

# **CHL Report**







IMPACT ASSESSMENT - THIRD DRAFT June 26, 2020



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Only intangible results remain to add

for sub-leagues and clubs.

# SUMMARY OF PROJECT



# THE PROJECT

### THE ASK

Leverage the T1 Consulting "Impact Assessment Tool" to provide estimates of the economic and non-economic value of the league and its 60 member clubs.

Where necessary, employ a segmentation approach where club data not available

#### THE OBJECTIVES

Provide realistic, conservative and clear assessments of each of the following for the CHL and its 60 clubs:

- \*Economic Impact (base)
- \*Economic Impact (multiplier)
- \*Intangibles (quantitative)

### **SUCCESS METRICS**

Results useful for CHL

Results useful for LHJMQ, WHL, OHL

Results useful for individual clubs





# IMPACT ASSESSMENT



### WHAT IS IMPACT ASSESSMENT

- The impact on local markets of sport organizations, their events and, their venues is well-researched.
- The need for funders (governments, sponsors, foundations, etc.) to justify their investments to support high profile sport properties, including events, is ongoing and often required in the form of an analysis from the property.
- Often, these analyses have focussed only on the economic return and often they have overstated the impact of the sport property, thereby undermining the efficacy and leading to scepticism of these analyses.



# A HOLISTIC AND CONSERVATIVE APPROACH

- This impact analysis is undertaken using a realistic, conservative and reliable lens.
- The analysis will include the following elements:
  - 1. An economic impact assessment without multipliers
  - 2. An economic impact assessment with multipliers
  - 3. A quantitative assessment (non-financial) on variables in each of the following areas:
    - Community
    - Sport
    - Volunteer
    - City/Region Brand



# **OUR APPROACH**

- Based on published article in peer-review journal.
- Data behind paper includes results of four large impact studies.
- Summary work of many research projects and thesis works.
- Deep consideration of intangible factors.



### Impact studies in sport: the development of an assessment process model

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Purpose - The criticisms put forward against economic impact studies lead to a key question: "Is it possible to measure the impact of sporting properties and events in a holistic, conservative, and reliable way?" This research endeavors to build on the academic literature to add to the scope and rigor of economic impact research by proposing an impact assessment process model for practitioners that facilitates employment of a holistic conservative and reliable impact study and seeks to address these

Design/methodology/approach - Using seven identified key realities that highlight the challenges facing impact studies, and adopting a collaborative self-ethnographic methodological approach, the work highlights lessons learned from four empirical economic impact studies undertaken by the authors over a five-year period.

Findings - The study provides a broad view of impact studies, which extend beyond financial implications and provides a more inclusive methodology. Particularly, the proposed impact assessment process model seeks to improve the credibility of impact studies by facilitating a holistic approach that incorporates direct, indirect and intangible impacts.

Research limitations/implications - The proposed model has value to researchers and is designed to improve the overall credibility of economic impact methodology. It also provides a more accurate measure of direct impact while considering intangible and indirect impacts, including social/community impacts.

Impact studies in sport

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# **OUR APPROACH**

### Assessment Process for the Study of Impact

# Step 1 Planning the Assessment

- Identify sport property to be assessed and outline the rationale for the assessment (Decision to Fund validation of funding, requirement of partners, etc.)
- Insure that all relevant stakeholders have input into the assessment and are aware that the process will be undertaken. Examples of stakeholders include:
  - · Rights-holders
  - GovernmentTourism Board
  - Sports commission
  - Title Sponsor
- Undertake an informal cost-benefit analysis to determine if the assessment is worth doing. If not, do not proceed.

# Step 2 Develop the Framework

- 1. Develop Financial Impacts
- 2. Indirect Financial Impacts
- 3. Intangible Impacts: Brand Host
- 4. Intangible impacts: Civic Pride
- Intangible Impacts: Long-Term Tourism
- 6. Intangible Impacts: Volunteering
- 7. Intangible Impacts: Community

# Step 3 Establish Measures

- Identify or establish a benchmark for each impact
- Review a range of options by costs and effectiveness for each impact to be measured.
- · Consider options:
  - SurveysInternal data
  - Internal data
     Focus groups
  - Tracking of Tourist spending
  - Postal Code Data
  - Intercepts
  - Sampling

# Step 4 Collect Data

Determine Methods and timing of data collection, with a separate approach for each impact.

Where possible Combine impact assessments into a single data collection.

Engage a 3rd party to collect data where required

# Step 5 Calculate Impacts

#### Run Analysis

- Include scenarios with and without multipliers
- Analyze results for each impact separately
- 3. Be Conservative in all calculations
- Do not ascribe financial estimates to non-financial impacts
- Include leakage/negative results and do not include time-changers and casual Visitors

# Step 6 Planning the Assessment

- Present scenario without multipliers
- Present intangible benefits as a list
- Call multiplier results 'indirect impacts'
- Include leakages





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# **METHOD**

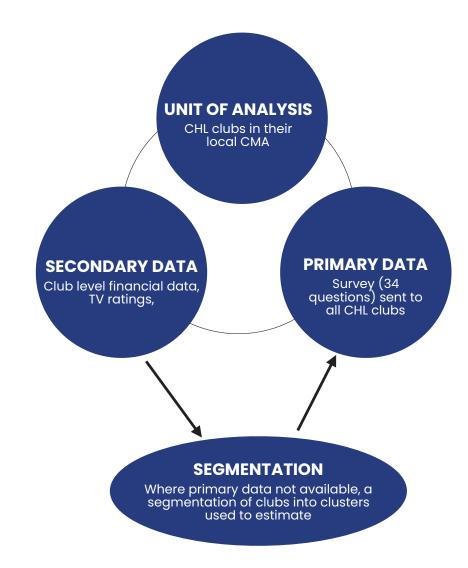


# **METHOD**

Per the approach described, Phases 1 through 4 are summarized on this slide. That process was followed.

In terms of scope, the project assesses impact of each of the CHL clubs.

As a back-up for the survey information, a segmentation analysis clustered the clubs into clusters, used to extrapolate to fill any missing variables from the survey.





# **METHOD**

### How we Followed Assessment Process adapted to the CHL project

# Step 1 Planning the Assessment

- 1. CHL determined worth proceeding.
- 2. T1 willing to complete the study.
- 3. Unit of Analysis:
  - Individual CHL clubs (n=60)
  - Local CMA (Census Metropolitan Area) for each club
- Collect data by club/CMA, then summarized for overall assessment.

# Step 2 Develop the Framework

 Framework developed based on possibility/ availability to obtain data, past studies and input of the CHL.



# Step 3 Establish Measures

- Benchmarks established based on past studies of impact of hockey properties in Canada.
- Per resources available, the following identified for us.
  - Survey of clubs 34 questions.
  - Internal data from CHL.
  - Internal data from T1.

# Step 4 Collect

Survey implemented in partnership with the CHL.

CHL provided internal data.

T1 provided internal data.

# Step 5 Calculate Impacts

#### Analysis Run as Follows:

- Included scenarios with and without multipliers
- 2. Analyzed results for each impact separately
- 3. Were conservative in all calculations
- 4. We did not ascribe financial estimates to non-financial impacts
- We determined that leakage/ negative results, time-changers and casual visitors were accounted for in our design.

# Step 6 Presenting the Assessment

Results presented including scenario without multipliers.

Intangible benefits shared as a list

Called multiplier results 'indirect impacts'.



# RESULTS CLUSTER ANALYSIS







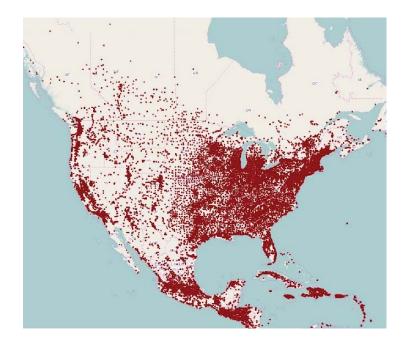


# **CLUSTER ANALYSIS**

### Overview

Based on secondary data provided by the CHL and accessed through public sources, the following were used to segment the clubs into groups for potential extrapolation during the analysis.

- League
- City
- Census Metropolitan Area (CMA)\*
  - Note: DMA (Demographic Metropolitan Area) used for US Clubs
- CMA Population (Statistics Canada)
- Province /State
- Country
- Annual Revenue/Budget (CHL confidential)
- Average Annual Attendance (from <u>www.hockeydb.com</u>)





# **CLUSTER ANALYSIS**

### **Overall Sample**

- League
- LHJMQ 18 clubs
- WHL 22 clubs
- OHL 20 clubs
- Census Metropolitan Area Population
- Total Population: 36,136,195
- Average Population: 602,270
- Country
  - Canada 52 clubs in 9 provinces
  - USA 8 clubs in 4 states

- Annual Revenue/Budget (n=59)
- Total Revenue/Budget: \$191,515,675
- Average Revenue/Budget: \$3,246,028
- Average Annual Attendance (n=60)
- League-wide Average Attendance = 4,026









### **CLUSTER ANALYSIS**

### Results

### Segment 1

- Edmonton Oil Kings
- Portland Winterhawks
- Seattle Thunderbirds
- Kitchener Rangers
- **London Knights**
- Oshawa Generals
- Halifax Mooseheads
- **Quebec Remparts**

### Segment 2

- Calgary Hitmen
- Kelowna Rockets
- Red Deer Rebels
- Regina Pats
- Vancouver Giants
- Niagara IceDogs
- **Windsor Spitfires**
- Moncton Wildcats

### Segment 3

- Brandon Wheat Kings
- **Everett Silvertips**
- Spokane Chiefs
- **Sudbury Wolves**
- Rimouski Oceanic
- Saint John Sea Dogs
- Sherbrooke Phoenix

# **Medicine Hat Tigers**

Segment 4

- Moose Jaw Warriors
- **Swift Current Broncos**

Kamloops Blazers

Lethbridge Hurricanes

- Victoria Royals
- **Hamilton Bulldogs**
- North Bay Battalion
- Sault Ste. Marie Grevhounds
- **Cape Breton Eagles**
- Charlottetown Islanders
- Chicoutimi Sagueneens
- **Shawinigan Cataractes**

### Segment 5

- Prince Albert Raiders
- Prince George Cougars •
- Saskatoon Blades
- **Tri-City Americans**
- Winnipeg Ice
- **Erie Otters**
- **Guelph Storm**

- **Kingston Frontenacs**
- Ottawa 67's
- Owen Sound Attack
- Saginaw Spirit
- Sarnia Sting
- Blainville-Boisbriand Armada
- **Drummondville Voltigeurs**
- Gatineau Olympiques

### Segment 6

- **Barrie Colts**
- Flint Firebirds
- Mississauga Steelheads
- Peterborough Petes
- Acadie-Bathurst Titan
- Baie-Comeau Drakkar
- Rouyn-Noranda Huskies
- Val-d'Or Foreurs
- Victoriaville Tigres



# RESULTS CHL



### **CHL RESULTS**

### Context

The following results are presented as a sum of the impact of the 60 clubs on their local markets. The results are drawn from the cluster analysis, the secondary data and the survey results of the clubs.

Note: the survey results from the clubs are, by far, the most important source of information. All 60 clubs responded the survey and provided responses to most of the 34 questions asked. In some cases, a club was not aware of an answer or an 'un-useable' answer was provided. In these cases, the segmentation extrapolation was used, but this is rare in the data due to high response rate.

Overall, the survey response was very impressive and much appreciated.





# CHL RESULT - ECONOMIC IMPACT ON LOCAL MARKETS (N=60)

Source of Impact	Operation	Source	Clubs	<b>Data Point</b>	Direct Impact (Base)	Indirect Impact (Multiplier)
Out of Market Season Ticket Holder	Benchmark	Survey	60	14,580	\$156,151,800	\$327,918,780
Out of Market Corporate STH	Benchmark	Survey	60	2,723	\$43,050,630	\$90,406,323
Out of Market Single Game Ticket Holder	Benchmark	Survey	60	296,293	\$93,332,295	\$195,997,820
Out of Market Suites	Benchmark	Survey	60	106	\$9,082,080	\$19,072,368
Tourists for Non-Game Reasons (e.g., camp)	Benchmark	Survey	14	55,110	\$17,359,650	\$36,455,265
Opposing Teams Staying Over	Benchmark	Survey	60	1,190	\$16,868,250	\$35,423,325
Non-Market Players	Benchmark	Survey	60	1,306	\$1,306,000	\$2,742,600
TOTAL					\$337,150,705	\$708,016,481



The CHL has a long and impressive list of impacts from the 2019-2020 Season

1,306 184,131 **2.32 MILLION** 94.7% 466 Total Number of CHL Players who are from Total Number of Season Total Number of Single Percentage of Suites Sold Number of non-CHL Across the League (n=1467 suites) Game Purchasers events hosted by clubs at **Ticket Holders** outside of the market their venues they play in 12.8% FROM 7.9% FROM OUTSIDE **OUTSIDE OF LOCAL OF LOCAL MARKET MARKET** 



The CHL has a long and impressive list of impacts from the 2019-2020 Season

55,110 **Total Number of Tourists** attracted to CHL markets by non-game activities (e.g., training camps, player appearances)

1,190 Total Number of Times a Visiting Team stayed over 1 night in a market **AVERAGE SIZE OF VISITING GROUP: 45**  Number of major capital investments made by clubs this year **TOTAL: \$1.33 MILLION** 

**8.43 MILLION** Total attendance for all games this year \*Note C-19 cut season short





The CHL has a long and impressive list of impacts from the 2019-2020 Season

THIS REPRESENTS

ABOUT 2.02 MILLION

VIEWERS

2,959

Total Number
appearances made at
hospitals or schools or
other community events
by players, coaches,
owners or alum

45

Total Number of fan focussed programs offered that included club alumni 10,808

Total number of people who participated in participation programs offered by the clubs (e.g., Learn to Skate) 43.7%

Proportion of all club budgets that were spent on local products or services 27%

Club opinion of percentage of local CMA who watched or streamed at least one game









The CHL has a long and impressive list of impacts from the 2019-2020 Season

48,795 Average TV audience for regular season games on SportsNet and/or TVA

75.6% View of clubs on percentage of local market with positive view of club on its importance to local market.

6.4% View of clubs on percentage of local province/state who watch at least one game on TV/stream.

THIS IS AN ESTIMATE OF **15.2 MILLION VIEWERS** 

649,978

Estimated number of fans of CHL clubs who live outside of their home provide or state.

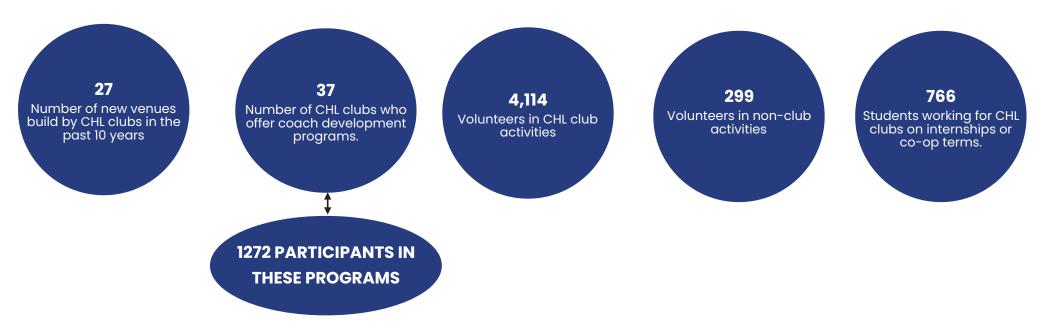
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Number of major events hosted by clubs over the past decade (e.g., World Juniors, Memorial Cup, Major Exhibition, etc.)

**19** CLUBS ARE PLANNING A **FUTURE MAJOR EVENT** 



The CHL has a long and impressive list of impacts from the 2019-2020 Season





The CHL has a long and impressive list of impacts from the 2019–2020 Season

50 Number of CHL clubs who have a partnership with their local municipal government.

884 Total number of full-time staff employed by CHL clubs.

2,564 Total number of part-time staff employed by CHL clubs.

416 Contractors and consultants hired by CHL clubs last year.









# RESULTS OHL, LHJMQ, WHL



# WHL RESULT - ECONOMIC IMPACT ON LOCAL MARKETS (N=22)

Source of Impact	Operation	Source	Clubs	Data Point	Direct Impact (Base)	Indirect Impact (Multiplier)
Out of Market Season Ticket Holder	Benchmark	Survey	60	5,358	\$57,384,180	\$120,506,778
Out of Market Corporate STH	Benchmark	Survey	60	1,036	\$16,379,160	\$34,396,236
Out of Market Single Game Ticket Holder	Benchmark	Survey	60	101,487	\$31,968,405	\$67,133,651
Out of Market Suites	Benchmark	Survey	60	38	\$3,255,840	\$6,837,264
Tourists for Non-Game Reasons (e.g., camp)	Benchmark	Survey	14	8,110	\$2,554,650	\$5,364,765
Opposing Teams Staying Over	Benchmark	Survey	60	524	\$7,592,760	\$15,944,796
Non-Market Players	Benchmark	Survey	60	481	\$481,000	\$1,010,100
TOTAL					\$119,615,995	\$251,193,590



# RESULTS INDIVIDUAL CLUBS



# WHL - PRINCE GEORGE - ECONOMIC IMPACT ON LOCAL MARKET

Source of Impact	Operation	Source	Clubs	<b>Data Point</b>	Direct Impact (Base)	Indirect Impact (Multiplier)
Out of Market Season Ticket Holder	Benchmark	Survey	60	43	\$460,530	\$967,113
Out of Market Corporate STH	Benchmark	Survey	60	50	\$790,500	\$1,660,050
Out of Market Single Game Ticket Holder	Benchmark	Survey	60	427	\$134,505	\$282,461
Out of Market Suites	Benchmark	Survey	60	3	\$257,040	\$539,784
Tourists for Non-Game Reasons (e.g., camp)	Benchmark	Survey	14	200	\$63,000	\$132,300
Opposing Teams Staying Over	Benchmark	Survey	60	43	\$474,075	\$995,558
Non-Market Players	Benchmark	Survey	60	22	\$22,000	\$46,200
TOTAL					\$2,201,650	\$4,623,465



# Thank you

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