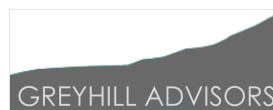




2011 SOUTH BY SOUTHWEST
CITY OF AUSTIN ECONOMIC IMPACT ANALYSIS

MUSIC – INTERACTIVE – FILM

PREPARED BY



EXECUTIVE SUMMARY



In March 2011, South by Southwest (SXSW) hosted its 25th annual conference, trade show, and festival in Austin, Texas. A quarter century after its inaugural event, SXSW has matured into one of the world's most respected gatherings of Music, Film and Interactive professionals. 2011 proved to be a year of substantial growth for SXSW, with the number of official registrants surging 40 percent over the previous best year. For the second straight year, SXSW Interactive attendance fueled the impressive increase, although SXSW Film and SXSW Music also enjoyed banner years.

The City of Austin's hospitality industry enjoyed two very profitable weeks in a challenging year thanks to SXSW's direct booking of more than 10,500 individual reservations totaling nearly 47,500 room nights—an increase of more than 20% over the previous year.

The core SXSW events (Music, Film, and Interactive) delivered a depth and breadth of creative activity unmatched by any event in the world: 9 days of industry conferences, a 4-day trade show, a 4-day music gear expo, a 6-night music festival (2,100 artists on more than 80 stages), and a 9-day/night film festival (more than 425 screenings in 9 theatres). Creative professionals were recognized for their work at the Austin Music Awards, the SXSW Film Festival Awards, SXSW Film Design Awards, and the SXSW Interactive Awards. The total number of SXSW Conference and Festival participants totaled 126,100.

In addition, SXSW 2011 introduced SXSWedu, 3 days of programming and training (with an emphasis on technology solutions for educators) for more than 800 registrants from across the country.

SXSW also hosted a number of popular free-to-the-public consumer events including the 3-night Auditorium Shores concert series, the 3-day Flatstock poster art show, the 2-day Texas Guitar Show, and the 2-day StyleX fashion expo – a new venture that will become an annual feature of SXSW. Traffic from these functions pushed the total attendance for SXSW 2011 to 286,000.

SXSW's programming blend continues to foster interaction and convergence between the Music, Film, and Interactive worlds. For nine days Austin becomes an incubator where professionals from the creative industries can learn from current leaders and respected legends, alike. This international crossroads of ideas is the central component of SXSW's enterprise, but the diverse conferences and festivals also provide Austin residents the opportunity to participate with out-of-towners in an extraordinary display of creativity and entertainment. Ultimately, both populations introduce and circulate money in the local economy.

In 2011, SXSW was responsible for injecting more than \$167 million into the Austin economy:

- **Operational Output** – This is a measurement of the direct, indirect, and induced local economic benefit of the year-round operations of SXSW as well as festival-specific expenditures by SXSW and official parties and sponsors. In 2011, the impact of SXSW operations on the Austin economy exceeded \$44.6 million.
- **Attendance Expenditures** – This captures the direct, indirect, and induced local economic benefit of all attendees of the conference and festival. Attendees include official SXSW badge-holders, industry professionals, and wristband holders, festival exhibitors, and single visitors of events such as film screenings and music concerts. In 2011, SXSW attendance expenditures totaled more than \$123 million.

This economic impact analysis is limited solely to events hosted or sanctioned by SXSW. Attempts by private marketers or third parties to co-opt SXSW attendance are not recognized by this analysis.

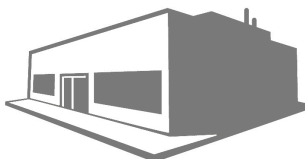
SXSW BY THE NUMBERS



OPERATIONAL IMPACT

The SXSW event lasts only two weeks in March, but the event's scale and complexity requires a year-round operation. In this respect, SXSW resembles any other private firm conducting business in Austin. SXSW maintains a full-time staff of approximately 120 workers; temporary and seasonal workers represent the equivalent of an additional 50 full-time workers. SXSW's Austin headquarters—the operational output—is just one component of the total economic impact analysis.

SXSW, Inc.
Official SXSW Parties
Official Sponsors



ATTENDANCE IMPACT

The attendance economic impact includes expenditures by attendees of all sanctioned SXSW events, as well as expenditures by official exhibitors.

Badgeholders & Conference Presenters	38,000
Musicians & Film Makers + Crew	19,200
Wristband Holders	7,000
Film Pass	1,500
Paid Single Admission (Music & Film)	56,100
Free Single Admission (Live Music Events)	59,900
ScreenBurn Gaming Arcade	27,200
Carver Museum Theatre	500
Gear Alley Expo	20,100
Flatstock Poster Show	25,000
Texas Guitar Show	12,000
Style X	15,700
Collateral Attendance	3,600
TOTAL	286,000

Attendees
Exhibitors



DIRECT IMPACT

\$111.7 MILLION



Direct economic impacts include expenditures directly injected into the local economy by SXSW, official sponsors, event attendees and exhibitors. A direct economic impact attributable to SXSW, for example, might include revenues from a catering company associated with hosting official festival events.



INDIRECT IMPACT

\$31.4 MILLION



Indirect effects include increases in sales, income and jobs associated with companies that benefit from SXSW expenditures. A representative indirect impact attributable to SXSW might include the increased revenue of a food distribution company that supplies products to SXSW's caterer.



INDUCED IMPACT

\$24.7 MILLION



Induced effects attributable to SXSW include spending by individuals who experience increased earnings as a result of the festival and conference. Groceries and other goods and services purchased by a catering company employee with the earnings from SXSW are representative of induced impacts.



TOTAL IMPACT \$167.8 MILLION

MEDIA VALUATION



Assigning a discrete quantitative value to publicity is beyond the scope of traditional economic impact studies; as the impact of positive media attention has not yet been proven to translate into direct local investment, any value created by media coverage must be accounted for outside the framework of direct, indirect, and induced economic impacts. Despite these methodological limitations, there is no doubt Austin benefits from publicity generated by SXSW.

Municipalities across America are increasingly adopting civic brands to bolster their public economic development efforts; in the fierce competition to attract investors, skilled workers, creative professionals, and tourists alike, developing a unique identity can help cities stand apart from the crowd.

Creating a brand that resonates with both residents and outside audiences, however, is expensive and success is not a given. Austin's distinctive identity as a thriving center for music, technology, and film is not only authentic, but it was established without expending significant public resources. The city's idiosyncratic image was born in large part from the success of events such as SXSW and succeeds precisely because it is continually reinforced. Ultimately, SXSW plays an important role in maintaining the ubiquity of Austin's reputation as a hotbed of creative and entrepreneurial activity.

Thanks to an annual wave of SXSW-related media exposure, millions of individuals throughout the world develop favorable impressions about Austin based on newspaper and magazine articles, television segments, and online blogs. In 2011 alone, SXSW—and and, by extension, Austin, Texas—achieved over 260 million broadcast, print, and online impressions. For virtually any city in the world, reaching such an extensive audience is possible only through hosting a rotating sports-related mega-event such as the Olympics, the World Cup, or the Super Bowl. Austin has enjoyed an annual global audience that promotes the region's embrace of film, music, and technology.

Although the media exposure enjoyed by SXSW and Austin comes without cost, such coverage does have a value. SXSW's impact is all the more powerful because it contributes to a coherent message about Austin, thereby strengthening the city's brand identity. In 2011, the value of SXSW print and online publications coverage totaled nearly \$38 million.

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

"South by Southwest now has three vibrant legs—music, film and Web—that come together to create a stool that is the envy of every other American city."

New York Times

"SXSW is the single best place in the creative innovation world to build relationships and get to know people."

Fortune

"For filmmakers, musicians and digitally creative people, Austin, Texas is the place to be this week. It's the site of the annual South by Southwest Festival, where new movies are screened, new artists are showcased and new applications are launched."

NPR

"SXSW is a massive crystal ball for pop culture. Whatever people are talking about at SXSW—the movies, the bands, the apps—are the things that will really hit it big in mainstream pop culture six months to a year down the line."

CNN

SXSW 2011 MEDIA COVERAGE



BROADCAST

A&E, New York, NY	Montreal Gazette, CANADA
ABC News, New York, NY	MSNBC, New York, NY
Agence France-Presse, FRANCE	MTV, New York, NY
AP, New York, NY	Norwegian Broadcast Corporation, NORWAY
Bande à Part, CANADA	NPR, Washington, DC
BBC, ENGLAND	NRK - Norway, NORWAY
BET, Washington, DC	Once TV, MEXICO
CBC, CANADA	PBS, Washington, DC
CBS, New York, NY	Radio-Canada, CANADA
CinéCinéma, FRANCE	Radiotelevisione Italiana, ITALY
CNN, Atlanta, GA	Reuters, New York, NY
Danish Broadcasting Corporation, DENMARK	Special Broadcasting Service, AUSTRALIA
E!, Los Angeles, CA	Univision, New York, NY
IFC, New York, NY	VH1, New York, NY

ONLINE

Ain't It Cool News, Austin, TX	indieWIRE, New York, NY
Aol, New York, NY	La Banda Elastica, MEXICO
CNET, New York, NY	Mashable, New York, NY
Dow Jones Market Watch, New York, NY	MSN, Seattle, WA
Écran Noir, FRANCE	Slate, Washington, DC
Flipboard, San Francisco, CA	Thrillist, New York, NY
Focus Vif, BELGIUM	Yahoo!, San Francisco, CA
Gawker Media, New York, NY	ZDNet, San Francisco, CA
Huffington Post, Washington, DC	

PRINT

Advertising Age, Detroit, MI	National Geographic, Washington, DC
Adweek, New York, NY	Nature, New York, NY
Aftenposten, NORWAY	New York Magazine, New York, NY
American Cinematographer, Los Angeles, CA	New York Times, New York, NY
Athens Banner-Herald, Athens, GA	Paste, Atlanta, GA
Austin American-Statesman, Austin, TX	People, New York, NY
Austin Chronicle, Austin, TX	Playboy, Chicago, IL
Bergensavisen, NORWAY	Popular Mechanics, New York, NY
Blackbook, New York, NY	Popular Science, New York, NY
Bloomberg Businessweek, New York, NY	ReadyMade, San Francisco, CA
Conde Nast, New York, NY	Rolling Stone, New York, NY
Dagbladet, NORWAY	Sound + Vision, New York, NY
De Volkskrant, NETHERLANDS	Spin, New York, NY
Details, New York, NY	Texas Monthly, Austin, TX
El Diario la Prensa, New York, NY	The Advocate, Los Angeles, CA
Entertainment Weekly, New York, NY	The Atlantic, Washington, DC
Esquire, New York, NY	The Economist, ENGLAND
Fast Company, New York, NY	The Guardian, ENGLAND
Forbes, New York, NY	The Hollywood Reporter, Los Angeles, CA
Il Manifesto, ITALY	The Independent, ENGLAND
Inc., New York, NY	The New Yorker, New York, NY
Interview, New York, NY	The Onion, Chicago, IL
Irish Independent, IRELAND	TIME, New York, NY
Irish Times, IRELAND	USA Today, Washington, DC
La Presse, CANADA	Vanity Fair, New York, NY
LA Times, Los Angeles, CA	Variety, Los Angeles, CA
Le Figaro, FRANCE	Vice, New York, NY

The above lists, though not exhaustive, illustrate the depth and breadth of the electronic and print media coverage of the SXSW Conferences and Festivals each year.