

ECONOMIC IMPORTANCE OF CLUBS IN THE RAIFFEISEN SUPER LEAGUE 2013/14

FINAL REPORT



REALISED BY

rütter soceco
sozioökonomische forschung + beratung



Lucerne University of Applied Sciences and Arts
HOCHSCHULE LUZERN
Wirtschafts-
Institut für Tourismuswirtschaft (ITW)

SUPPORTED BY

RAIFFEISEN

ON BEHALF OF



The Raiffeisen Super League consists of myriad companies in Switzerland, which create economic value every day. They generate millions of francs turnover, create jobs, pay taxes and support tourism. To sum it up: The Super League is a significant economic factor in Switzerland.

The League and the clubs have known this for some time. What we were lacking up until now were hard facts to prove it. This is why Rütter Soceco and the Institute for Tourism Economy at Lucerne University of applied sciences were asked to analyse the economic impact of the 10 Super-League-Clubs.

Now we have the final report containing all the economic effects generated in Switzerland. You will be surprised: football is a game, but around the games there are thousands of people who produce, consume, sell and work for the football.

Some may be surprised by these figures, others reassured in their views. For the League it is particularly important to put all those people into the spotlight who work for the football everyday and with their effort allow us to enjoy the sport we like so much. A big «thank you» from my side to all of you in our clubs.

Claudius Schäfer, CEO of the Swiss Football League

Client

- Swiss Football League, Worbstrasse 48, 3074 Muri bei Bern, Switzerland

Contractor

- Rütter Soceco, Weingartenstrasse 5, 8803 Rüschlikon, Switzerland
- ITW Institute of Tourism Management at Lucerne University of Applied Sciences and Arts, Rösslimatte 48, 6002 Lucerne, Switzerland

Project

- Economic importance of clubs in the Raiffeisen Super League

Strategic project supervision

- Dr. Heinz Rütter, Rütter Soceco
- Prof. Dr. Jürg Stettler, ITW Lucerne University of Applied Sciences and Arts

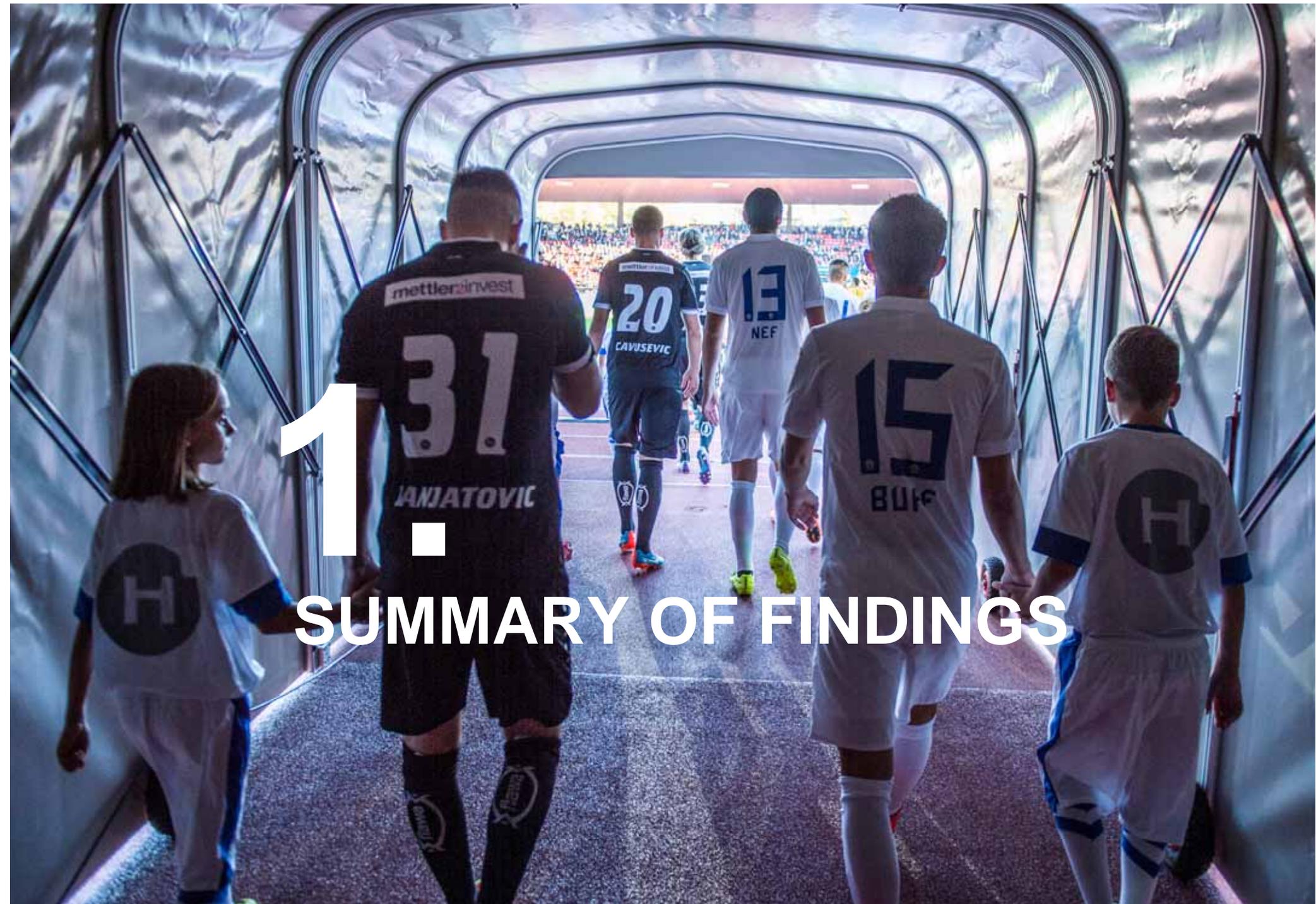
Project team

- Oliver Hoff (project manager)
- Dr. Christian Schmid
- Tonio Schwehr
- Christine Herzer (ITW)
- Anna Wallebohr (ITW)
- Corina Rieser

Background and notes

- The **Swiss Football League** commissioned Rütter Soceco and Lucerne University of Applied Science's Institute of Tourism Management to conduct a study **on the overall economic importance of the Raiffeisen Super League (RSL)** in Switzerland and the significance of individual clubs in their cantons.
- This final report contains the **aggregated results** for all ten clubs in the **Raiffeisen Super League** and provides detailed information about their **economic effects in Switzerland**. The specific figures for the **individual clubs in their cantons** serve as a basis for the report.
- The calculations in this study are based on the set of data for **the 2013/14 season**. Since the results can vary from season to season due to various factors, a comparison with other seasons can only be carried out to a limited extent.
- The economic effects are calculated based on the **Event Scorecard methodology**. The Event Scorecard is a **standardised procedure to calculate the effects of events and institutions**, which has been in use in Switzerland for many years. You can find more information on the methodology at the end of the report and at www.event-analytics.ch.

1 Summary of results	5
2 Starting situation	8
3 Detailed results	11
3.1 Visitor frequencies, room nights and spending	12
3.2 Economic effects in Switzerland	17
4. Methodology and term definitions	23



1.

SUMMARY OF FINDINGS

Professional football clubs are **important organisations in the economy**. A comprehensive value chain analysis has been carried out in Switzerland for the first time to show how extensive the **economic importance** of the ten **Raiffeisen Super League clubs** is overall. The following indicators represent the key findings of the study:

Turnover

- The total activities of all clubs in the Raiffeisen Super League produced a turnover of around **800 million CHF in Switzerland** in the **2013/14 season**.

Gross value added

- These activities generated a **gross value added of around 455 million CHF** in Switzerland overall.

Employment

- The activities of the Raiffeisen Super League clubs create a work volume of around **3'300 full-time equivalents (FTE)**.

Tax effects

- The clubs' business activities produce **tax revenue** in Switzerland amounting to around **42 million CHF**.

Visitors and tourism

- The different club stadiums received roughly **2,2 million** visitors during the whole 2013/14 season. Moreover, around **150'000 room nights** were generated in Switzerland. The greater proportion stayed in **non-hotel accommodation or with friends and relatives**.

No.	Indicator	
1	Number of visitors	2,222 million
2	Number of overnight stays in Switzerland overall	150'000
3	Visitor spending in all Switzerland	68 million CHF
Effects in the club cantons		
4	Total turnover	555 million CHF
5	Total gross value added	330 million CHF
6	Effect on employment	2'300 FTE ⁽²⁾
Effects in Switzerland overall		
7	Total revenues ⁽³⁾	800 million CHF
8	Total gross value added ⁽³⁾	455 million CHF
9	Effect on employment ⁽³⁾	3'300 FTE ⁽²⁾
10	Total taxes generated ^{(3) (4)}	42 million CHF

⁽¹⁾ «Total» refers to the sum of direct and indirect effects (see Section 4).

⁽²⁾ FTE = full-time equivalent indicates a volume of work equivalent to a full-time position. These are not actual full-time jobs, but an operand with which the volume of work is converted into full-time posts.

⁽³⁾ Including club cantons.

⁽⁴⁾ Value added tax and income tax plus other taxes.

2.

STARTING SITUATION



Football is an important leisure pursuit for many people. Cup and championship games at clubs of the Swiss Football League attract great interest and draw many fans to the stadiums with many more fans following the games on TV. With over **315'000 active football players** and **some 2 million** visitors to stadiums in the Raiffeisen Super League in the 2013/14 season, football is the most popular sport in Switzerland. Many professional football clubs are an **important economic factor** in their regions and are **comparable with medium-sized companies** in terms of value added and jobs.

The particular **economic effects** that the clubs in the **Raiffeisen Super League 2013/14** produce in their **cantons and in Switzerland overall** have been studied for the first time in this project in conjunction with the **Swiss Football League (SFL)** as the client and source of data.

This study focuses on an **economic perspective**. Effects on society, sport and the media have not been studied. The study shows both the direct and indirect effects produced by the clubs themselves and the activities in their economic environment.

This report contains the **aggregation of findings from all the individual clubs** which played in the RSL during the 2013/14 season.

The **main objective** of this report consists in evaluating the economic importance of the RSL clubs and their economic environment for Switzerland and the clubs' cantons.

The study also pursues the following **sub-objectives**:

- Calculating the **overall economic importance of all RSL clubs** playing in the 2013/14 season for their cantons and for Switzerland.
- Analysing the **economic** and **tourist effects** produced by **visitors** during **annual league match operations** for national and international competitions.
- Estimating the activities and effects of **other stakeholders** in the clubs' economic environment, such as public authorities, sponsors, transportation companies, TV producers and media professionals.
- Calculating the **directly** and **indirectly generated value added, tax** and **employment effects** produced by the clubs' activities.
- Providing a **transparent basis of information** for internal and external purposes.

The findings from the analysis are shown in Section 3. Section 4 summarises the methodology on which the analysis was based and explains the key terms.



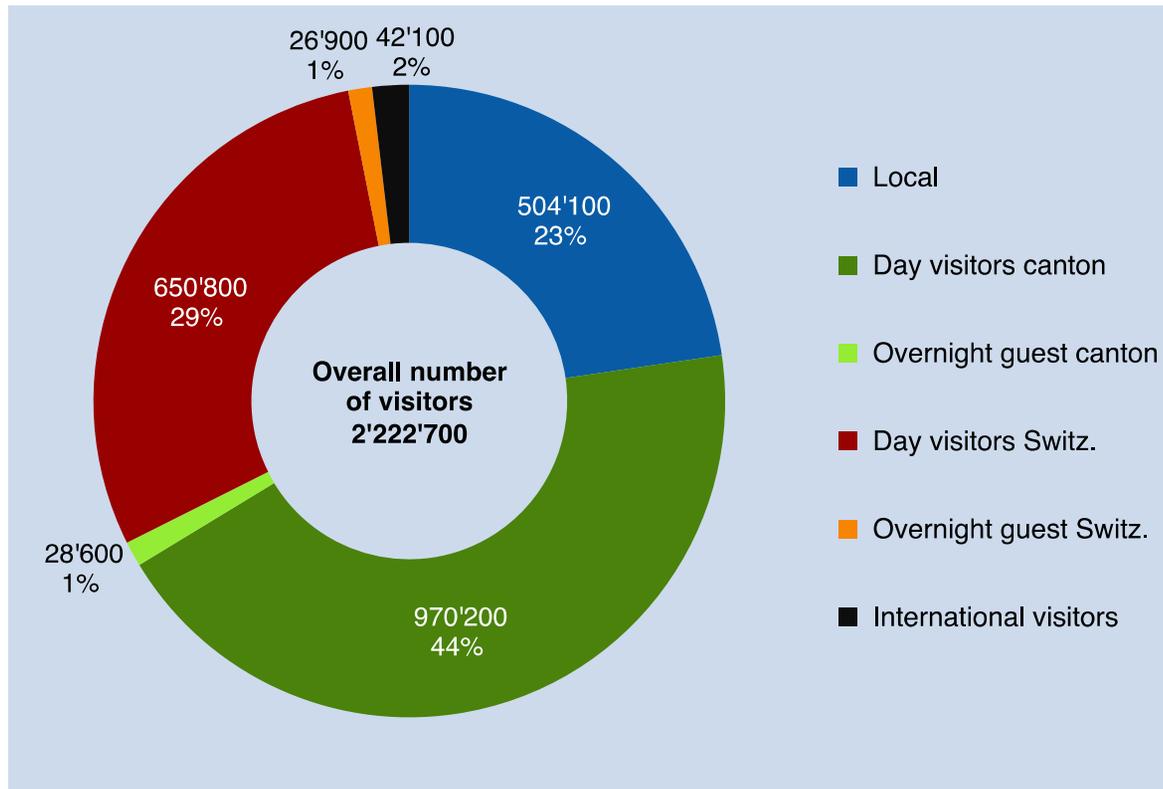
3.

DETAILED FINDINGS

3.1

VISITOR FREQUENCIES, ROOM NIGHTS AND SPENDING

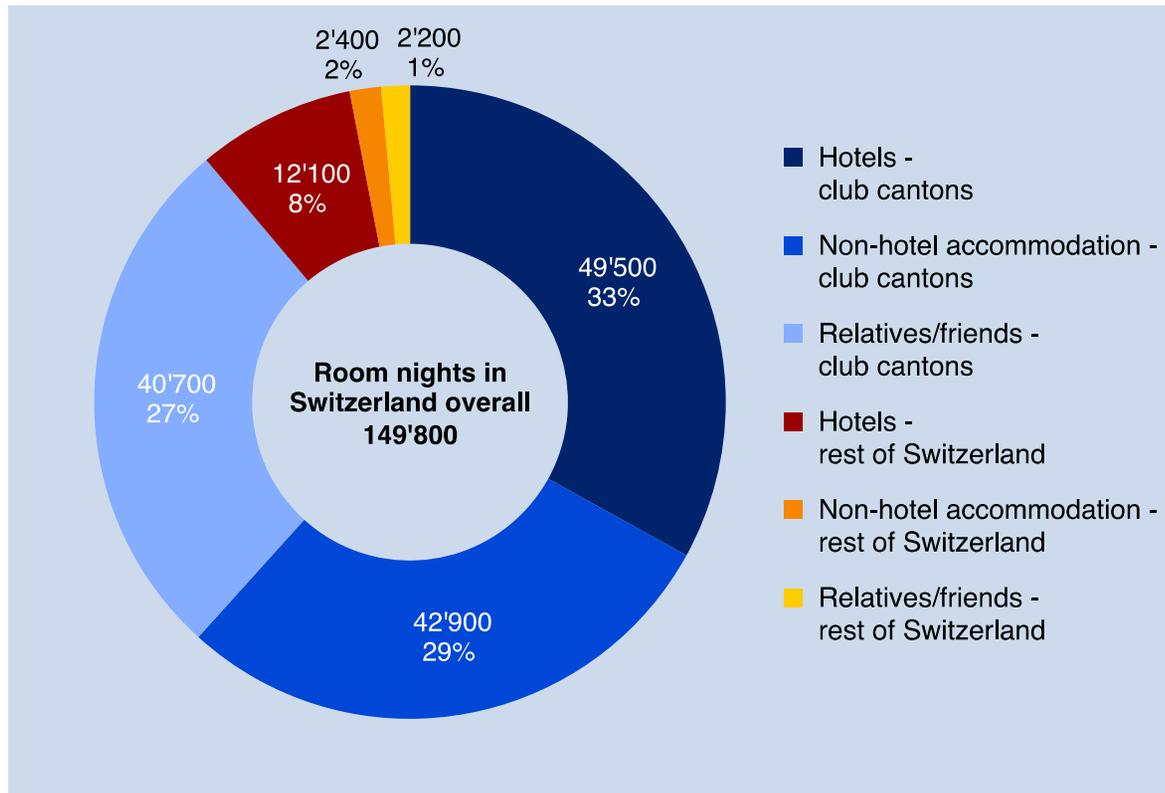




Source: Event analytics

The RSL clubs received around 2,2 million visitors in total across all competitions during the 2013/14 season.

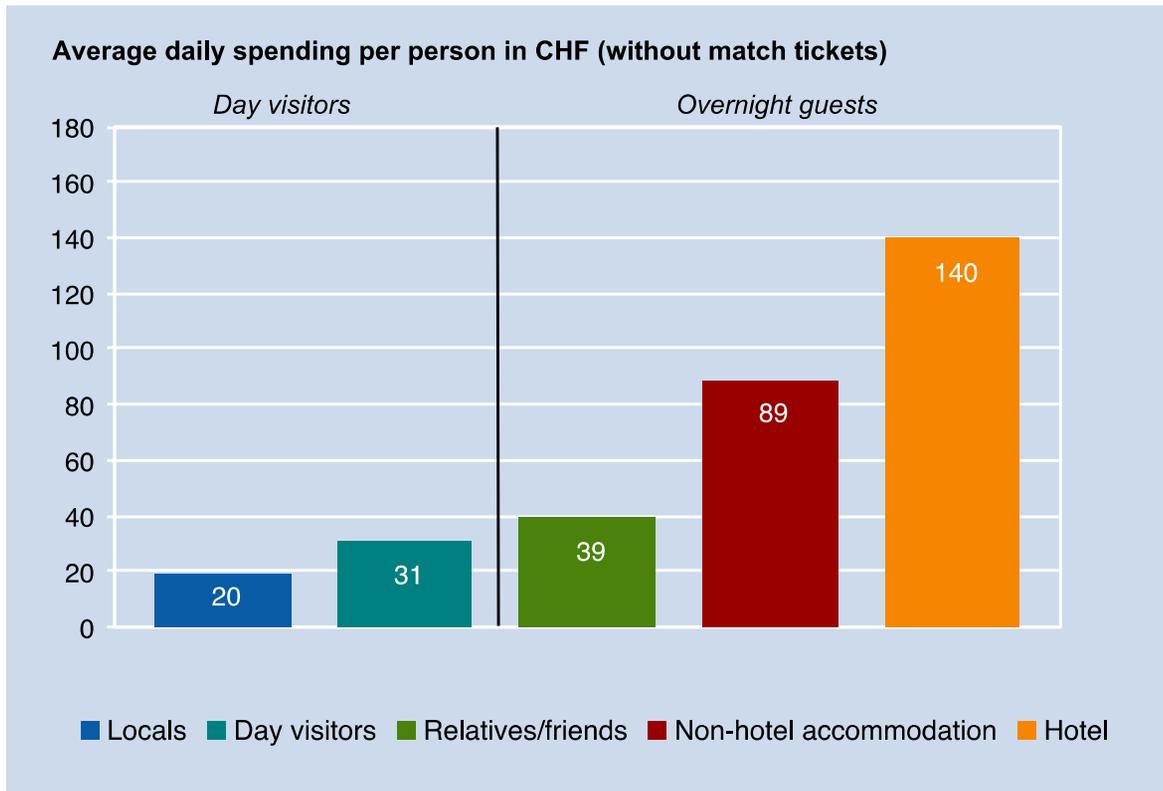
- Only about a quarter of the visitors are locals, i.e. people living in the home team's urban area.
- The largest proportion of spectators (45%) come from other parts of the club's canton. This shows that clubs have a strong regional appeal for fans, which is by no means limited to the locality.
- Around 30% of other spectators come from the rest of Switzerland. This group includes the visiting team's fans as well as home team fans who journey from further afield.



Source: Event analytics

Visitors to football matches generate around 150'000 room nights in Switzerland overall.

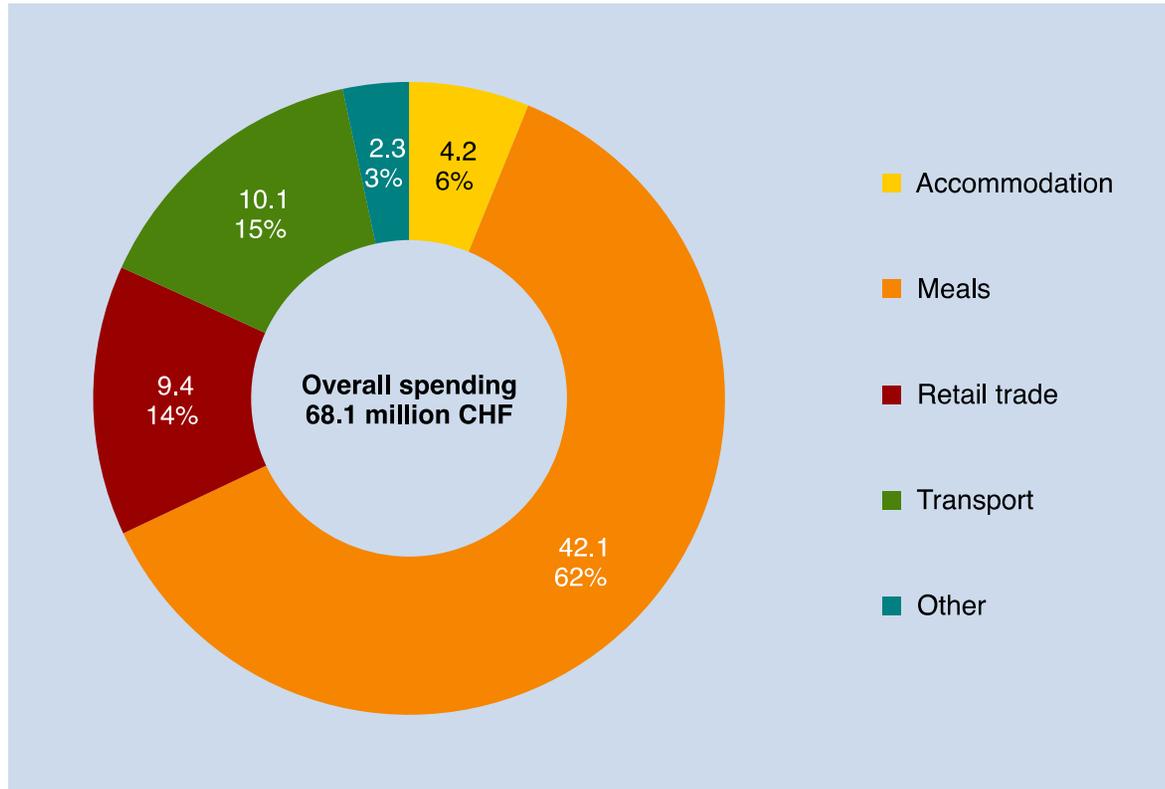
- The greatest proportion of room nights corresponds to the cantons where the clubs play. Overnight stays in other parts of Switzerland are produced as a result of international visitors' connecting journeys.
- Around two thirds of all room nights in club cantons are generated in non-hotel accommodation and with friends and relatives.
- Some 60'000 room nights correspond to hotels.



Source: Event analytics

Visitors' average daily spending (without match tickets) varies between 20 and 140 CHF, depending on the visitor type.

- Locals have the lowest spending with about 20 CHF per match day.
- Day visitors from the rest of the canton and Switzerland spend around 30 CHF on a match visit.
- People who stay with friends or relatives as part of their match visit spend an average of about 40 CHF.
- Overnight guests in non-hotel accommodation and hotels have the highest spending at around 90 or 140 CHF respectively, but are the smallest group of fans.



Visitors from all clubs spent around 70 million CHF in relation to the clubs' home matches.

- Visitors spend most money (42.1 million or 62%) on meals.
- Transport and spending in retail businesses corresponded to 15% and 14% respectively.
- Overnight stays and other expenditure are of hardly any consequence at 6% and 3% respectively.
- Thanks to the relative proximity of match venues to one another and effective organisation of fan transport in Switzerland, spending by fans is mainly focused on day trips.

Source: Event analytics

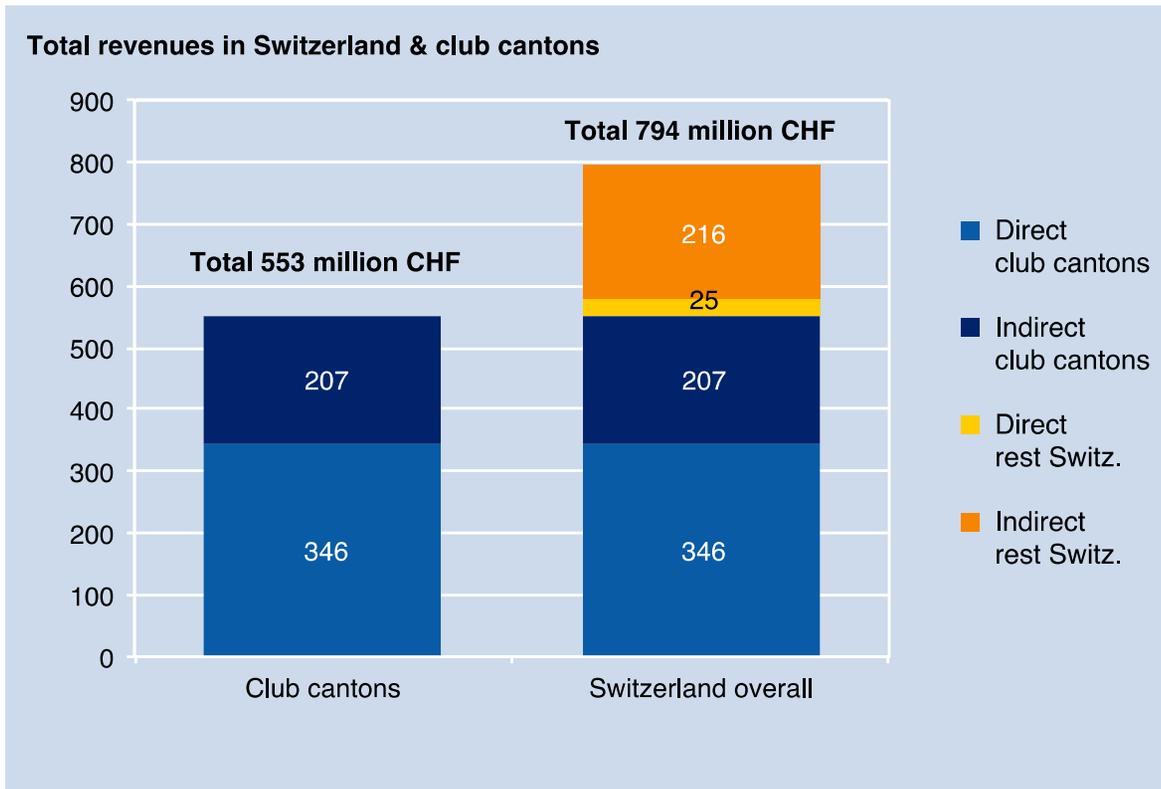
**This refers to gross spending (including sales tax) adjusted to the event factor, i.e. only expenditure which is actually related to match attendance. Expenditure on match tickets is not included.*

See Section 4: Methodology and term definitions for further details.



3.2

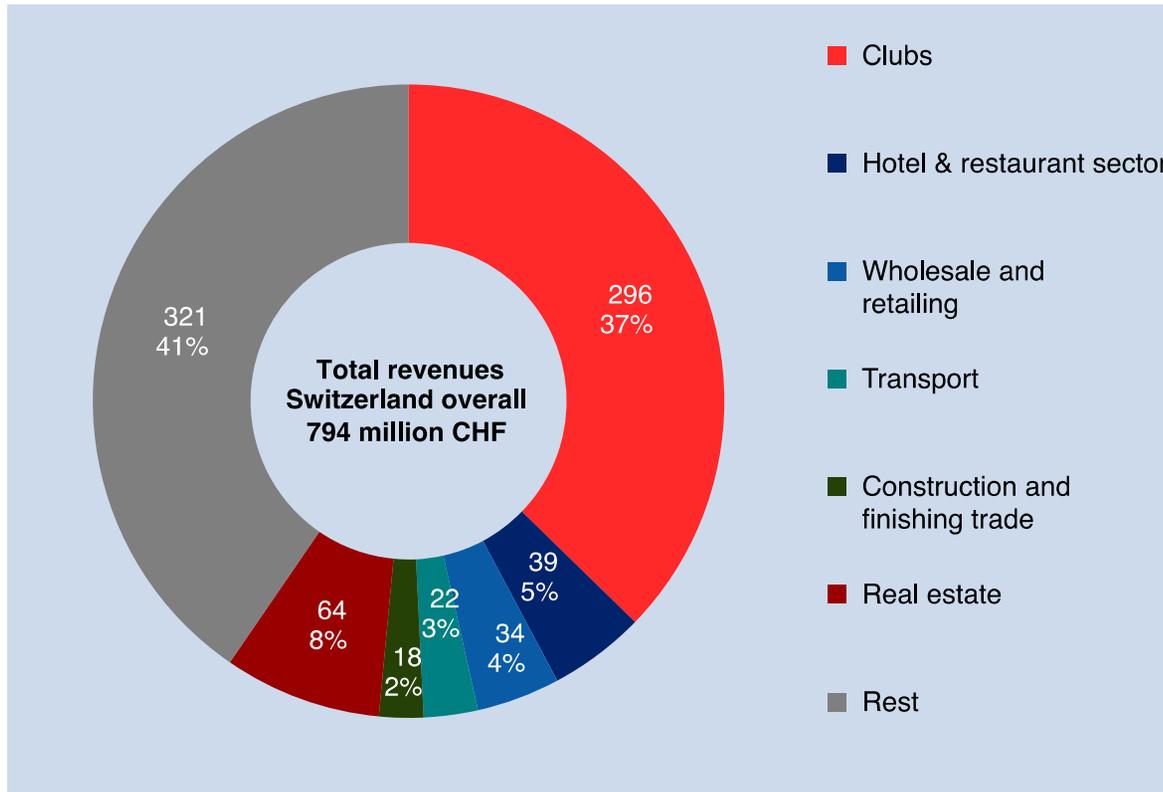
ECONOMIC EFFECTS IN SWITZERLAND



Source: Event analytics

The RSL clubs and their environment generated a total of around 800 million CHF in revenues in the 2013/14 season.

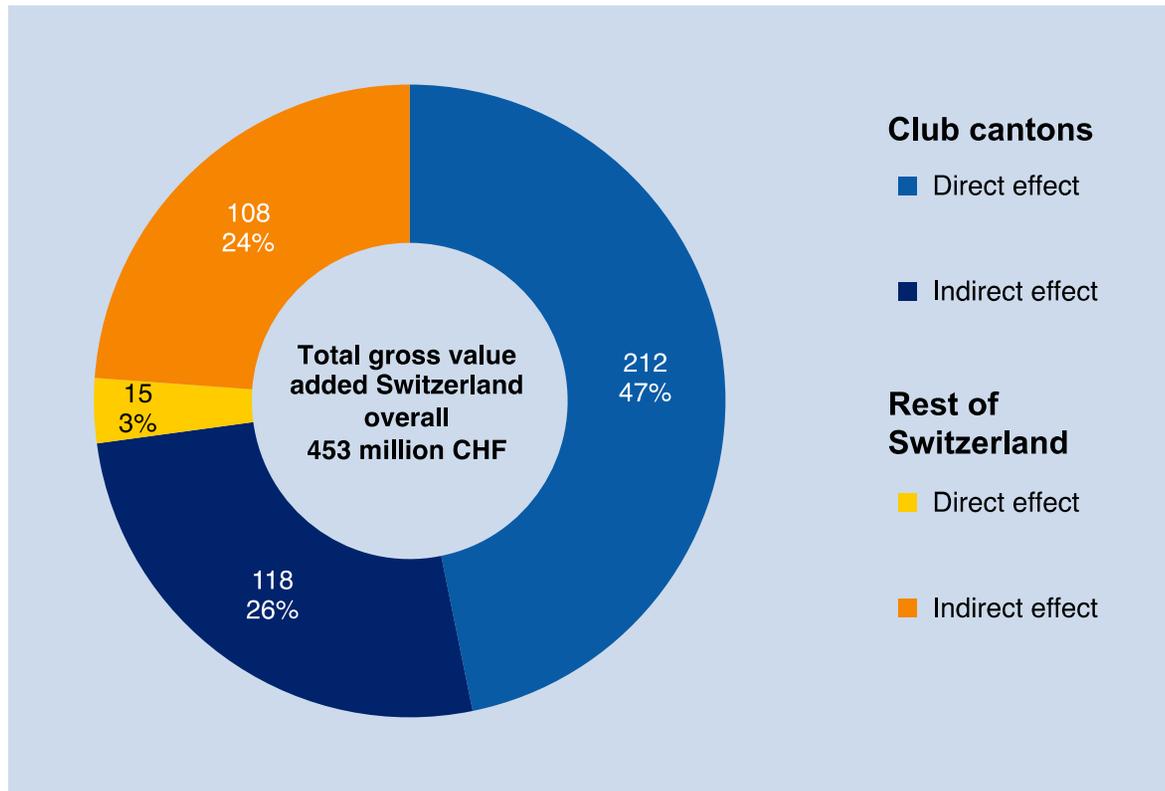
- Around 70% of the directly and indirectly earned revenues correspond to the clubs' cantons. This shows that the clubs' cantons benefit from the clubs' activities to a great extent.
- What is noticeable here is the considerable proportion of indirect effects in the rest of Switzerland. One reason for this is that many companies acquire intermediate consumption goods and services from outside their canton, thus generating indirect effects.



Source: Event analytics

The overall revenues of about 800 million CHF correspond to many different sectors of the Swiss economy.

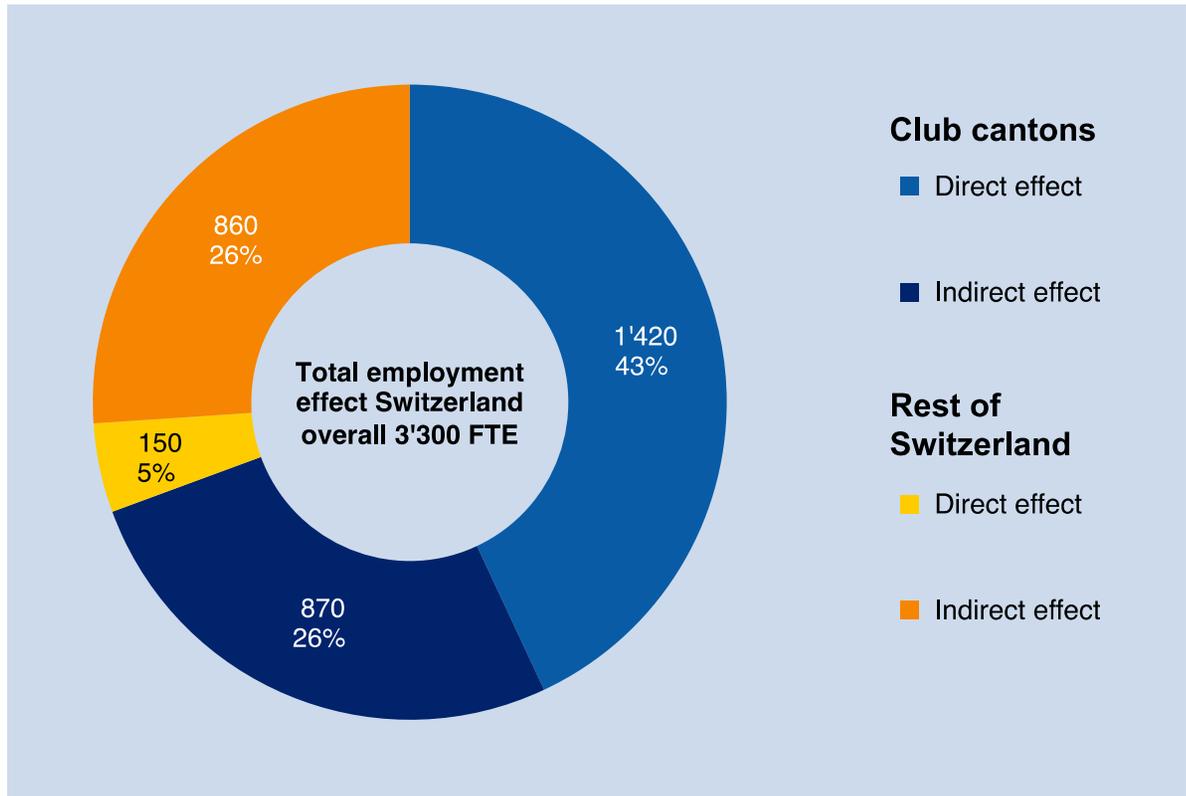
- The clubs as businesses generate a good third of overall revenues themselves.
- Other sectors in the economy such as real estate (64 million CHF) or the hotel and restaurant sector (39 million CHF) also benefit.
- Another 34 million CHF correspond to wholesale and retailing, which represent roughly 4% of the total revenues.
- The greatest proportion of revenues (41% or 321 million CHF), however, is spread among all other areas of the Swiss economy thanks to intermediate consumption goods and services acquired by companies.



Source: Event analytics

The RSL clubs and their economic environment produced 453 million CHF gross value added throughout Switzerland during the 2013/14 season.

- This equals almost half the value added generated in Switzerland by the EURO 2008.
- Almost three-quarters of the total value added, around 330 million CHF, correspond to the clubs' cantons.
- The remaining quarter is apportioned to the rest of Switzerland thanks to the commercial interrelationships between different sectors.
- Direct effects account for about half of the overall effects. The additional effects due to income and intermediate consumption effects constitute the other half.



Source: Event analytics

The economic effects of the clubs generate a volume of work of around 3'300 FTE overall.

- All stakeholders involved account for around 1'400 FTE directly in the club cantons. In the rest of Switzerland, the direct effects generate around 150 FTE.
- A total of 1'730 FTE are created in the club cantons and in Switzerland due to the indirectly generated effects in the economy.
- As a result, RSL clubs jointly generate similar total employment effects to major companies in industry, trade and the service sector.

	Revenues in million CHF				Gross value added in million CHF			Employment in FTE ¹		
	Club cantons	Rest Switz.	Abroad ²	Total	Club cantons	Rest Switz.	Switz.	Club cantons	Rest Switz.	Switz.
Direct effect	346	25	1	372	212	15	227	1'420	150	1'570
Indirect effect	207	216	²	423	118	108	226	870	860	1'730
Intermediate consumption effect	114	92	-	206	64	45	109	470	360	830
Income effect	93	124	-	217	54	63	117	400	500	900
Overall effect dir. + indir.	553	241	1	795	330	123	453	2'290	1'010	3'300
Taxes	Tax revenue Switz. in million CHF									
Total	42									

1 Generated volume of work

2 No indirect effects calculated for revenues generated abroad

Source: Event Analytics

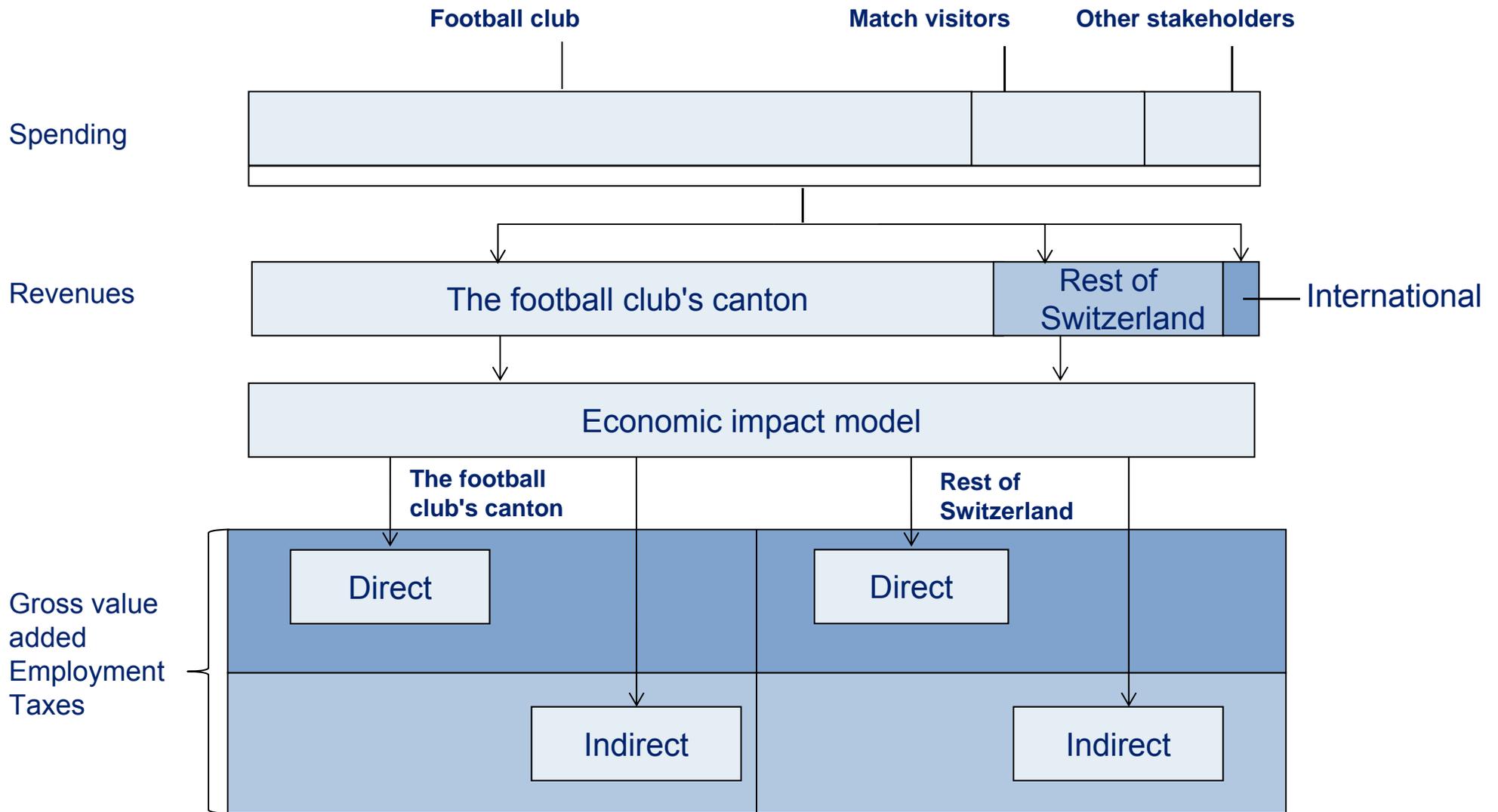


4.

METHODOLOGY AND TERM DEFINITIONS

- The data basis for the **clubs** is the **consolidated financial licensing documentation** for the 2013/14 season provided by the clubs.
- The impacts contain both the security services **provided by the clubs** (stewards, stadium security etc.) as well as **over 3 Mio. CHF contributed by the clubs to the services provided by the public authorities** (police, fire fighters etc.).
- None of the **clubs' investment activities** have been taken into account in the study due to their volatile and distortional effect on the results.
- Activities in the club environment include aspects such as public transport, services by other public authorities (e.g. infrastructure, police), sponsors and TV transmission of games.
- The relevant stakeholders were surveyed in one-to-one interviews-using standardised questionnaires.
- **Other economic activities** which occur in the football's extended environment in Switzerland (such as sports betting or additional revenues in sports bars) **have not been included** due to their **indirect connection** to sports and match operations.

- A **two-stage survey procedure** was used for **spectator data**: a survey in the stadium followed up by an online survey. 3'738 visitors were questioned in all clubs throughout the season, 2'879 of whom were prepared to provide their email address. 1'475 people fully completed the online questionnaire, which corresponds to an excellent response rate of 51%.
- Only **spending on stadium premises** has been taken into account in the case of **local spectators (from urban area surrounding the club)**. Only the spending which is actually related to match attendance has been included for all other visitors (**event factor**).
- The key indicators – revenues, gross value added, employment and taxes – have been calculated based on an **economic impact model** (see diagram on next page), which also incorporates the interrelationships between the cantons and the rest of Switzerland.
- The **impacts in other parts of Switzerland** are regarded from the **perspective of the individual clubs**. Impacts of club A in the canton of club B are thus counted towards impacts in other parts of Switzerland and not towards impacts in the canton of club B.
- The impact model has been used to determine the revenues generated by **direct and indirect effects** (intermediate consumption and induced income effects) in the cantons and in Switzerland overall.



Source: Rütter Soceco, own diagram

- **Revenues/gross production:** in this report, the term revenues is used to refer to **earnings** of companies, organisations or sectors. From an economic point of view, **revenues roughly** correspond to a company's or sector's **gross production** and are calculated based on the **sum of gross value added and intermediate consumption goods and services**.
- **Gross value added:** the gross value added corresponds to the **increase in value created** by a company or an organisation within a specific time period (overall value of goods produced and services minus the intermediate consumption items acquired from third parties). The gross value added is basically **the contribution to the gross domestic product (GDP)**. It is thus the most suitable dimension for measuring and comparing a company's or organisation's output from an economic perspective.
- **Intermediate consumption:** intermediate consumption **refers to the goods and services which are purchased externally** to provide an own product or service. In the case of a football club, for example, this includes expenditure on training material.
- **Employment:** a specific volume of work is required to generate the economic effects calculated here. This volume is **indicated in full-time equivalents (FTE)**. An FTE is a unit measuring **work output** achieved with a person's full-time workload.

Direct effects

- These are effects which arise during the **first stage in the value chain**, such as a football club appointing a trainer.

Indirect effects

- This is the sum of effects based on the **intermediate consumption** effect and the **income effect** induced.

Intermediate consumption effect

- This effect is generated by a company or organisation **acquiring goods and services from third parties** to provide their own goods and services. This effect is included in *indirect effects*.

Income effect

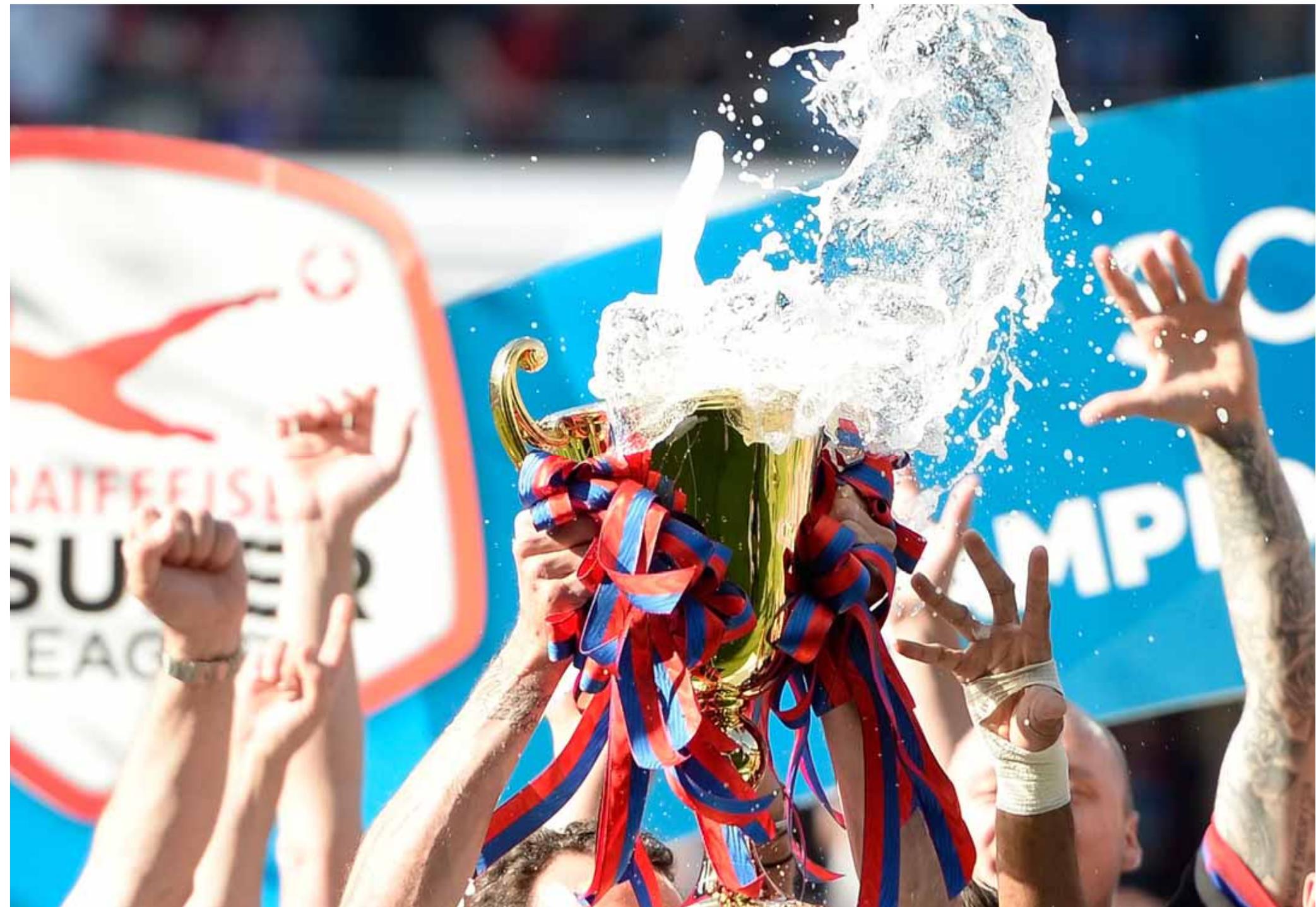
- The income effect is generated by **consumption expenditure which is produced by the income of employees**. This effect is included in *indirect effects*.

Taxes/levies

- Taxes and other fees and levies paid to public authorities (state, canton, municipality) on a football club's economic activities and those of its environment.

Impact model

- Economic model based on the Swiss **input-output table**. This model allows **regional and national economic effects** to be calculated with regard to value added, employment and taxes based on a primary economic stimulus, such as an increase in demand due to the football club's matches. This model has been adjusted to the economic structure of the club cantons.





SWISS FOOTBALL LEAGUE

P.O. Box | 3000 Bern 15

T +41 31 950 83 00

F +41 31 950 83 83

info@sfl.ch