



ANALYSIS OF THE ECONOMIC BENEFIT TO THE CITY OF AUSTIN FROM SXSW 2017

SXSW Conference & Festivals / SXSW EDU Conference & Festival

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EXECUTIVE SUMMARY

2017 represented another banner year for the SXSW Conference and Festivals and its beneficial economic impact on Austin Texas's businesses and citizens. Each March for more than three decades, SXSW has welcomed the world's most interesting thought leaders to Austin for an unparalleled mix of industry conferences, trade shows, and festivals. The event transforms the city into a global mecca for creative professionals and cements Austin's reputation as a thriving, innovative metropolis. This rich tradition continued in 2017, with total attendance at all official SXSW events surpassing 285,000. In addition to bolstering Austin's cultural capital, SXSW also injects hundreds of millions of dollars into the local economy. **In 2017 alone, SXSW's economic impact on the Austin economy totaled \$348.6 million.**

After 31 years SXSW remains a vibrant event with a singular capacity to bring together creative disciplines across a broad range of industries. With the introduction of a unified conference that allowed Interactive, Music and Film registrants to participate in 24 individual tracks of programming, SXSW 2017 raised the event's convergence of entertainment, culture and technology to unprecedented heights. With keynote addresses from CRISPR co-founder Jennifer Doudna, Director Lee Daniels and Apple Music Creative Director Zane Lowe, 2017 underscored SXSW's unmatched ability to promote cross-pollination among creative professionals.

SXSWeek encompasses a multitude of diverse elements and engages three distinct types of participants—official Credentialed & Official Participants, Single Admission Participants and Guest Pass Holders. All SXSWeek Participants – Credentialed & Official Participants, Single Ticket Holders and Guest Passes – introduce and circulate money in the local economy.

OFFICIAL ATTENDANCE IMPACT \$149.9 MILLION

SXSW Credentialed & Official Participants include conference and festival badge and wristband holders from four industries: Interactive, Film, and Music as well as Education (Edu). Lured by SXSW's unrivaled ability to bring together industry leaders from across the globe, Credentialed & Official Participants are overwhelmingly working professionals from outside Austin. The Official Attendance Impact encompasses the direct, indirect, and induced local economic benefit of all attendees of the conference and festival, including official SXSW badge-holders, industry professionals, and wristband holders, festival exhibitors, and single visitors of events such as film screenings and music concerts.

OPERATIONAL IMPACT \$173.0 MILLION

Although SXSW is most visible during March, producing such a large-scale event requires an extensive permanent staff.

The operational impact includes the direct, indirect, and induced local economic benefit of the year-round operations of SXSW and event-specific expenditures by SXSW and official sponsors.

SXSW CONSUMER IMPACT \$25.7 MILLION

In recent years, the international prominence of SXSWeek has attracted a significant number of non-credentialed participants. Unlike official SXSW Registrants, individuals participating in free SXSWeek events are typically recreationally oriented and more likely to originate from within Texas. Such visitors individually spend less money than their Credentialed & Official Participant counterparts, but collectively they represent a significant level of economic activity. The SXSW Guest Pass & Consumer Participant impact includes direct, indirect, and induced spending by individuals that participated in free-to-the-public consumer events during SXSWeek2017.

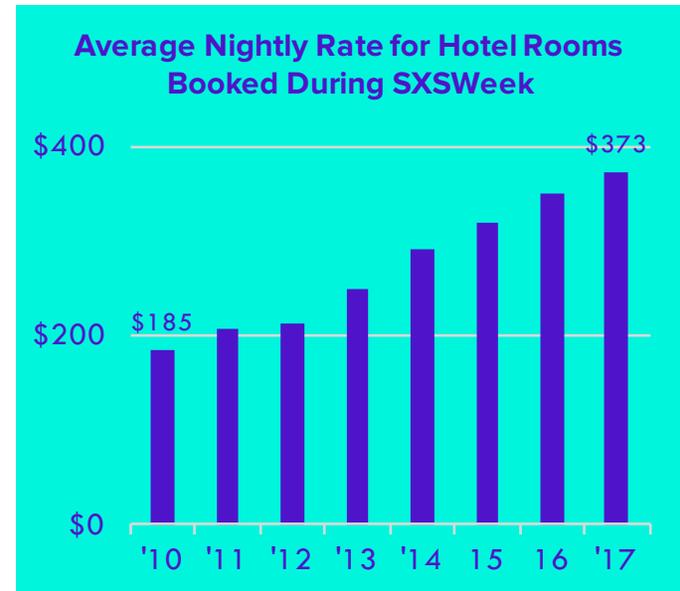
"SXSW 2017 is a mélange of ideas for those who are willing to think outside the box. It is difficult to classify this event, for it is more than just a festival for music, film, or technology."
NBC News

SXSW BY THE NUMBERS



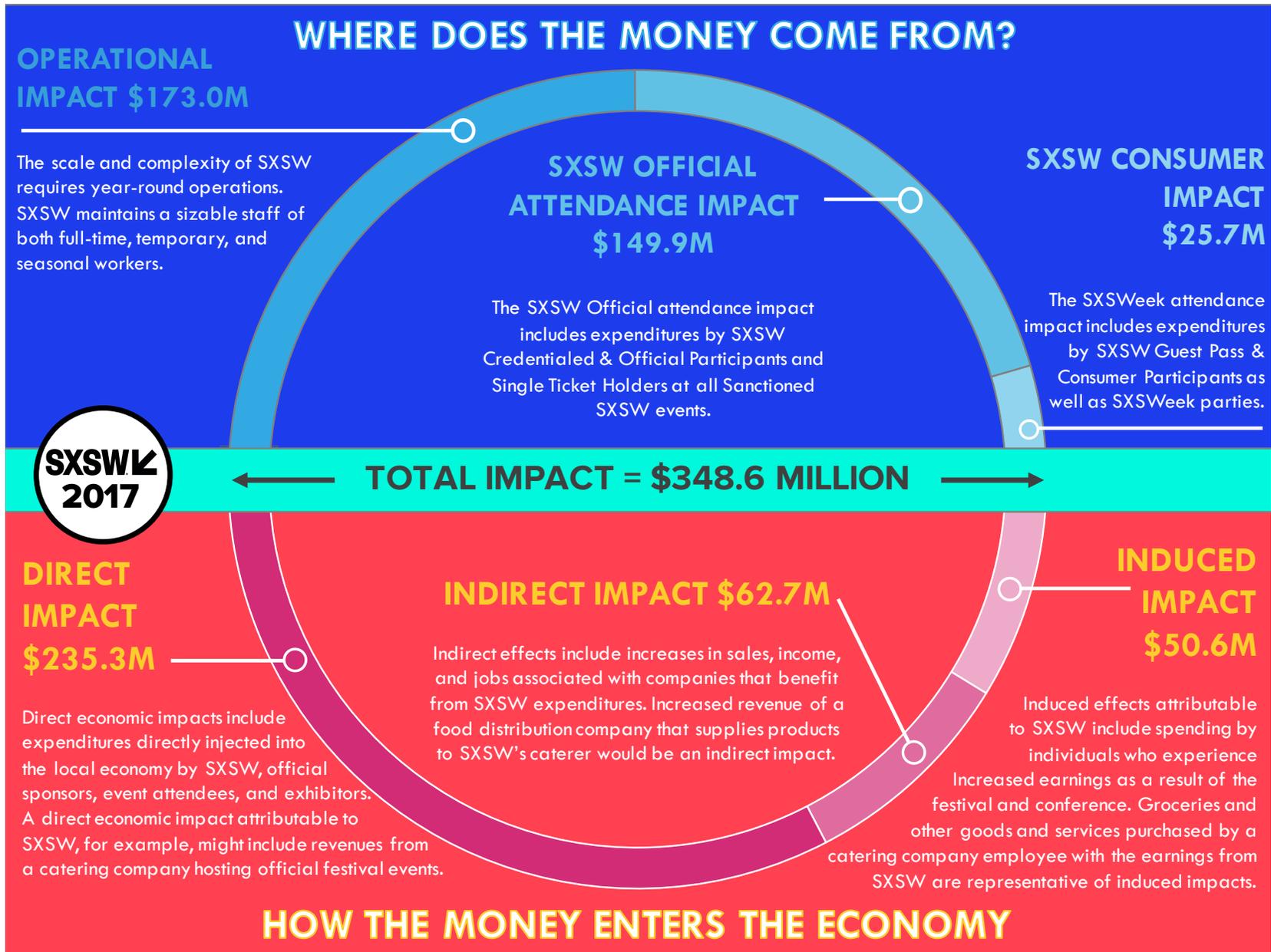
SXSW remains the single most profitable event for the City of Austin’s hospitality industry:

- SXSWWeek 2017 kicked off with SXSW EDU on March 6th and continued through March 19th with the SXSW Conference & Festivals and the SXSW Gaming Festival. Direct participation in the 14-day event totaled approximately 440,000.
- In 2017, SXSW directly booked **11,605 individual hotel reservations totaling over 50,000 room nights for SXSW registrants**. Direct bookings by SXSW alone generated nearly \$1.8 million in hotel occupancy tax revenues for the City of Austin.
- Increased hotel room inventory within Austin, combined with growing interest in short-term rental options among SXSW registrants, have helped sustain longer visits by SXSW registrants. **The average length of stay for all SXSW registrants in 2017 exceeded 5 nights.**
- Despite Austin’s significantly increased lodging capacity, demand for accommodations during SXSW 2017 continued to outstrip supply by a substantial margin. **In 2017, the average nightly hotel rate for SXSW-booked rooms approached \$375 – an all-time high.** Average nightly rates during SXSW doubled between 2010 and 2017, a trend that is harshly criticized by attendees and has led to declining occupancy rates on certain nights.



“Having been founded 30 years ago as a music showcase, SXSW — along with the rapidly growing city around it — has morphed into an all-purpose destination for culture mavens eager to be early adopters in everything from music, cinema and technology to politics and health.”
The Irish Times

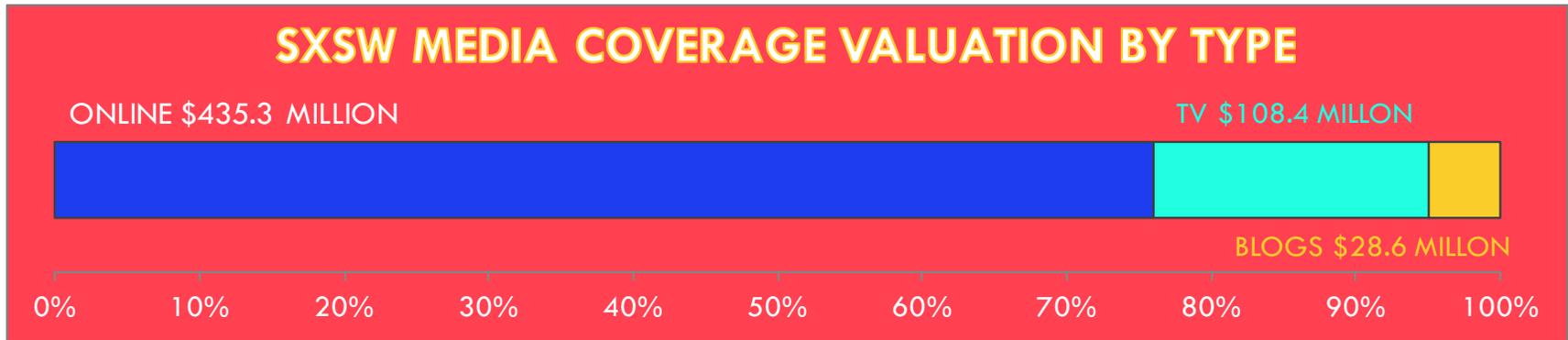
SXSW ECONOMIC IMPACT



SXSW MEDIA VALUATION

In 2017 the value of SXSW print, broadcast and online publications coverage totaled \$572.3 million. The considerable increase in SXSW's media valuation compared to previous years reflects a more accurate snapshot of media publications and the resulting audience exposure to SXSW coverage.

SXSW-related media coverage strengthens Austin's core identity, heightens the city's global profile, and represents extraordinary return on the City of Austin's relatively modest investment in SXSW. Austin is known worldwide as a community where creativity and commerce are both valued. SXSW has been integral in establishing and maintaining this reputation. Each March, SXSW catapults Austin onto the international stage and broadcasts the city's idiosyncratic identity to millions of creative professionals throughout the world. The ubiquity of SXSW media coverage is unique and tremendously valuable.



Austin's distinctive and compelling brand identity remains the envy of communities throughout the world. Few cities have successfully crafted an authentic community brand that resonates with both residents and the world at large. Cities aspiring for global recognition often follow a largely failed model requiring an investment of millions or even billions of dollars in order to attract a mega-event like the Olympics or the Super Bowl. The benefits to these cities are typically ephemeral; every host city, no matter how successful, is replaced for the next event. In contrast, Austin has not only established a genuine and unique identity but has done so with minimal public expenditures. Austin also enjoys the unique advantage of welcoming an international audience, creating an army of global ambassadors for Austin that help sustain the region's reputation as a creative mecca—year after year after year.

The media valuation calculations, though imprecise, represent the most comprehensive attempt to properly quantify the economic benefits Austin enjoys each year via SXSW's "media buzz" factor.

*“Arguably the world's most iconic event for launching new talent and game-changing technology and ideas
- a Woodstock meets the Web Summit to the power of ten”
The Independent (Ireland)*

SELECTED SXSW MEDIA COVERAGE

NATIONAL COVERAGE

ABC NEWS
ACCESS HOLLYWOOD
ADWEEK
AINT IT COOL NEWS
ASSOCIATED PRESS
AVCLUB.COM
BBC
BET
BILLBOARD
BIZ JOURNALS
BOSTON GLOBE
BREITBART
BUST MAGAZINE
BUZZFEED
CBS NEWS
CHICAGO TRIBUNE
CNBC
CNET
CNN
COMPLEX
COSMOPOLITAN
DAILY BEAST
DALLAS MORNING NEWS
DALLAS OBSERVER
DETROIT FREE PRESS
EBONY
ELLE
ENGADGET

EI ENTERTAINMENT
ENTERTAINMENT WEEKLY
ESPN
ESQUIRE
FAST COMPANY
FORBES
FORT WORTH STAR-TELEGRAM
FOX NEWS
FUNNY OR DIE
GQ
HOLLYWOOD REPORTER
HUFFINGTON POST
HYPE MACHINE
INC.
INDIEWIRE
JALOPNIK
JALOPNIK
JEZEBEL
LAS VEGAS SUN
LOS ANGELES TIMES
LOUISVILLE COURIER-JOURNAL
MACRUMORS
MARIE CLAIRE
MASHABLE
MENTAL FLOSS
MIAMI HERALD
MOTHER JONES
MOTOR TREND
MSNBC

MTV
NASVILLE SCENE
NATIONAL GEOGRAPHIC
NATIONAL REVIEW
NBC NEWS
NEW YORK POST
NEW YORK TIMES
NEW YORKER
NEWSER
NEWSWEEK
NPR
ORLANDO SENTINEL
OUT MAGAZINE
OUTSIDE MAGAZINE
PASTE MAGAZINE
PEOPLE
PHILADELPHIA INQUIRER
PITCHFORK
PITTSBURGH POST-GAZETTE
POLLSTAR
RACHAEL RAY SHOW
RECODE
REUTERS
ROLLING STONE
SACRAMENTO BEE
SAN ANTONIO EXPRESS-NEWS
SAN JOSE MERCURY NEWS
SCIENTIFIC AMERICAN
SEATTLE TIMES

HOLLYWOOD REPORTER
SPIN
STEREOGUM
TEXAS MONTHLY
THE ADVOCATE
THE ATLANTIC
THE BALTIMORE SUN
THE CHARLOTTE OBSERVER
THE FADER
THE NATION
THE VERGE
TIME
TRAVEL + LEISURE
TV GUIDE
UNIVISION
US WEEKLY
USA TODAY
VANITY FAIR
VARIETY
VERGE
VH1
VIBE
VICE
VOGUE
WALL STREET JOURNAL
WASHINGTON POST
WIRED
XXL MAGAZINE
YAHOO

INTERNATIONAL COVERAGE

24 HORAS CHILE
BANGKOK POST
BRISBANE TIMES
CALGARY HERALD
EL MUNDO
ENCA
GLOBAL TIMES
GUARDIAN
HEARLD LIVE
INTERIA
JAPAN TIMES
KOREA HERALD
KOREA TIMES
LA NAZIONE
LE MONDE
MODERN GHANA
NEW ZEALAND HERALD
NME
PRAVDA
RADIO-CANADA
SPLEGEL ONLINE
TABNAK
THE INDEPENDENT
THE NATION PAKISTAN
THE TIMES OF ISRAEL
THE VANCOUVER SUN
VISIR
ZERO HORA

“South by Southwest is a conference unlike any other—it’s less of a launchpad for new products, and more of an “ideas” show that brings people from various fields together to talk about what comes next.”

Macworld