing nations to the range of sponsors and official suppliers. Given the scale and level of investment in the event and in challenging economic conditions, much interest has focused on the scale of the economic impact on both the local New Zealand economy and also the broader global sports economy.

Rugby World Cup has grown markedly since its first iteration with a cumulative television audience of 300 million in 1987 growing to 4.2 billion[1] for Rugby World 2007 and spectators increasing from 600,000 to 2.25 million. Participating countries has risen from 16 in 1987 to 94 in 2007 with the number of countries in which the Tournament is broadcast up from 17 to 202. Economic impact has not been immune from this trend: RWC 2007 in France garnered an estimated US$3.47 billion.

In terms of RWC 2011 it is estimated that the Tournament may deliver overall positive economic activity comprised of:

Table 1: Economic Activity around RWC 2011

RWC 2011 Economic Impact	**Amount**
Rugby related spend from overseas visitors	**US$654 million** (NZ$782.5 NZ million)[2]
Direct economic impact	**US$344 million** (NZ$411 million)
Long term impact	**US$1.21 billion** (NZ$1.44 billion)
Contribution to the global sports economy	**US$1.67 billion** (NZ$2 billion)

Source: Centre for the International Business of Sport (CIBS)

Some unique features will also place this Tournament ahead of its predecessors in the value it offers a multiplicity of stakeholders including rugby union fans, event organisers and local businesses. Scheduling across different nights with gaps between some of the major matches is likely to result in huge global television audiences. Later than traditional kick off times coupled with increased half time intervals will likely result in a higher advertising spend amongst brands and companies. It is also likely that those fans choosing to watch a game at the stadium, at home or in a cafe/bar in their native country will also engage in additional consumption activity centred on Rugby. The staging of the Tournament Final on the Sunday of a long weekend for Labour Day also adds to the likely festival atmosphere and will likely increase spending around the event.

[1] All figures sourced from IRB
[2] Currency is converted at a rate of NZ$1 = US$0.836163 (converted on August 16th 2011)

For all of the short-term impacts that will be felt locally in New Zealand, there is also the ongoing repute of the Rugby World Cup as a global brand. Equity in the brand is already strong, enabling high levels of recognition, awareness, positive perception and revenue generation that surpass those displayed by other sport brands. However, brand equity and the appeal of RWC will receive a further boost with the Tournament to be contested in the sport's spiritual home and with the All Blacks – the world's No.1 side - themselves amongst the world's strongest brands. If New Zealand is able to capitalise on their hosting of RWC 2011 to attract future events, further develop its outstanding reputation as a destination for sports tourism, and combine this with the continued development of domestic involvement in sport-related activities, the longer-term impacts could be:

Table 2: Long Term Impacts

Long-term Impact of RWC 2011	Amount
Consumer expenditure in the New Zealand sport economy by the end of the decade	**US$1 billion** (NZ$1.2 billion)
Sport-related economic activity in the New Zealand sport economy by the end of the decade	**US$11.7 billion** (NZ$14 billion)
Number of people working in sport-related occupations in New Zealand by the end of the decade	Between **52,000** and **58,000**

Source: Centre for the International Business of Sport (CIBS)

Another of the beneficiaries of this year's Tournament will be Rugby's growth markets. Romania's presence in RWC since it became a member of the IRB in 1987, together with impressive performances against some top ranked rugby nations has helped to elevate both the quality and popularity of Rugby in the region as well as increase the number of participants by 222% since 2003**.** The Russian team will make history when they run out against the USA in New Plymouth on Thursday[3] for their inaugural Rugby World Cup appearance. Currently ranked 19th in the world, their presence in the Tournament is likely to have a huge effect on the development of the Game in Russia and across Eastern Europe.

Of course, one of the greatest opportunities a major sporting event can offer a country is the ability to display its true essence and unique offerings. Unlike conventional mass tourism marketing, a sporting event provides a chance to share a detailed authentic experience of the host nation. After the earthquake that struck Christchurch earlier this year, seven matches in New Zealand's second largest city were lost; originally planned as one of RWC's flagship destinations, games have been switched to other locations due to damage created by the quake and aftershocks.

The richer images and messages in such an experience have great potential to affect the long term associations people have with the host country and to bring to life the essence of the local culture in the way that an advertising campaign never can. Rugby World Cups in

[3] Rugby World Cup 2011: Russia v. USA, September 15th, 7.30pm

particular tend to be different to other major events such as the FIFA World Cup or Olympic Games in that they tend to be more about the overall experience than attending individual matches.

As this report clearly illustrates, the benefits of Rugby World Cup 2011 will be profound and far-reaching. Such benefits will be both short and long term, local and global and felt both within the sport of rugby union and the global sport economy.

COMPETITION STATISTICS

This year's Tournament marks a return to the birthplace of RWC. Auckland's Eden Park is New Zealand's largest and most celebrated Rugby stadium. It is the place where the inaugural RWC Tournament kicked off on May 22, 1987 and where New Zealand became the first team to win the Webb Ellis Cup[4]. 11 cities have been selected throughout the country as match venues and a further 13 host centres where teams will be based.

Based on advance sales, Rugby World Cup 2011 is expected to attract a paying attendance of around 1,350,000, with an average match attendance of 28,125. The Final will be held at Eden Park, Auckland, which has a capacity of 60,000. For the purposes of this year's Final, capacity has been increased from 50,000 with the addition of 10,000 temporary seats.

It is anticipated that the stadiums will be full to around 84% capacity, which is consistent with the levels seen at previous events. Games from the knockout stages would be expected to attract larger crowds. All available tickets for the Final at Eden Park sold within 15 minutes of the opening of the second ballot phase, with a one in eight chance of securing tickets for packages involving the Final and/ or semi-final matches. Various hospitality packages have also proved popular. The popularity of the clubs playing in the knockout matches is likely to affect the numbers of both fans and neutrals who attend matches. Additionally, the New Zealand v France and France v Canada matches have also been 'exhausted'[5]. Following a shock victory over Australia in July, Samoa have also become a 'hot ticket' with the Samoa v South Africa game also exhausted; ticket sales have surged for Samoa's other group matches demonstrating the importance of outcome uncertainty in attracting spectators to attend matches.

Rugby World Cup routinely attracts large, close to capacity crowds to the stadiums in which the games are played. Given the profile of Rugby in New Zealand (50-60% of New Zealanders are actively interested in Rugby[6]) even higher capacity utilisation may be witnessed. The larger the attendance, the larger the economic impact that the Tournament is likely to have as fans travel to host venues to watch the game, to visit host cities and to enjoy the atmosphere before, during and after the matches. According to a recent survey, one in 10 New Zealand residents plan to attend more than one game, while 15% of the population intend to go to at least one match while 70% will watch on television[7]. Further details of the expenditure patterns displayed by fans are provided in a later section of this report.

In terms of economic impact, the most important component is international visitors as they contribute money to the economy that would not have otherwise been spent in New Zealand. Developing this study in advance of the Tournament, it is difficult to predict how many fans will travel to New Zealand for the event. However, both the organisers and

[4] http://www.rugbyworldcup.com/destinationnewzealand/venues/venue=46/stadium.html
[5] Meaning all available tickets have been sold but more tickets may be released
[6] http://www.telegraph.co.uk/sport/rugbyunion/international/newzealand/8498446/Martin-Snedden-makes-plans-for-New-Zealand-failure-in-2011-Rugby-World-Cup.html
[7] Fly Buys/Colmar Brunton Mood of the New Zealand Traveller Survey, released by the Tourism Industry Association (July 2011)

Tourism New Zealand have made estimates based on advance ticket sales. These have been compared to previous events in the country such as the British and Irish Lions tour of New Zealand in 2005 and their tour of Australia in 2001 and also Rugby World Cup 2003 in Australia to validate these predictions.

Based on the above analysis and official figures, RWC 2011 is expected to attract 95,000 visitors to New Zealand, comprised of 84,800 supporters and 10,200 officials (including teams, media and tournament sponsors).

This compares favourably to other international tournaments in the region as shown in Table 3. Though RWC 2007 delivered more international visitors than any other sports event except football in Europe, the relative geographical isolation of New Zealand means overseas visitor numbers will be lower in 2011, but the average duration of stay is expected to be higher, as was seen in RWC 2003 in Australia.

Table 3: Number of International Visitors to Major Sports Events

Event	**Host**	**International Visitors (000)**
2006 FIFA World Cup	Germany	1,000
Euro 2008	Austria/ Switzerland	450
RWC 2007	France	350
2000 Olympic Games	Australia	110
2007 Cricket World Cup	West Indies	100
RWC 2003	Australia	65
2006/7 Ashes Tour	Australia	37
2007 Ryder Cup	Ireland	34
2005 Lions Series	New Zealand	20.4

Source: Various incl. Deloitte, Covec

The RWC 2011 Organising Committee has also made forecasts as to the expected number of travellers based on the country in which they reside. These figures are set out in Table 4.

Table 4: Origin of Visitors Expected to Travel to RWC 2011

Visitor Origin	**Expected Travellers***
Australia	30,000
UK and Ireland	25,000
France	10,000
Americas	10,000
South Africa	5,200

**Country or origin does not equal nation of support*

It is clear from the projections in Table 4 that visitors from Europe are expected to outnumber those from Australia. This is a huge achievement for New Zealand since previous tournaments have tended to more attract visitors from neighbouring countries. Recent sales figures suggest that there has been a surge in sales in Europe in the final ticketing phase, while significant numbers of visitors will travel from the Americas, reflecting the increasing popularity of Rugby in the USA, Canada and Argentina in particular. This augurs well for the overall economic impact of the Tournament as tourists from these regions would be expected to spend more than those from countries close to New Zealand.

ECONOMIC IMPACT OF RUGBY WORLD CUP 2011

Based on previous studies and data from other comparative major events, one might reasonably expect RWC 2011 to generate the following:

- **US$ 224.5 million** (NZ$268.5 million) ticket revenue based on sales of 1.35 million tickets
- **US$204.1 million** (NZ$241.7 million) to be spent on accommodation during the tournament
- **US$187.7 million** (NZ$224.5 million) to be spent on food and beverage
- **7.5 million litres of beer** to be poured
- **7.35 million pies and sausages** to be consumed
- **150,000 litres of sports drinks** to be consumed

Considering the above, and on the basis of all available data, it is projected that Rugby World Cup 2011 could deliver the following economic impacts:

Projected Economic Impact for New Zealand

Related Expenditure from Overseas Visitors

It is estimated that total economic activity from overseas visitors in New Zealand generated by the Tournament may amount to **US$654 million (NZ$782.5 million).** This will result from a short term positive commerce flow through international fans spending in bars, clubs, shops, hotels, city attractions, bookmakers and inside host stadia, along with sponsors and organisations spending on marketing in the cities around matches.

However, this must be adjusted to take account of substitution effects and time switching to give a more reflective economic impact of an event. It is therefore estimated that the direct economic impact to the economy is likely to be **US$344 million (NZ$411 million)** that would not otherwise have entered the New Zealand economy.

Based on advanced ticket sales, it is reasonable to assume that there will be at least 95,000 international fans visiting New Zealand for RWC 2011; the majority of which will originate from Australia and Europe. Total ticket sales, which (including domestic sales) are expected to reach 1.35 million, will generate revenue of **US$224.5million (NZ$268.5 million)** in revenue for Tournament organisers.

One would normally expect economic activity in the host nation of a RWC to focus on:

- Ticket sales;
- Food and beverage sales;

- Merchandise and related sales;
- Visitor use of accommodation;
- Visitor numbers at host venue attractions.

New Zealand can also benefit economically from:

- Increased amount of electronic and print media advertising;
- Increased use of telecommunications and new media services;
- Activities and sales based around event officials;
- Activities and sales based around officials from commercial partners and sponsors;
- Place marketing benefits and image improvement;
- Magazine, newspaper sales and other related sales;
- Sales of sport apparel, equipment and related items;
- Sales of official merchandise and memorabilia;
- Increases in betting and gambling services.

The longer-term economic impact incorporates a legacy for the country, through increased tourism, civic sponsorship and business development which will result from the event, which is estimated to be **US$1.21billion (NZ$1.44 billion)**.

Windfall for Global Sports Economy

Economic activity generated in the global sport economy could amount to **US$1.67 billion (NZ$2 billion)** as a result of Rugby World Cup 2011.

Three groups of people will be responsible for this economic impact:

1. People who travel from across the world for the event, who are more likely to be male, middle class, earning above average income for their nation and aged 20-50 years old – thus the economy receives a boost particularly on travel;

2. People who will engage with the Tournament at some level from their home nation; the most engaged are likely to be fans of the teams involved and will spend money around matches on food and drink, replica shirts and other merchandise; the least engaged are likely to be aware of the event, will probably watch it and may spend on drinks and snacks, newspapers etc. These people are from the broadest possible social spectrum;

3. Commercial companies who engage with the Tournament including broadcasters, advertisers, sponsors, marketers, merchandisers who engage with the Tournament around the world.

DISTINCTIVE IMPACTS

New Zealand's Sporting Economy

The growth of New Zealand's sport economy over the last decade has been dramatic. In combination, this reflects a growing recognition and acceptance of the economic importance of sport, and a developing sophistication in the way the value of sport is measured. At the same time, sport has matured as an industrial sector, underpinned by political, social and economic changes, allied to an acknowledgement that sport can be a driver of economic activity.

Such has been the growth of New Zealand's sport economy, that measures indicate its value in 2008 was approximately US$10 billion (NZ$12.2 billion)[8]. In the period from 1985 to 2008, the size of the New Zealand sport economy has been identified as having more than doubled in real terms, with the contribution of sport and leisure to GDP including volunteer services being estimated at 2.8%.

Total consumer spending on sport in New Zealand rose from US$579.8 million (NZ$693.4 million) in 1993 to US$803.4 (NZ$960.8 million) in 1999, representing a 37.9% increase (Collins and Trenberth, 2001). Underpinning such growth, 48,363 people were estimated to work in sport-related employment in New Zealand in 2006, which accounts for approximately 2.6% of all employment in New Zealand (Dalziel, 2011). New Zealand's tourism strategy predicts that hospitality and tourism industries will require 10,000 – 15,000 additional employees during RWC 2011 alone.

Taking the Americas Cup as one example, there is clear evidence to indicate that sporting events make a strong economic contribution to the New Zealand sport economy. An economic impact assessment of the 2007 campaign in Valencia demonstrated a direct economic benefit to New Zealand of US$62.2 million (NZ$74.4 million). The 2011 RWC will be the biggest sports event New Zealand has ever experienced, attracting the most overseas visitors and generating over ten times the revenue generated by ticket sales for the biggest comparable event, the 2005 Lions Tour which grossed US$20.1 million (NZ$24 million). The event not only provides a direct short term economic impact from visitor spending around the event, but also creates the opportunity to develop the New Zealand brand. The 2000 America's Cup was estimated to have generated US$75.3 million (NZ$90 million) in brand equity alone for New Zealand. The size, scale and appeal of RWC could mean that this figure will be eclipsed with US$209 million (NZ$250 million) a likely figure. This creates a huge opportunity to present New Zealand as a destination.

The size and stature of the New Zealand sport economy is therefore already well established, and these features are likely to be enhanced over the next decade. In addition to regular sporting contests such as Rugby Union's Tri Nations championship, several major sporting events are set to be hosted in New Zealand over the next decade, including being a Volvo Ocean Race stop over port in 2012 and host of the 2015 FIFA U20 World Cup, one of

[8] Including personal benefits from participation (Dalziel, 2011)

football's most important tournaments involving 24 nations and 52 matches. The Tournament is broadcast in over 200 countries and has a cumulative audience of approximately 500 million viewers. The infrastructure investments made because of RWC 2011, along a with positive image of New Zealand as a sporting destination have already helped to attract these events and would be expected to enable the nation to capitalise on this reputation and added capacity following RWC to attract more events which have little or no additional cost in terms of necessary infrastructure development. All upgrades to stadia, transport and infrastructure related to RWC are sustainable and for the direct long term benefit of New Zealanders.

Tourism is very important in New Zealand, with US$18.7 billion (NZ$22.4 billion generated from tourism expenditure in 2010 (a 2.1% increase from 2009). International tourism increased by 1.6% to US$7.9 billion (NZ$9.5 billion) and contributed 18.2% to New Zealand's total exports of goods and services. In recent years the integration of sport, sporting events and spectator and participation travel has seen the sector become the industry's fastest growing, and is now worth in excess of US$502 billion (NZ$600 billion), representing 14% of overall travel and tourism receipts.

If New Zealand is able to capitalise on their hosting of RWC 2011 to attract more events, as well as developing its reputation as a destination for sports tourism, combined with continued development of domestic involvement in sport related activities, the longer term impacts could be:

Table 5: Long-term impact of RWC 2011

Long-term Impact of RWC 2011	**Amount**
Consumer expenditure in the New Zealand sport economy by the end of the decade	**US$1 billion** (NZ$1.2 billion)
Sport-related economic activity in the New Zealand sport economy by the end of the decade	**US$11.7 billion** (NZ$14 billion)
Number of people working in sport-related occupations in New Zealand by the end of the decade	Between **52,000** and **58,000**

Bringing Rugby World Cup Home

After being host to the first Rugby World Cup match in 1987 (Eden Park Stadium, Auckland), Rugby World Cup 2011 will be the first time the Tournament will return to the same host nation and venue for a second Rugby World Cup Final.

The event promises to be an all Rugby experience for all involved, with a stadium of four million fans. Rugby is ingrained in New Zealand's national identity. It was the second most watched sport with an average television audience of 74,010 in 2010 with major events such as the Tri Nations attracting many more viewers. Additionally the legacy impacts in recruiting coaches, referees, volunteers and administrators to cater for the increased demand will serve the nation for years to come.

The potential for Australia and New Zealand to meet in the RWC 2011 Final for the first time makes this a hugely attractive event. The finals phase of the world's leading Rugby competition is in itself a compelling brand proposition, laden with symbolism and meaning. Equity in the brand is already strong, enabling the generation of recognition, awareness, positive perception and revenue that already surpasses strengths displayed by other sport brands. However, for the Tournament to be contested in the sport's spiritual home with the host nation ranked as number one in the world and, amongst the strongest sport brands in the world, further enhances brand equity and the appeal of RWC. It is therefore likely that the 2011 Tournament will attract stronger than normal interest across the world (including amongst spectators, fans, casual supporters, commercial partners, businesses, broadcasters and the media). This will, in turn, boost commercial interest in and activity around the event. This will be evident, not just in the host nation, but around the world.

The Christchurch Effect

The third major earthquake to hit Christchurch in the past year has brought insured losses to around US$5 billion (NZ$6.1 billion) according to the Insurance Information Institute. Seven matches in New Zealand's second largest city, originally planned as one of RWC's flagship destinations, had to be switched to other locations due to damage created by the quake and aftershocks. In addition, squads who had originally planned to use Christchurch as a base have relocated to other regions. This will have the knock-on effect of not only diverting match-day revenue away from the region, but also means the region will lose out from tourism revenue of those staying in and around the city. However, visitors staying extended periods are still expected to view the city as a must see as they tour the nation.

While there will be a downturn in the number of visitors viewing Christchurch as their main destination, Christchurch remains an important gateway, with 92 per cent of South Island visitors arriving through the airport[9].

Although there will no longer be any RWC 2011 matches in Christchurch, fans will have the opportunity to be part of the Tournament at the Christchurch Events Village which will house an official 'Fanzone' and numerous REAL New Zealand Festival events, including the Christchurch Arts Festival and the Body Festival. A large inflatable Dome will be transformed into the 'MasterCard Ruck' and Rugby fans will be able to watch matches live on big screens.

One of the greatest opportunities a major sporting event offers a country is the ability to display its true essence and unique offerings. Unlike conventional mass tourism marketing, a sporting event provides a chance to share a detailed authentic experience of the host nation. The richer images and messages in such an experience have great potential to affect the long term associations people have with the host country and to bring to life the essence of the local culture in the way that an advertising campaign never can. RWCs in particular tend to be different to other major events such as the FIFA World Cup or Olympic

[9] State of the Tourism Sector 2011 Report

Games in that they tend to be more about the overall experience than attending individual matches. This creates a huge opportunity to create a positive economic impact throughout New Zealand which is sustained for years to come.

Betting Bonanza

RWC 2011 is expected to draw the highest ever amount of bets placed on a Rugby Tournament. The betting market has grown steadily over the last decade with the 2003 Tournament attracting bets of GBP10 million (US$16.5 million, NZ$19.7 million) in the UK; this figure is expected to be over GBP60 million (US$98.6 million, NZ$117.9 million) for RWC 2011.

New Zealand seems to be attracting the most interest with one off bets of GBP100, 000 placed in England on the host nation winning the Tournament. In 2007 US$5 million (NZ$5.9 million) was bet on New Zealand to win that year's Tournament with the Australian company Betfair commenting that it was one of the biggest bets they had ever seen.

In addition to individuals betting on the outcome of sporting events it has become common practice for federations to take out a form of insurance on the performance of the team during Rugby World Cup. There is no prize money associated with winning Rugby World Cup per se, but the Champions can expect a windfall in terms of future sponsorship and broadcast revenue and individual players have the chance to gain lucrative endorsement contracts if they perform well. However the Unions often have a huge financial burden to meet in terms of paying bonuses to players should they progress to the latter stages of the Tournament.

With England staff and players expecting to share GBP2.25 million (US$3.7 million, NZ$4.4 million) in bonuses if they win the Tournament, the RFU has placed bets of GBP250,000 (US$411,000, NZ$492,000) via a consortium of bookmakers to cover the potential cost. The sports insurance market has calculated that England have an 11 per cent chance of winning RWC 2011, which equates to odds for the RFU of 8-1 on winning the Tournament. These odds at a normal bookmaker would be 9-1 on England winning the competition but it is unlikely that any would accept such a large bet.

The Irish Rugby Football Union (IRFU) has taken a similar financial stance, with Ireland Rugby revealing it had placed similar bets for Rugby World Cups in 1999, 2003 and 2007. The IRFU, through their relationship with sponsors, Paddy Power, effectively takes out an insurance policy on the performance of the team during Rugby World Cup to allow the union to offset and minimise the financial outlay during the Tournament. South Africa hedged player bonuses in a similar manner four years ago when they won the Tournament, and it seems this niche market is growing with all of the seeded nations thought to have held talks on the subject. By hedging the risk with a hedging service the Unions have not broken any rules set out by the International Rugby Board.

The Australia squad have negotiated a performance related income stream whereby match payments have been reduced from AUD13,000 (US$13,700, NZ$16,400) to AUD10,000 (US$10,500, NZ$12,600) for pool games and AUD11,000 for knockout stages but potential win bonuses have increased to AUD110,000 if the Wallabies claim a historic third Tournament win. This payment scheme will be activated only if they qualify for the Final.

Other unions have taken a different approach: USA players will receive a bonus for every win they record regardless of whom they play and the stage of competition they reach, but instead of being paid by national governing body USAR, an unnamed benefactor is set to pay the bonuses after the agreement was sanctioned by the governing body.

Rugby's Emerging Nations

The Russian rugby team will make history when they run out for their first ever Rugby World Cup appearance against the USA. Ranked 19th in the world, it is unlikely that they will make it out of the group stages, but their presence in the Tournament is likely to have a huge effect on the development of the Game in Russia. The country hosted its first major Rugby event in 2010 with the IRB Junior World Championship showcasing high quality Rugby to the Russian public. 2013 will see the country host Rugby World Cup Sevens, with Russia hoping to establish itself as a top 12 side by 2015. Participation has increased by 67% since Rugby World Cup 2003, whose qualifying rounds Russia was banned from competing in after capping three ineligible South African players.

Increased interest in Rugby can be seen throughout Eastern Europe where participation has been steadily rising. Georgia's performance in RWC 2007 surpassed all expectations, with impressive performances against Argentina and Ireland; participation has risen 2% in the last year alone, making it the country's number one team sport. Georgia is ranked 15th by the IRB. Romania's presence in RWC since it became a member of the IRB in 1987, along with impressive performances against some of the top ranked nations, has helped to elevate both the quality and popularity of Rugby in the region as well as increase the number of participants. Participation has risen 222% since 2003. A similar trend is expected should Russia perform well.

In this context, there is likely to be considerable Eastern European interest in the Tournament this year. While the market for Rugby may not be as well developed in the region as it is in Western Europe, the levels of interest continue to grow.

Friday Night Live – Value of Scheduling

There is a common acceptance in the literature that scheduling of match-days can deliver positive benefits (for example, see: Kuypers, 1996; Garcia and Rodriruez, 2002; and Buraimo, 2008). These benefits are largely held to be based around increased attendance at games; during the week, leisure time is scarcer and therefore has a high opportunity cost. This results in people spending less time on leisure activities than is the case at weekends, meaning that people consume less sport than at weekends.

Match kick off times for RWC 2011 have had to be carefully balanced in order to ensure local fans are able to attend but also that TV scheduling could be accommodated. Time differences between the northern and southern hemispheres have made it difficult to please everyone. Pool matches played at the weekend start no later than 8.30pm while weekday pool matches start no later than 7.30pm, but the semi-finals and Finals are set to begin at 9pm to meet the demands of commercial partners and the global broadcast audience. This is hugely important in terms of brand exposure. The third place playoff match, which is usually played on the final Saturday of the Tournament, is now set to take place on Friday night, with the Final not played until Sunday evening. The gap in scheduling should ensure not just a sell out Final but a festival atmosphere in and around the city as fans flock to join the party, while later kick off times are likely to encourage more spending in and around the cities hosting matches as fans enjoy the local hospitality before games. The scheduling of the Final on a holiday weekend will also encourage greater consumption.

While no research exists to indicate what the economic impact of scheduling a RWC game currently exists, there are clear reasons to indicate that the change to later kick offs and a bigger gap before the Final will be an economically positive one. On this basis, the impact figures incorporate specific acknowledgement of the impact that scheduling is likely to have. Given a highly distinctive combination of factors that will characterise this year's Final (scheduling, the Tournament returning to its spiritual home, emerging nations and new markets etc.) allied to the ascendant nature of RWC, television viewing figures will increase for this year's Tournament. This report therefore estimates that audience size will again top 4 billion despite the differences in time.

One would thus expect this year's RWC Final to deliver a 'Sunday Bonus' in the form of increased numbers of people travelling to the host city for the Final, either to buy tickets and attend the game, watch the game in cafes/bars/fan zones, or simply to visit the city. Such people will inevitably engage in additional expenditure that is over and above what one would normally expect to witness at a RWC Final, delivering additional economic benefits compared to a Saturday Final.

SPORT EVENTS AND DEMOGRAPHICS

Profiling the RWC 2011 Visitors

Following the last RWC in France in 2003, which was record breaking in terms of attendance and coverage, this year's Tournament will again be expected to attract huge amounts of attention. Though geographical and time differences are likely to impact on the number of tourists and live audience figures, there is expected to be a significantly longer duration for travelling fans staying in the country than was observed in France.

Rugby's popularity worldwide has been increasing since the last Rugby World Cup, with new formats of the game engaging new forms of fan. As such, one would expect there to be considerable interest in the Tournament amongst fans supporting their home nation, as well as amongst neutrals who are attracted to watch. This growth can be demonstrated by TV viewing figures. The 2007 Six Nations Championship for example attracted 42% more viewers than the 2003 Tournament. This growth continued through to the 2011 event. In England for example, pubs which promoted RWC 2007 outperformed those that did not by 12%, with an extra 17 to 20 million pints of beer consumed over the final weekend. Similarly in 2003, 37 million pints of beer were consumed in 10,000 British pubs that opened to show the RWC Final at 9am, while traffic on the roads decreased by 60%.

This growing popularity will include in territories such as Central and South America, East Asia, the Middle East and the Indian sub-continent[10]. It is therefore suggested that large numbers of people will engage in some way with this year's Tournament. In this context, and drawing from observations made in the author's report for MasterCard covering the Six Nations, Tri Nations and emerging rugby markets, it is clear that there is likely to be intense national, international and global interest in this year's RWC. There are likely to be a sizeable number of 'Mobiles' who will travel to New Zealand for at least some part of the tournament, some of whom will have (or will secure upon arrival) tickets to watch the games at the stadiums.

Others will travel to specific areas to watch the game in bars and cafes, or to experience the feeling of being associated with a major sporting event in fan fests. Within the mass of the estimated 95,000 people travelling to New Zealand, there will be various groupings or customer segments, each of which is likely to have distinctive socio-demographic characteristics. On the basis of evidence presented elsewhere, this report proposes that the following groups of people will associate themselves with RWC:

- ***The Buzzers***: people who will arrive before the day of the opening match or the Final in order to get the buzz of being in the host city for the excitement of the Tournament, soak up the atmosphere and enjoy the experience[11]; will stay in local

[11] Almost half of those surveyed by Covec in November 2010 who had bought tickets planned to arrive before the start of the Tournament
[11] Almost half of those surveyed by Covec in November 2010 who had bought tickets planned to arrive before the start of the Tournament

accommodation, as well as eating and drinking in the region in which they stay; will buy souvenirs and merchandise; may not have tickets upon arrival and may not necessarily make it to the stadium, preferring to watch the game in a bar or café;

- ***The Acclimatisers***: people who will arrive before the specific matches they are interested in order to establish themselves in the city before the match takes place and the majority of fans arrive; will stay in local accommodation, as well as eating and drinking in the specific host city they have chosen as a base; will visit local tourist attractions and buy souvenirs and merchandise; may or may not have tickets when they arrive but will be intent on attending the matches rather than watching from outside the stadium e.g. in a bar or café;

- ***The Tourers***: people who will follow a specific team around the country according to their specific allegiances. They may base themselves in the same city as the team is staying or in a city near to where specific matches will be played and then move on to other regions. They will stay in accommodation local to the specific matches they wish to see, as well as eating and drinking in the specific host cities they visit; will visit local tourist attractions and buy souvenirs and merchandise; may or may not have tickets when they arrive but will be intent on attending the matches rather than watching from outside the stadium e.g. in a bar or café;

- ***The Instant Hitters***: people who will arrive in, and leave, the host city within a short space of time (possibly less than 24 hours); these international travellers will be mainly living in Australia, want to get the buzz of being in the city for a specific match, soak up the atmosphere and enjoy the experience i.e. they either want, or only have time for, a short, sharp hit; likely to spend their money mainly on food and drink; may not have tickets upon arrival and may not necessarily make it to the stadium, preferring to watch the game in a bar or café; likely to have other professional or domestic commitments that dictate their short stay;

- ***The Late Landers***: people who will arrive in, and leave, within a short space of time (possibly less than 24 hours) i.e. they land at the airport, eat, drink, watch the game and leave; spending focused on food and drink; may or may not have tickets when they arrive but will be intent on attending the match rather than watching from outside the stadium e.g. in a bar or café; likely to have other professional or domestic commitments that dictate their short stay;

- ***The Indulgers***: people who will choose to stay in the country once the Final is over; keen to immerse themselves in either the ecstasy of victory or the pain of defeat, and recognition by locals of either state; stay likely to be for at least three weeks and expenditure will be focused on food, drink and merchandise; likely to have a permanent base in one of the host cities, but not necessarily where they watch the most matches and may or may not have attended all of their nation’s games; will be keen to assert their credentials as true fans for staying for the entire Tournament;

- ***The Stayers***: people who will choose to stay in the country once the Final is over; likely to enjoy the post-Final atmosphere, and the recognition amongst locals that this brings; mainly stay to sight-see and take in tourist attractions, possibly having brought forward a similar such trip or substituted the trip for another they were going to take elsewhere at a later date; focus of expenditure likely to be on accommodation, food, drink, tourist attractions and souvenirs;

- ***The Returners***: people who return to New Zealand at least once in the period up to two years after the Tournament; in the event of their teams victory, return will be motivated by desire to relive the memory of winning; may also return to visit attractions they were unable to see or spent little time visiting around the time of the Tournament; focus of expenditure likely to be on accommodation, entertainment, visitor attractions etc;

- ***The Long-Termers***: people who return to New Zealand on more than one occasion in the period up to five years after the Final; in the event of their team's victory, return will be motivated by desire to relive the memory of winning; may also return to visit attractions they were unable to see or spent little time visiting around the time of the Final; may have a particular bond with the local area such as friends, a partner or a deep liking for the country; focus of expenditure likely to be on accommodation, entertainment, visitor attractions etc.

CONCLUSION

RWC is generally one of the world's most important sporting events and is one of the greatest one-off, regular sporting events in the world. Not only do RWC Tournaments routinely attract large numbers of international visitors to the host nation, television viewing figures show that the Tournament may be watched at some stage by as many as 4.2 billion people worldwide.

Added to this, there will be countless people who will buy related merchandise, consume food and drink in and around RWC, read about it in newspapers and magazines, and place bets on its outcome. This means that each RWC Tournament represents a bonanza for a range of organisations from competing nations through to sportswear manufacturers and venue managers at the stadia in which events take place.

The economic impact of RWC is therefore profound; it is financially significant, reverberates across time and spans international boundaries. The profile and significance of Rugby's leading competition retains a value that places it alongside the most valuable other sports event properties in the world. We should expect to see in excess of 95,000 international fans travelling to New Zealand as well as large numbers of officials, commercial partners etc. making the trip.

New Zealand 2011 is likely to be one of the most distinctive Rugby World Cups yet, offering a once-in-a-lifetime opportunity. Already a notable sport tourism destination, the staging of RWC will further reinforce New Zealand's reputation. In turn this will act as a catalyst for developing New Zealand's reputation as a major event host.

Rugby World Cup therefore has huge potential to create a lasting legacy.

METHODOLOGY

MasterCard commissioned the Centre for the International Business of Sport (CIBS) to develop a series of reports examining the economic and commercial impacts of Rugby.

CIBS:

- Compared the Tournament with other major sports events, with particular reference to analysis of attendance, TV audience, visitor spend and other economic indicators;
- Reviewed previous economic impact studies of the Tournament;
- Calculated an estimate of the economic impact of the 2011 Tournament at the national level for the six host countries by collating data then calculating the direct and indirect expenditure.

Appropriate benchmarks have been sourced from previous economic impact studies where available, to aid interpretation and ensure consistency. Information presented in previous published reports has been extracted in order to model the economic impacts.

In addition, a wide variety of publicly available data has been provided as well as data accessed through sources such as EBSCO.

In all cases we have relied upon existing data to be correct and have not carried out additional audit of them.

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