Etape Caledonia Economic Impact Assessment 2008

Report

for

Perth and Kinross Council

July 2008

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Contents

1. Introduction

1.1 Background and Context

The Etape Caledonia event is a new initiative in British cycling that delivers closed road competitive cycling open to all standards of cyclists. It gives people the opportunity to record their best time, for comparison against top international cyclists, fellow club members or friends.

EKOS undertook the economic impact assessment of the first Etape Caledonia event which was held on Sunday 24th June 2007. The first Etape Caledonia event had two courses on offer for participants: the main course which measured 130 km (81 miles) and a shorter course which measured 45km (28 miles). The event was held for the second year on Sunday 18th May 2008, starting and finishing in the town of Pitlochry, Perthshire. This year only the main course was open to participants, which had a total ascent of 1,949m.

The event was open to all fit individuals aged between 18 and 80 (subject to them being able to complete the route in an average speed of 13-14 mph). This is a change to the requirement last year when individuals had to be able to complete the route in an average speed of 12 mph.

This year a number of events were also developed on and around the 18th of May to provide activities for participants and spectators and to encourage individuals into different parts of the local area.

1.2 Objectives

The aim of this study was to assess the economic impact of the event on the Perth and Kinross economy. It should be noted that an assessment of the social impacts of the event on the local population fell outwith the study remit. Specific objectives were to:

- provide a profile of visitors and participants that attended the event;
- examine length of stay and average spend figures;
- assess the extent of negative impacts on local businesses; and
- consider a number of key factors pertinent to the economic impact assessment such as the level of additionality, displacement and multipliers.

1.3 Method

The study was undertaken in four stages as follows:

- Stage 1: Study Set-up;
- Stage 2: Access data from the event organisers and input to participant survey;
- Stage 3: Fieldwork – spectator, participant and business survey; and
- Stage 4: Analysis and Reporting.

1.4 Structure of the Report

The remainder of this report is structured as follows:

- **Chapter 2** presents a description of the event;
- **Chapter 3** presents the results of the participant and spectator surveys;
- **Chapter 4** presents the results from the survey of local businesses;
- **Chapter 5** provides the economic impact assessment of the event; and
- **Chapter 6** provides and summary and conclusions of the findings.

2. Etape Caledonia

2.1 Introduction

The second Etape Caledonia cycling event was held on the 18th May 2008. The event started and finished in the town of Pitlochry and offered the opportunity for all cyclists between the ages of 18 and 80 the chance to take part in an event with experienced racers. The course included Loch Tummel, Rannoch, the base of Schiehallion, Breadalbane district and the River Tay.

The name "Etape Caledonia" originates from the French translation for stage and Caledonia is the reference to the host country. The concept stemmed from the Tour de France, where keen cyclists can tackle a stage of the international route prior to entrants. This is formerly known as the "Etape Tour de France" but shortened to Etape.

2.2 Participants and Event Course

Etape Caledonia attracted 2,013 entrants of which 1,702 (85%) actually participated in the event. This equates to a 67% increase on the 2007 total of 1,022 participants. The event comprised one course (the shorter course provided in 2007 was not on offer in 2008) of 81 miles (130 km) with almost 2,000m of climbing. Cost of entry was £49.

2.3 Funding

The event was developed by the Quintus Group, the parent company of the London Triathlon (the world's largest triathlon event) and Challenger World.

Perth and Kinross Council provided £12,000 towards the costs of staging the event. The remainder of the event costs were funded through ticket sales and private investment from the Quintus Group.

2.4 Other Activities

A number of other activities were developed on and around race day to enhance the event for participants and spectators. A number of the activities were also designed to encourage visitors into other parts of the local area outwith Pitlochry (the start and finish point for the race). Examples of the activities included:

- Etape Route Treasure Hunt;
- Pitlochry Pasta Ceilidh;
- The Courtyard - Free Ice Cream Weekend;
- Free food and entertainment at House of Menzies and Safari Lodge; and
- Finish Line entertainment.

Perth & Kinross Council provided funding support to some of the other activities that took place.

3. Participant and Spectator Survey

3.1 Introduction

This Chapter presents the findings of the participant survey carried out by the event organisers and the results of the spectator survey conducted by IBP Strategy and Research.

3.2 Participant Survey

A post event questionnaire was completed by 377 participants of the Etape Caledonia event (representing 22% of those that took part). The results from this survey are discussed below; some of the responses are reported later as part of the economic impact assessment (see Chapter 5).

3.2.1 Rating of the Event

Table 3.1 provides an overview of the best aspects of the Etape Caledonia event as identified by participants.

Table 3.1: Best aspect of the Etape Caledonia Event

	No.	%
Closed roads	245	65%
Location/scenery	122	32%
Event organisation & marshalling	60	16%
Route	47	12%
Event atmosphere	28	7%
Weather	14	4%
Other aspects	21	6%
Total	537	142%

Note: multiple responses possible

The fact that the race was on closed roads was most commonly identified as the best aspect of the event (as was the case in 2007) by 65%, up from 52% reported last year. The next most common responses were the location/scenery (32%, compared to 7% last year) and the event organisation and marshals (16%, compared to 17% last year).

The best aspects identified under the “other” category included:

- the finishing line, creating a sense of achievement/satisfaction (4 respondents); and

– being able to ride as part of a larger group, heightening enjoyment of the event (3 respondents).

Table 3.2: Worst aspect of the Etape Caledonia Event		
	No.	%
Lack of food/drink facilities	42	11%
Start time too early	37	10%
Roadside protestors	34	9%
Registering day before the event	23	6%
Chaotic start/finish to race	21	6%
Lack of toilets/washing facilities	20	5%
Event registration cost	17	5%
Poor ‘goody bags’	17	5%
The weather	13	3%
Route not challenging enough	8	2%
Distance from home	7	2%
Other	18	5%

The worst aspects most commonly identifiedwere the lack of food/drink facilities, the start time being too early and registering the day before the event. The worst aspect most commonly cited in 2007 had been the weather at 31%.

“Other aspects” referred to a wide range of other factors, with four respondents reporting that the narrow dangerous hill towards the end of the route was the worst aspect and two respondents citing a lack of good local accommodation as the worst aspect.

Lastly, to gain further insight into the participants rating of the event they were asked if they would be likely to recommend it to a friend based on a scale of highly likely to extremely unlikely. Their responses are detailed in **Table 3.3**, over.

Table 3.3: Likelihood of Recommending the Event to a Friend		
Sliding Scale	No.	%
5 – Highly Likely	293	78%
4	62	16%
3	8	2%
2	2	1%
1- Extremely Unlikely	11	3%
Total	376	100%

Note: one respondent did not provide a response to this question

Over three quarters of the sample (78%) rated the likelihood of recommending the event to a friend as highly likely (5). This is up slightly on the 74% that gave it this rating last year. Only 6% gave a rating of 3 or below, compared to 9% last year.

3.2.2 Previous Visits

Participants were asked if they had visited Perth and Kinross before attending the Etape Caledonia event. The results showed that, excluding residents, 79% of respondents had visited the area prior to the event, compared to 86% of respondents last year.

Over four fifths of respondents (81%) stated that they had spent at least one night away from home as a result of the Etape event. This is greater than the 75% reported in 2007.

In terms of the location of overnight stay, as shown in **Table 3.4** the majority of respondents stayed within Pitlochry, which was also the starting and finishing point of the race. Pitlochry was also the main location for visitors in 2007, however this year a slightly smaller proportion are staying there (62% compared to 66% in 2007).

The next most common locations were Perth and Blair Atholl/Killiecrankie and Aberfeldy. Aberfeldy has increased from last year (up from 1% to 5%). A small proportion stayed in places outwith Perth & Kinross e.g. Dundee, Linlithgow and Edinburgh.

Table 3.4: Overnight Accommodation Location

	No.	%
Pitlochry	189	62%
Perth	21	7%
Blair Atholl/Killiecrankie	17	6%
Aberfeldy	16	5%
Birnam & Dunkeld	12	4%
Blairgowrie	7	2%
Kirkmichael	5	2%
Dundee	5	2%
Faskally	5	2%
Crieff	5	2%
Glenshee	2	1%
Alyth	2	1%
Loch Tay	2	1%
Grandtully	2	1%
Other (Perth & Kirnoss)	8	3%
Other (Outside Perth & Kinross)	6	2%
Total	304	100%

3.2.3 Views on Perth & Kinross

Table 3.5 outlines the responses made by non-resident participants in terms of their views on the quality of the accommodation and local activities on offer in Perth and Kinross.

Table 3.5: Quality of Accommodation and Local Activities

Accommodation			Local Activities		
Sliding Scale	No.	%	Sliding Scale	No.	%
5- Very Good	94	26%	5- Very Good	50	14%
4	110	30%	4	138	38%
3	76	21%	3	107	30%
2	15	4%	2	15	4%
1 – Very Poor	6	2%	1 – Very Poor	5	1%
No Response	61	17%	No Response	47	13%
Total	362	100%	Total	362	100%

Some 56% rated the quality of accommodation in Perth and Kinross as 4 or 5. In terms of the quality of local activities, 52% rated it as 4 or 5.

Table 3.6 outlines the responses made by non-resident participants in terms of their views on the quality of the shops and restaurants on offer in Perth and Kinross.

Table 3.6: Quality of Shops and Restaurants

Shops			Restaurants		
Sliding Scale	No.	%	Sliding Scale	No.	%
5- Very Good	29	8%	5- Very Good	36	10%
4	131	36%	4	127	35%
3	138	38%	3	129	36%
2	22	6%	2	22	6%
1 – Very Poor	5	1%	1 – Very Poor	4	1%
No Response	37	10%	No Response	44	12%
Total	362	100%	Total	362	100%

Some 44% rated the quality of shops in Perth and Kinross as 4 or 5 and 45% rated the restaurants as 4 or 5.

Table 3.7, over outlines the responses made by non-resident participants in terms of their views on the quality of the activities on offer during the event weekend.

Table 3.7: Quality of Activities on Offer		
Sliding Scale	No.	%
5 – Very Good	46	13%
4	120	33%
3	129	36%
2	30	8%
1- Very Poor	5	1%
No response	32	9%
Total	362	100%

Some 46% rated the quality of activities on offer during the event weekend as 4 or 5.

Table 3.8 outlines the responses made by non-resident participants in terms of their views on the quality of the overall visit experience to Perth and Kinross and their likelihood to return to the area for a holiday in the next three years.

Table 3.8: Quality of Overall Experience and Likelihood to Return					
Overall Experience			Likelihood to return within 3 yrs		
Sliding Scale	No.	%	Sliding Scale	No.	%
5- Very Good	167	46%	5- Likely	158	44%
4	156	43%	4	84	23%
3	24	7%	3	60	17%
2	3	1%	2	26	7%
1 – Very Poor	3	1%	1 – Unlikely	27	7%
No Response	9	2%	No Response	7	2%
Total	362	100%	Total	362	100%

Some 89% rated their overall visit experience to Perth and Kinross as 4 or 5. In terms of the likelihood of returning (outwith the Etape Caledonia event), 67% rated this as 4 or 5.

3.2.4 Future Improvements

Future improvements that would enhance the quality of the race experience were identified as:

– more activities before/after event;

- more food and drink stations;
- later start time;
- more challenging route;
- lower cost; and
- changes to registration.

3.2.5 Participant Survey Overview

From the participant survey it is evident that holding the race on closed roads was viewed as a key aspect of the Etape cycling event, together with the location/scenery. In terms of negative aspects, the lack of food/drink facilities was the most commonly reported (11%), followed by the start time too early (10%) and the presence of roadside protestors (9%).

Four fifths of participants surveyed had spent at least one night away from home as a result of taking part in the event. A total of 62% stayed within Pitlochry – the starting and finishing location of the race. Other areas on the Etape cycle route attained a much lower proportion of overnight visitors, although there was an increase for some areas such as Aberfeldy.

Support for the event amongst participants tended to be high. Over three quarters of the sample commented that they would be highly likely to recommend the event to a friend.

With regards to quality of accommodation and local activities, 77% and 82% ranked these as 3 or above, respectively. The quality of activities on offer during the event weekend were rated 3 or above by 82.

Positive views with regards to the wider Perth and Kinross area were also identified with 96% rating their visitor experience as 3 or above (89% 4 or 5) and 84% providing similar ratings in terms of likelihood to return to the region on holiday within the next three years.

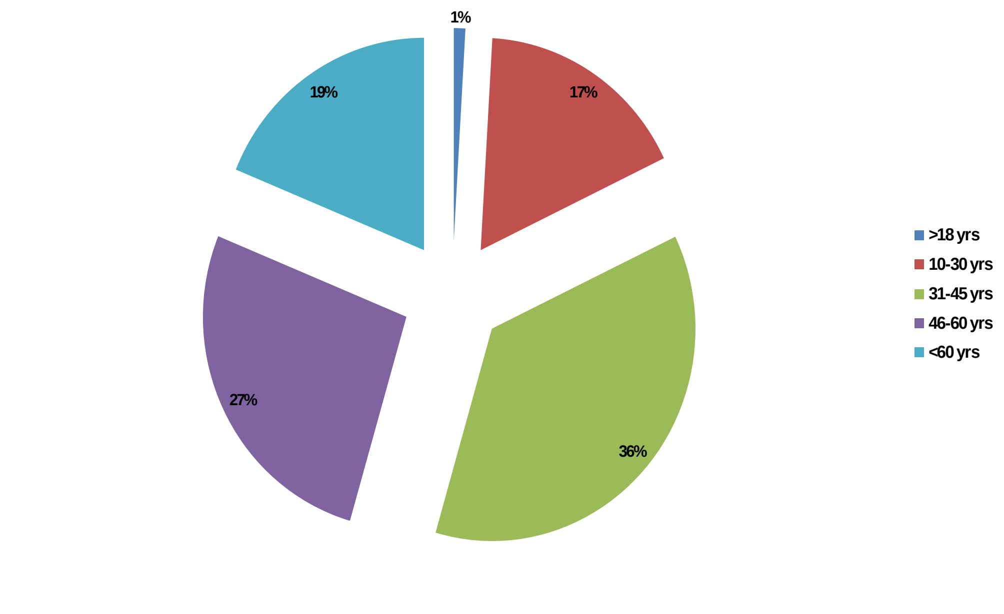
3.3 Spectator Survey

A total of 216 spectators were surveyed on a random sample basis by IBP on the day of the Etape Caledonia event – Sunday the 18th of May. The following section provides a summary of the responses made by spectators.

3.3.1 Survey Sample Profile

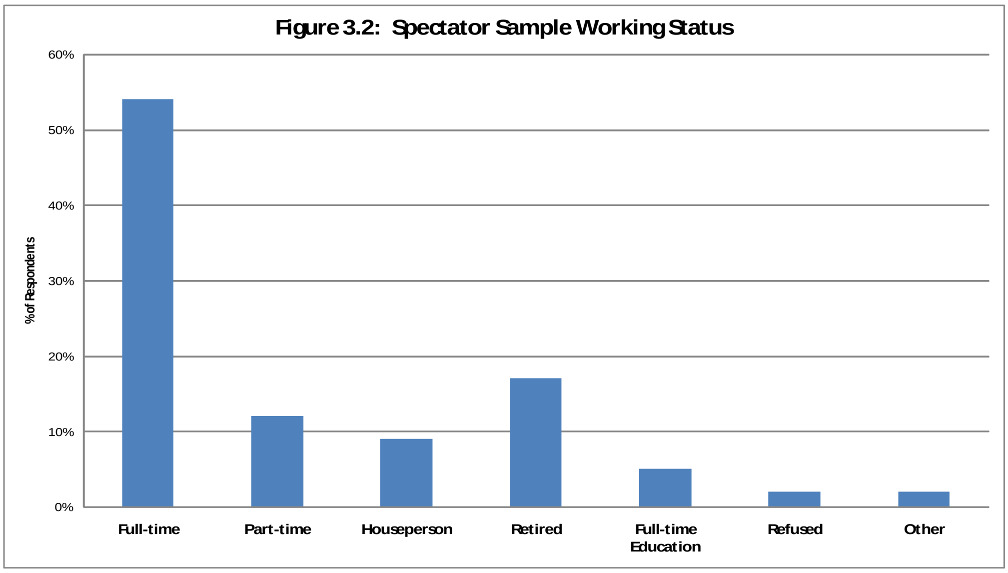
There was a higher proportion of female spectators (59%) compared to males which is slightly less than 2007 when females made up 63% of the sample. **Figure 3.1** provides an age breakdown.

Figure 3.1: Spectator Sample Age Breakdown



Based on the responses of 216 spectators.

As illustrated, over a third (37%) of the survey sample was aged between 31 and 45 years with just over a quarter (27%) between 46 and 60 years. Less than a fifth of the sample were under thirty years of age[1].



Based on the responses of 216 spectators.

The majority of the survey sample (66%) was in employment and 54% were in full-time employment. Nearly a third (31%) attended last year's event.

[1] Adults as anyone under 16 was not interviewed

3.3.2 Awareness of the Event

The majority of respondents (81%) had visited the local region previously, with only 18% spectators identifying that this was their first visit to the area.

Table 3.9 summarises the responses provided in terms of the "pull" of the cycling event in a respondents' decision to visit the area on that day.

Table 3.9: Importance of the event in visit decision-making

	No.	%
Live in Perth & Kinross area	36	17
Only reason for visiting Perth & Kinross area	129	60
One of the main reasons for visiting Perth & Kinross area	13	6
One of several reasons for visiting Perth & Kinross area	14	6
Not a factor in decision to visit Perth & Kinross area	24	11
Total No. Respondents	216	100

The pull of Etape Caledonia for spectators to visit the area is evident from the results in **Table 3.9**, where 60% of the sample identified this is as the only reason for their visit and a further 6% considered it to be the main reason for their visit. If Perth & Kinross residents are excluded, then the proportion identifying the event as the only reason is 72% and main reason 7%.

Table 3.10 outlines how the spectator sample became aware of the event.

Table 3.10: Spectator Event Awareness

	No.	%
Friend/relation taking part in the race	125	58
Word of mouth	42	19
Event website	12	6
Newspaper/Magazine	12	6
Advertising/Promotion	7	3
Just passing/Visiting	7	3
Live locally	6	3
Other	2	1
Radio/TV	1	<1
Don't Know/Can't remember	1	<1
Not answered	1	<1
Total No. Responses	216	100

The majority of spectators became aware of the event though a friend or relative taking part in the race. Nearly a fifth found out through word of mouth.

3.3.3 Visitor Experience

Nearly two thirds (63%) of the spectator sample identified that they were spending at least one night away from home as a result of the race (similar to the 2007 proportion of 65%). **Figure 3.3** outlines the types of accommodation utilised by visitors staying overnight in Perth and Kinross. The most popular was hotel accommodation (31%) followed camp and caravan site (29%). Guest house/bed and breakfast accommodation and staying with friends/relatives were the next most popular with 15% each.

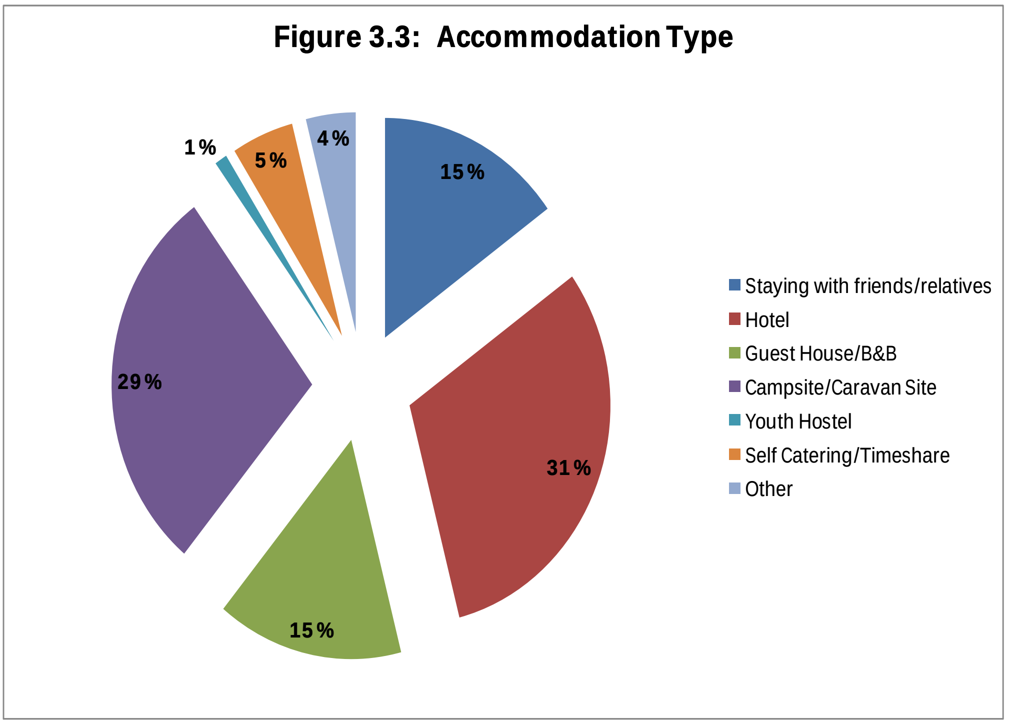


Table 3.11 shows the various areas (where applicable) visited by spectators whilst at the Etape event.

Table 3.11 Other areas visited whilst at the Etape Caledonia Event

	No.	%
Aberfeldy	42	19
Blair Atholl	32	15
Loch Tay Area	26	12
Loch Tummel Area	20	9
Loch Rannoch Area	19	9
Killiecrankie	17	8
Dunkeld	5	2
Other	7	3
None	140	65
No. Respondents	216	100

Approximately two thirds of spectators had not visited any other areas. Although this is the same proportion as last year, there were a larger number of spectators this year, therefore, a larger number of people visited other parts of the local area this year. For the third that had visited other areas, Aberfeldy, Blair Atholl and the Loch Tay area were the three most popular.

Spectators were also asked if they had visited any attractions as part of their trip to the Etape Caledonia Event. Only 18% of the sample reported that they had, with the most popular ones being:

- Pitlochry Salmon Ladder (12 respondents);
- House of Bruar (8 respondents);
- Festival Theatre (3 respondents); and
- Killiecrankie visitor centre (2 respondents).

For the 2008 event a number of activities took place before, during and after the event. Spectators were asked which of these activities they attended. **Table 3.12** details those activities they attended.

Table 3.12: Activities attended before, during and after the race.

	Yes		No.		Not answered	
	%	No.	%	No.	%	No.
Finish Line Entertainment	68	147	31	68	<1	1
Pitlochry Pasta Ceilidh	16	35	83	180	<1	1
House of Menzies/Safari Lodge	14	30	86	185	<1	1
Ice Cream Event at the Courtyard, Kenmore	6	13	93	201	1	2

Blair Castle	6	12	94	203	<1	1
Kinloch Rannoch Fun Day	2	4	98	211	<1	1
Highland Perthshire Market, Logierait Farm	1	2	98	212	1	2
Etape Route Treasure Hunt	<1	1	99	214	<1	1

The most popular event attended was the Finish Line Entertainment which attracted over two thirds of spectators. The Pitlochry Pasta Ceilidh and the activities at the House of Menzies/Safari Lodge were the next most popular activities with 16% and 14% of spectators attending. Overall, 69% of spectators rated the activities on offer before, during and after the race as either good or very good. Less than a tenth (8%) rated them as poor or very poor.

Spectator rating amongst non-residents in terms of the quality of the overall visit experience to Perth and Kinross was high. A total of 97% of visitors rated their experience as either very good or good with 45% rating it as very good. Only two of the respondents identified the quality of the experience to be poor.

Table 3.13 provides details of the likelihood for spectators to return to Perth and Kinross for a holiday in the next three years, excluding a return visit to Etape Caledonia.

Table 3.13: Likelihood to return to Perth & Kinross on holiday within the next three years

	No.	%
Very Likely	62	36
Likely	71	41
Neither/Nor	25	14
Unlikely	13	8
Very Unlikely	2	1
Total No. Respondents	173	100

The likelihood of spectators returning to Perth and Kinross on holiday within the next three years was relatively high, with over three quarters (77%) stating they were very likely or likely to return.

3.3.4 Rating of the Event

Spectators were lastly asked their opinion on the rating of the Etape Caledonia event itself and any suggested improvements.

Table 3.14 provides the results of the spectator event rating and their likelihood to return to Etape Caledonia event next year.

Table 3.14 Spectator Event Rating and Likelihood of Return

Rating of event quality		Likelihood to return next year	
Very Good	47%	Very Likely	39%
Good	44%	Likely	41%
Average	6%	Neither/Nor	9%
Poor	1%	Unlikely	6%
Very Poor	<1%	Very Unlikely	4%
Not answered	<1%	Don't Know	2%

Spectators generally rated the quality of the Etape Caledonia race positively - with 91% giving a very good/good rating. More importantly, less than 1% of the spectators surveyed rated the quality of their experience negatively.

Some 80% of respondents commented that they would be very likely/likely to visit the Etape Caledonia event next year.

Suggested future improvements to the event by spectators included:

- better facilities for spectators (15 respondents);
- encourage local businesses to open up earlier on the day of the race (11 respondents);
- better information for spectators: appropriate viewing points, road closures, car parking etc (10 respondents);
- increased marketing/publicity surrounding the event (9 respondents);
- more activities on-site for non participants (9 respondents);and
- more for children to do (9 respondents).

3.3.5 Spectator Survey Overview

The spectator sample included a high proportion of people that had visited Perth and Kinross prior to the Etape Caledonia event (81%) with nearly a third (31%) attending last year's event. Nearly two thirds (64%) were aged between 31 and 60 years old and the majority (66%) were in employment.

The event attracted a high proportion of spectators to the area with 80% coming from outwith the Perth and Kinross region and just over a quarter coming from outwith Scotland.

The pull of Etape Caledonia for spectators to visit the area is evident from the fact that, for non Perth & Kinross residents, 72% of the sample identified this is as the only reason and a further 7% as the main reason for their visit. Beyond a friend or relative taking part in the race, word of mouth, the event website and press were the most common ways of finding out about the event.

Almost two thirds (63%) of the spectator sample identified that they were spending at least one night away from home as a result of the race. Hotel and camp & caravan site was the most popular type of accommodation provision (60%).

Over a third (35%) of the spectators surveyed visited other areas within Perth and Kinross as part of their trip to the Etape event, with Aberfeldy and Blair Atholl identified as the most common places to visit. A total of 18% had visited attractions in the region.

The likelihood of spectators returning to Perth and Kinross on holiday within the next three years was high, with over three quarters (77%) of the sample identifying this as likely or very likely.

Spectators generally rated the quality of the Etape Caledonia race positively - with 91% giving a very good/good rating. A total of 80% of respondents commented that they would be very likely/likely to visit the Etape Caledonia event next year.

Suggested future improvements to the event by spectators included better facilities for spectators, encouraging local businesses to open earlier, better information for spectators and increased marketing/publicity.

4. Business Survey

4.1 Introduction

For economic impact assessments of events we would not normally conduct business surveys as they cannot provide a robust assessment. Previous experience has shown that attempting to assess the impact using a business survey results in limited responses and poor quality data. Businesses find it difficult to respond to questions about impacts as they are unable to distinguish between the expenditure of event attendees and non-event attendees. Therefore, the most robust way to assess the impact of an event is through surveys of the participants/spectators.

However, in the case of this event there was concern that some of the businesses would experience negative impacts. Therefore, a business survey was undertaken in order to attempt to provide a scale for the businesses negatively affected.

The businesses were surveyed though a combination of postal surveys (with an option to complete the survey online) and telephone interviews.

A total of 101 businesses responded from a total sample of 366 providing a response rate of 28%. A total of 28 businesses reported a negative impact on the day (compared with 39 in 2007) and 14 on the days before and/or after the event (compared with 24 in 2007). The total number of different companies negatively affected was 29 (compared with 48 in 2007), 8% of those contacted. A total of 33 companies reported a positive impact and 39 reported no impact. It is interesting to note that five of the businesses reporting a negative impact on the day of the event reported a positive impact on the days before/after the event (compared with one business in 2007). Whilst the negative impact still outweighed the positive, the impacts before/after the event had helped to partially offset the negative impacts.

The survey was split between businesses and self catering accommodation providers although there was some crossover between the two. A number of questions were identical on both surveys and these are analysed together where appropriate.

The positive impacts are already captured through the participant/spectator survey: these are not reported here to avoid double-counting of the positive impacts. Those that said that it had no impact are excluded as the impact is neutral. We thus focus the analysis on those that had a negative impact to understand why and whether there are changes that could be made to the event to mitigate against these. The scale of the negative impact is reported in Chapter 5.

4.2 Survey Analysis

4.2.1 Survey Sample Profile

The type of businesses that were negatively affected is shown in **Table 4.1,** over.

Table 4.1: Business Type	
	No.
Accommodation	6
Retail	10
Restaurant/Coffee shop	4
Other	9
Total	29

4.2.2 Impacts on the Day of Event

The businesses were asked about the impact of the event on the day it took place and then separately for the days before/after the event. The exception to this is the self catering establishments. They are likely to rent out their accommodation on a weekly basis so the impact on them is considered separately in **Section 4.2.4.** A total of 28 businesses identified that the Etape Caledonia event had a negative impact on the sales and/or income of their business on the day of the event.

The main reason offered by 16 businesses was the negative impact of the road closures which prevented their business from operating normally on the day of the race.

The businesses were asked if they thought the Etape Caledonia event discouraged local residents and/or visitors to the area.

Table 4.2: Did the Etape Caledonia Event discourage local people or visitors to the area from using your business?		
	No.	%
Discouraged visitors to area	5	19
Discouraged both local residents and visitors	21	81

For businesses that felt that the event discouraged customers from using their business, 81% judged this to be a combination of local people and visitors to the area. When asked to give a percentage breakdown for how much expenditure each group would account for this gave an average of 76% for visitors and 24% for locals.

4.2.3 Impacts on Days Before and After Event

Businesses were asked what impact, if any, the event had on the days before and/or after the event. A total of 13 businesses stated that it had had a negative impact.

Table 4.3 shows that 8 businesses had bookings cancelled and 3 had bookings changed as a result of the Etape Caledonia event.

Table 4.3: Did anyone cancel/change bookings with your business as a result of the Etape Caledonia Event?	
	No.
Yes, cancelled bookings	8
Yes, changed their booking to a different date	3

4.2.4 Impacts on Self Catering Accommodation

Self catering accommodation is often booked for a minimum of one week, and, therefore, the impact for the week of the event is considered below.

In total, 39 self catering properties were available across the 22 providers. From the information provided a total of 32 out of the 39 properties were occupied during the Etape Caledonian event providing an occupancy rate of 82%.

For those with unoccupied space the providers were asked if anyone had made an enquiry but did not proceed or cancelled due to the event taking place. The response to this question is given in **Table 4.4.**

Table 4.4: Did anyone make an enquiry but not proceed/cancel due to the event taking place?	
	No.
Yes, made enquiry, but didn't proceed due to event	1
Yes, cancelled a booking because event was taking place	0
No	5
Total with unoccupied units	6

Only one provider identified an enquiry as not proceeding due to the event taking place.

4.2.5 Views on Event

Businesses were asked if any of their customers provided any feedback on the Etape Caledonia event. Just over half of all businesses received some form of feedback.

Businesses were asked if they could provide further detail on whether customer's feedback was positive or negative. The most common positive comments are listed in **Table 4.5**.

Table 4.5: Positive feedback?	
	No.
Event was enjoyable for customers	19
Good for local area	16
Event was well organised	14
Beautiful scenery/great location	13

The main positive comments were that the event was enjoyable for customers, good for the local area, well organised and it was set in a great location with beautiful scenery. Comparing these results to last year, a larger number of businesses have reported positive feedback (42 compared with 23 in 2007).

Table 4.6 shows the most common negative feedback comments.

Table 4.6: Negative feedback?	
	No.
Road closures causing mobility/access problems	16
General inconvenience	11
Disruptions to journeys/plans for the day	7

The main reason for negative feedback was the road closures which caused customers mobility and access problems. In a number of cases customers referred to being stuck in their accommodation until the road closures were lifted or were unable to access the areas they wished to visit because of the closures. In comparison to last year, fewer businesses have reported negative feedback (34 compared with 44 in 2007).

4.2.6 Changes Undertaken

Businesses were asked if there were any changes undertaken this year (either by their business or other organisations) that helped to increase the positive impacts or reduce the negative impacts on their business. **Table 4.7** shows the responses.

Table 4.7: Changes Undertaken		
	No.	%
Shortened road closures times	15	35%
More associated events/activities	10	23%
Race started earlier	9	21%
Better pre-event publicity	8	19%
Local businesses offering free ice creams/coffee/scones	8	19%
Bringing the event forward to May	3	7%
Better information about the event	3	7%
Other	6	14%

The main changes identified were shorter road closures times, more associated events/activities and the fact that the race started earlier. Better per-event publicity was also seen as beneficial as was businesses offering free products such as ice creams, coffee and scones. It is interesting to note that some businesses had reduced the level of negative impact but this had been in part as a result of support provided by Perth & Kinross Council to undertake other activities.

4.2.7 Suggested Improvements

Businesses were asked what improvements could be made in the future to increase the positive impact or to reduce the negative impacts. **Table 4.8** shows the responses.

Table 4.8: Suggested Improvements		
	No.	%
No road closures	13	27%
Better community consultation	11	23%
Change the season/timing of event	8	17%
Better signage	7	15%
Better/Advance marketing of event to tourists and locals	7	15%
Hold a social event on the Saturday or Sunday to encourage visitors to stay 2 nights	3	6%
Publish information on financial benefits of the event	2	4%
National television coverage of the event	2	4%
Hold the event on open roads	2	4%
Other	10	21%

The main improvements put forward to reduce the negative impacts of the event are no road closures, better community consultation, change the season/timing of event, better signage and better advance marketing of the event. In comparison to last year, the main improvements suggested are very similar.

However, this year a smaller number of businesses are suggesting no road closures (13 compared with 16 in 2007) better community consultation (11 compared with 33 in 2007) and changing the season/timing of event (8 compared with 25 in 2007). One improvement suggested last year by 15 businesses was a reduction in road closure time periods which is something that was not suggested by any of the businesses this year. This seems to link to the fact that shortened road closure times was the most common change this year identified as increasing the positive/reducing the negative impact on businesses.

4.3 Overview

For those negatively affected (8% of businesses contacted), a larger number of companies recorded a negative impact on the day of the event than in the period before and after. The negative impact was judged primarily to have discouraged visitors to the area although some expenditure from local people was also affected. The negative impact seemed to extend less to self catering businesses who recorded little negative impact (although some businesses affected also had self catering accommodation). The negative feedback from customers focused on the road closures and the inconvenience this caused although a smaller number of businesses reported negative feedback compared with 2007.

Some changes undertaken this year were identified as having helped improve the positive/reduce the negative impacts on businesses. These included shorter road closures times, more associated events/activities (including businesses offering free ice creams/coffee/scones), the race starting earlier and better pre-event publicity.

Improvements suggested for the event included no road closures, better community consultation and changing the season/timing of the event although the number suggesting these changes were much lower than in 2007.

5. Economic Impact

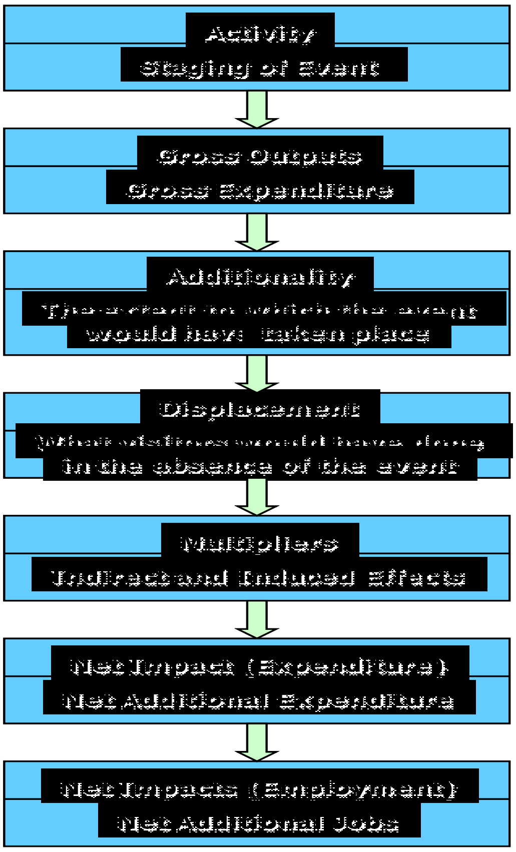
5.1 Introduction

This chapter provides an assessment of the economic impact of the event utilising data from the survey work and the event organisers.

5.2 Economic Impact Assessment Method

Our approach to the economic impact assessment is given in **Figure 5.1**, below and is consistent with the Post Event Economic Impact Assessment Framework developed for EventScotland *et al* by EKOS[2].

Figure 5.1: Economic Impact Assessment Method



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[2] EKOS (2005) *Post Event Economic Impact Assessment Framework*
The framework was developed for a client group including EventScotland, VisitScotland, the Scottish Executive, Scottish Enterprise, Highlands and Islands Enterprise and representation from the Local Authorities.

5.3 Gross Impacts

5.3.1 Visitor Numbers and Origin

TABLE 5.1: Number of Visitors		
Type of Visitor	**Number**	**%**
Participant	1,702	40
Spectator (friend or relative)	1,953	45
Spectator (other)	639	15
Total	4,294	100

A total of 1,702[3] people took part in the Etape Caledonia event. It has been estimated from the survey analysis that 1,953 friends and relatives of participants came to see them take part. A further 693 spectators that did not have a friend or relative taking part also came to watch the event.

The origin of visitors split by participant plus spectators (friends/relatives) and spectator (other) are given in **Table 5.2.**

Table 5.2: Visitor Origin (%)			
	Participant	**Spectator**	**Total**
Perth & Kinross	9	25	11
Elsewhere in Tayside	5	0	4
Elsewhere in Scotland	49	36	47
Elsewhere in UK	36	24	35
Overseas	1	15	3
Total	100	100	100

A total of 85% of all visitors came from outwith Perth and Kinross (compared with 80% in 2007) with 38% coming from outwith Scotland (compared with 30% in 2007).

Based on the survey results the split between day and overnight visitors is provided in **Table 5.3** below.

TABLE 5.3: Type of Visitors		
Type of Visit	**Number**	**%**
Day Visitors	813	19
Overnight visitor	3,482	81
Total	4,294	100

[3] Figures provided by the event organisers – Etape Caledonia.

The proportion of overnight visitors was 81% compared with 70% in 2007. The pattern of visitor behaviour varies by origin and type of visit i.e. day and overnight, therefore, these have been analysed separately in order to derive the economic impact. **Table 5.4** gives a breakdown of type of visitor by origin.

Table 5.4: Visitor by Type and Origin (%)

	Participants plus spectators (friends/relatives)		Spectators (other)	
	Day	Overnight	Day	Overnight
Perth & Kinross	7	2	25	0
Elsewhere in Tayside	3	2	0	0
Elsewhere in Scotland	7	42	4	32
Elsewhere in UK	0	36	0	24
Overseas	0	1	0	15
Total	17	83	29	71

5.3.2 Expenditure

The average daily expenditure for participants and spectators is shown in **Table 5.5.**

Table 5.5: Average Daily Expenditure

	Tayside	Other Scottish	Non-Scottish
Participants			
Day	£8.47	£27.41	£27.41
Overnight	£65.79	£65.79	£83.40
Spectators			
Day	£21.15	£21.15	n/a
Overnight	£40.45	£40.45	£68.50

Gross expenditure is calculated as follows:

GE = dv.ndv + ov.l.nov

Where GE gross expenditure
dv average daily expenditure of day visitors
ndv number of day visitors
ov average daily expenditure of overnight visitors
l average length of stay
nov number of overnight visitors

Applying the formula gives gross expenditure figures as detalied in **Table 5.6**[4]. The gross expenditure is shown at the Perth & Kinross and Tayside levels.

Table 5.6: Gross Spend (£)		
	Perth & Kinross	Tayside
Participants	172,453	178,058
Spectators	186,204	192,559
Total	358,657	370,617

5.4 Gross to Net

To calculate the net impact of the event, which is the true measure of the economic benefit to Perth & Kinross and Tayside, it is necessary to take account of:

- additionality;
- displacement; and
- multiplier effects.

5.4.1 Additionality

Additionality is a measure of the extent to which public sector funding was required for the event to take place. In this case without public sector funding the event would not have gone ahead, therefore the level of additionality is 100%.

5.4.2 Displacement

There are two froms of displacement that need to be assessed:

- for those attending the event; and
- for non-attendees.

The former involves discounting any benefits from the event that have displaced economic activity that would have taken place anyway. It is an assessment of the extent to which the event has caused spending to be shifted from one part of the local economy to another.

[4] Visitors were disaggregated by visitor type before the formula was applied.

Using survey responses the levels of displacement were estimated as set out in **Table 5.7**.

Table 5.7: Displacement factors (%)		
	Perth & Kinross	**Tayside**
Participants and Spectators (friends and relatives)		
Day		
Perth & Kinross	91	91
Elsewhere in Tayside	8	96
Elsewhere in Scotland	0	0
Overnight		
Perth & Kinross	100	100
Elsewhere in Tayside	8	100
Elsewhere in Scotland	0	0
Elsewhere in UK	1	1
Overseas	33	33
Spectators (other)		
Day		
Perth & Kinross	96	96
Elsewhere in Tayside	0	100
Elsewhere in Scotland	25	25
Overnight		
Elsewhere in Scotland	66	66
Outwith Scotland	66	66

For participants and friends and relatives attending with participants the levels of displacement are very low for those coming from outwith Perth and Kinross and Tayside. For the vast majority of these visitors; the event is the reason that they are in Perth and Kinross.

Taking account of this form of displacement reduces the gross expenditure by £43,632 and £49,752 at the Perth & Kinross and Tayside levels, respectively.

The second form of displacement relates to non-attendees. It relates to the expenditure that is lost to the area as a result of those that would have visited the area deciding not to visit as a result of the event taking place e.g. due to lack of accommodation, road closures, traffic congestion etc. This expenditure needs to be deducted from the expenditure created by visitors brought to the area by the event.

Although this is a relatively straightforward concept it is a difficult thing to measure in practice. However, there was concern amongst local businesses that the event would discourage visitors to the area. Therefore, in order to provide some scale for this effect we undertook a survey of local businesses to access details on the number and scale of negative impact that they experienced during the event.

Analysis of the results from this survey suggests that this form of displacement equated to approximately £36,000 (that compares with £66,000 in 2007). It may be that some of the expenditure lost by the business affected may have accrued to other businesses within the local area. However, it is very difficult to establish if this was the case, therefore for the purposes of the impact assessment we have assumed that this expenditure was lost to the local area.

Taking account of both forms of displacement gives net direct additional expenditure of £279,505 at the Perth & Kinross level and £285,345 at the Tayside level.

5.4.3 Multipliers

The economic activity as a result of the event will also 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 economy; 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 economy.

The Scottish Tourism Multiplier Study (STMS) provides standard supplier and income multipliers for the tourism sector[5]. This estimates that the combined supplier and income multiplier for a rural location is 1.32 at the Perth and Kinross level. A slightly higher multiplier of 1.38 has been used at the Tayside level.

5.5 Net Additional Expenditure

Applying additionality, displacement and multipliers to the gross expenditure gives net additional expenditure of £368,947 at the Perth & Kinross level and £393,777 at the Tayside level, as set out in **Table 5.8**.

[5] The concept of the multiplier is based on recognition that the various sectors within an economy are interdependent. This means that each sector purchases goods and services produced by other sectors within the local economy.

Table 5.8: Net Additional Visitor Expenditure		
	Perth & Kinross	Tayside
Gross spend	£358,657	£370,617
Additionality	100	100
Displacement	£43,632	£49,752
Displacement (non-attendees)	£35,520	£35,520
Net Direct	£279,505	£285,345
Multipliers	1.32	1.38
Net additional	£368,947	£393,777

However, expenditure to stage the event needs to be included. As part of staging the event, the event organisers spent £57,460 with businesses in the Perth and Kinross area. Perth & Kinross provided £12,000 in funding to the event. It would seem reasonable to assume that had this not been provided to the event it would have been spent elsewhere in Perth & Kinross. We have also deducted the amount that would have been funded through local residents entry fees. This gives £39,776 in Perth & Kinross and £36,885 in Tayside. When multipliers[6] are applied to this it gives net additonal spend of £45,742 and £44,262 at the Perth & Kinross and Tayside levels, respectively. Those visiting prior to the event for training has been estimated at a further £2,195 and £2,239 at the Perth & Kinross and Tayside levels, respectively.

The total net additonal spend is given in **Table 5.9**.

Table 5.9: Net Additional Expenditure		
	Perth & Kinross	Tayside
Participants/Visitors	£368,947	£393,777
Staging	£45,742	£44,262
Training	£2,195	£2,239
Total	£416,885	£440,277

5.6 Net Additional Employment

Due to the short-term nature of the event the employment impacts would meet HM Treasury[7] criteria of being full-time and of a 10 year duration.

[6] This expenditure will not be confined to tourism businesses. Thus we have used the multipliers (1.15 at Perth & Kinross and 1.2 at Tayside) for general business activity derived from evaluation evidence.
[7] "The Green Book", HM Treasury.

It is, instead, likely that the employment impacts will be short-lived. We have, therefore, calculated annual equivalent jobs. We have applied output:employment factors derived from the STMS[8]. These are:

- £47,000 for Perth and Kinross; and
- £44,000 for Tayside.

Applying the output:employment factors to the net additional expenditure figures gives an employment impact of 8.9 annual FTEs in Perth & Kinross and 10.0 annual FTEs in Tayside.

5.7 Summary of Impacts

A summary of the net additional impacts of the event are given in **Table 5.10.**

Table 5.10: Net Additional Impacts

	Perth & Kinross	Tayside
Net Additional Spend	£416,885	£440,277
Net Additional Annual FTEs	8.9	10.0

[8] An inflator has been applied to bring the figures up to 2006 values.

6. Summary and Conclusions

6.1 Introduction

This chapter brings together the analysis from the previous chapters to provide a summary and conclusions.

6.2 Summary and Conclusions

6.2.1 Participants

Participants' views on the event tended to be positive with a large proportion being very likely to recommend it to a friend. The event being a closed road cycle race open to the public is a key selling point and its importance to participants is reflected in the proportion identifying it as the best part of the event at 65% (up from 52% in 2007).

The worst aspect most commonly cited was lack of food/drink facilities, the start time being too early and the roadside protestors.

Pitlochry was the most popular location for overnight stays (three fifths), with the next most common being Perth and Blair Atholl/Killiecrankie. Notably Aberfeldy increased from 1% in 2007 to 5% in 2008. The focus on Pitlochry is not surprising given that the race started and finished in the town and that the early start would make visitors more likely to want to stay in or around the town.

The majority of visitors rated their overall visitor experience to Perth & Kinross highly (89% visitors rated it 4 or 5). Some 67% rated the likelihood of a return visit to Perth & Kinross (outwith a return visit to the event) a 4 or 5. These results are particularly encouraging in terms of the opportunity to encourage visitors to come back in the future.

Suggested improvements to the event included: more activities before/after the event, more food and drink facilities, and a later start time.

6.2.2 Spectators

The spectators also rated the event highly, with 91% rating it very good or good and 80% stating that they would be very likely or likely to return to the event next year.

The suggested improvements included better facilities for spectators, encouraging local businesses to open earlier and better information for spectators.

As spectators would presumably have free time whilst the participants were taking part in the race, they were asked which other parts of the local area they had visited. Aberfeldy was visited by a fifth of spectators followed by Blair Atholl (15%) and the Loch Tay area (12%). However, two thirds of the respondents had not visited any other area. Whilst this is a similar proportion to 2007 it should be noted that there were more spectators in 2008 so a larger number visited other areas compared with 2007.

Only 18% had visited attractions with the most popular being located in Pitlochry or near to Pitlochry. However, a number of people had visited the activities on offer that were linked to the event, the most popular being the start/finish line entertainment.

There has been an increase in the number visiting other parts of the local area. However, there is still a need to further promote other parts of the area and visitor attractions to encourage a wider distribution of expenditure and longer lengths of stay.

6.2.3 Businesses

A total of 29 businesses reported a negative impact on their business (compared with 48 in 2007). A total of 29 businesses (39 in 2007) stated that the event had a negative impact on their business on the day it took place. A total of 13 (24 in 2007) businesses stated that it had a negative impact on the days before and/or after the event. Five reporting a negative impact on the day had a positive impact on the days before/after the event. This partially offset the negative impact and may be an option for other businesses negatively affected.

Half of the businesses had received feedback from customers on the event. A higher proportion of businesses reported positive feedback compared with 2007 and a lower number negative. Overall there was a higher proportion of positive compared to negative feedback (a reversal on 2007). The negative tended to focus on the road closures causing mobility/access problems.

Changes that were cited as a benefit to increasing the positive/reducing the negative impact on businesses were to shortened road closure times, more associated events/activities and the race starting earlier.

The suggested improvements were similar to last year but from a lower number of businesses. For example the number suggesting better community consultation dropped from 33 to 11 businesses and those asking for a change of season/timing reduced from 25 to 8.

6.2.4 Economic Impact

The event attracted a total of just over 4,294 visitors (1,702 participants and 2,592 spectators). The key factors in relation to the economic impact analysis are:

- 81% were overnight visitors (75% in 2007);
- 85% were from outwith Perth & Kinross (80% in 2007), 38% from outwith Scotland (30% in 2007);
- very low levels of displacement for visitors to the Perth and Kinross area i.e. the vast majority would not have been in the area if the event had not been taking place;
- relatively short length of stay:
  - 1.2 nights for Scottish visitors
  - 1.9 nights for non-Scottish visitors;

The net additional economic impacts for the event were:

- Perth & Kinross level:
  - £416,885 of expenditure (£191,337 in 2007)
  - 8.9 annual FTEs (4.2 in 2007); and
- Tayside level:
  - £440,277 of expenditure (£199,604 in 2007)
  - 10.0 annual FTEs (4.7 in 2007).

Due to the nature of the event i.e. closed roads and restricted access in places, the event is still having a negative impact on a number of businesses. However the number adversely affected was much lower than in 2007, so distributional impact of the event in negative terms still exist but to a lesser extent than in 2007. This is discussed in greater detail below.

6.2.5 Distributional Impacts

There were a number of changes that were introduced for this year's event aimed at reducing the impact on those businesses negatively affected e.g. it was earlier in the year, an earlier start, shorter road closure times, extra activities events etc.

This seems to have had an impact as the number of businesses negatively affected has dropped from 48 in 2007 to 29 in 2008. The value of the negative impact has also dropped from £66,000 to £36,000.

However, whilst the number negatively affected has declined there are still companies in this position. The issue is whether there are further strategies/activities that can be undertaken to reduce the negative impact on these businesses. One focus for this may be the period before/after the event whether that is the actual week of the event or at other times. For example the organisers see there being greater opportunity to encourage participants for training sessions in advance of the event. There may be an opportunity for local businesses to link into this.

The other activities offered around the event were supported in part by Perth & Kinross Council so consideration needs to be given to the sustainability of these in the future.

6.3 Concluding Comments

The number of participants at the event at just over 1,700 was 67% higher than in 2007. The increase in participants (and therefore spectators as many are friends/relatives) together with a higher number being from outwith the area and staying overnight has increased the economic impact of the event considerably. Indeed the impact has more than doubled. The number of business negatively impacted (and the value of that impact) has decreased. However, there is still a need to consider if there are other ways to reduce the impact on those businesses that are still negatively affected.