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Eurovision's economic impact in Liverpool

Insights for future large-scale events

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Eurovision's economic impact in Liverpool: insights for future large-scale events

Key takeaways

1. Eurovision 2023 saw uplifts in consumer spending in Liverpool City Region, driven mostly by domestic tourism.
2. Uplifts in spending were seen in typical night-time economy outlets such as bars and eateries.
3. Eurovision 2023 created a hyper-localised boom in the area surrounding the Eurovision Village.
4. These findings can inform better decision-making about the location of large-scale events in cities, and the design of fringe events to support local businesses.
5. Our work demonstrates the power of data drawn from partnerships with private companies. Access to this new data can inform future policies around large-scale events in cities and regions.

1. Introduction

The economic impact of large-scale music events – such as Taylor Swift's 'Eras' tour - has been well documented. At the same time, research has highlighted the wider national challenges facing small venues, nightclubs and pubs and bars. However, less attention has been directed toward the impact of 'one-off' large-scale events on bars, clubs and venues in cities and regions. Using Liverpool's hosting of Eurovision 2023 as a case study, and drawing on data from a new partnership with Mastercard, this report offers a proof of concept approach to analyse the impact of large-scale music events, which can be adopted and developed to inform decision-making when scheduling and evaluating the benefits of temporary large-scale events.

A synthesis of the economic and social impact of Eurovision 2023 by the Heseltine Institute emphasised the undoubted all-round success of Liverpool's hosting of Eurovision 2023 on behalf of Ukraine (Scott et al, 2023). However, as Amion's (2023: 24) economic impact report recognises, "the benefits (and disbenefits) of major events are not evenly distributed (geographically) across the host region". The report also acknowledges the limitations of using attendee surveys to assess the distribution of expenditure, as this data relies on the "perceptions and/or knowledge of the geography of the survey respondents" who, for example, "may not know the local authority boundaries and therefore whether they have spent within Liverpool or another local authority within the LCR" (ibid).

This policy briefing, developed by researchers from the University of Liverpool's Institute for Popular Music and the Consumer Data Research Centre, highlights analysis and findings which attempt to respond to these limitations. Using Mastercard transaction data, the research offers a detailed and robust analysis of the distribution of consumer spending during Eurovision 2023. The analysis supports Amion's initial findings, demonstrating that Liverpool City Region (LCR) benefitted financially by delivering an extensive range of Eurovision related activities. However, by using detailed consumer spending data, the research is also able to illustrate more specifically the spatial and sectoral beneficiaries of Eurovision 2023, demonstrating that the business beneficiaries were more densely concentrated around key sites of Eurovision activity than previous research showed.

These findings indicate that previously expressed concerns that 'one-off' big cultural events in Liverpool do not bring significant additional revenue to some local businesses (West, 2022) have some foundation. However, considering the variety of large-scale events, their differing locations within urban areas, and the distinctive configuration of nighttime economy districts, there is a need for more fine-grained analysis of the spatial and sectoral distribution of benefits for major events. The methodology detailed here could be applied across a range of events, dates, and locations to establish firm patterns of consumer behaviour, and their impact on local and regional economies.

2. Methodology and Data

The research utilised Mastercard's *Geoinsights* data product - a flexible data feed with anonymised, aggregated, and indexed purchase data for geographic areas, derived from the spending patterns of Mastercard customers. *Geoinsights* is a gridded dataset, containing indexed metrics of spend activity across different time periods, as well as for different industries (e.g. cafes and restaurants) and customer segments (e.g. domestic vs international). The indexed variables cover different types of spend, ranging from total transaction amounts and counts to the average spend per Mastercard account, as shown in Figure 1. These indexed metrics, which are mapped at grid-level, were provided by Mastercard for the extent of Liverpool City Region, spanning April and May of 2023. This enabled comparison of consumer spending during the week of Eurovision (May 6th – 13th, 2023), with the same week in the previous month (April 8th – 15th, 2023), particularly looking at how spending changed overall, as well as in specific industries, customer segments and in specific locations across Liverpool City Region. This data enables more fine-grained analysis into the spatial and sectoral distribution of spending than more aggregate-level data.

There are three main caveats with this data. First, *Geoinsights* is built from Mastercard transactions only. Second, consumer spending is represented by indexes instead of raw transaction amounts, where higher index values (100+) represent increased spending in an area or sector relative to a regional baseline. The use of indexes does however mean we are unable to pinpoint exact income figures generated during Eurovision 2023. Instead, we are able to demonstrate differences between the two weeks, particularly focusing on differences between industries, types of cardholder and geographic areas. Third, the data provides only a 'snapshot' comparison between two separate weeks, rather than looking at spending trends over a longer timeframe. This could, for example, obscure the impact of other factors outside of the hosting of Eurovision, such as the weather.

3. Findings

Firstly, we explored how consumer spending within Liverpool City Region changed during the week of the Eurovision Song Contest, when compared to the same week in the previous month. In particular, we calculated the average values of the six index variables, in each of the two weeks, as seen in *Figure 1* (on page 3).

The data finds that the week of Eurovision saw an uplift in consumer spending throughout Liverpool City Region. For example, when comparing the average 'Transaction Amount' in each week, a 3% increase was evident during Eurovision 2023. Furthermore, when considering how this relates to the volume of transactions ('Transaction Count'), it appears that Liverpool City Region saw an average increase of around 9%, as well as an additional 10% distinct Mastercard account holders spending money in the region ('No. Unique Accounts').

However, when looking at average transaction amounts, transaction volumes and spend per account, Eurovision does not appear to have had a significant impact. This indicates that, at the level of the individual consumer, spending behaviours might not have dramatically changed on average, but instead that Eurovision saw an increased volume of consumers, which generated additional income for the city-region.

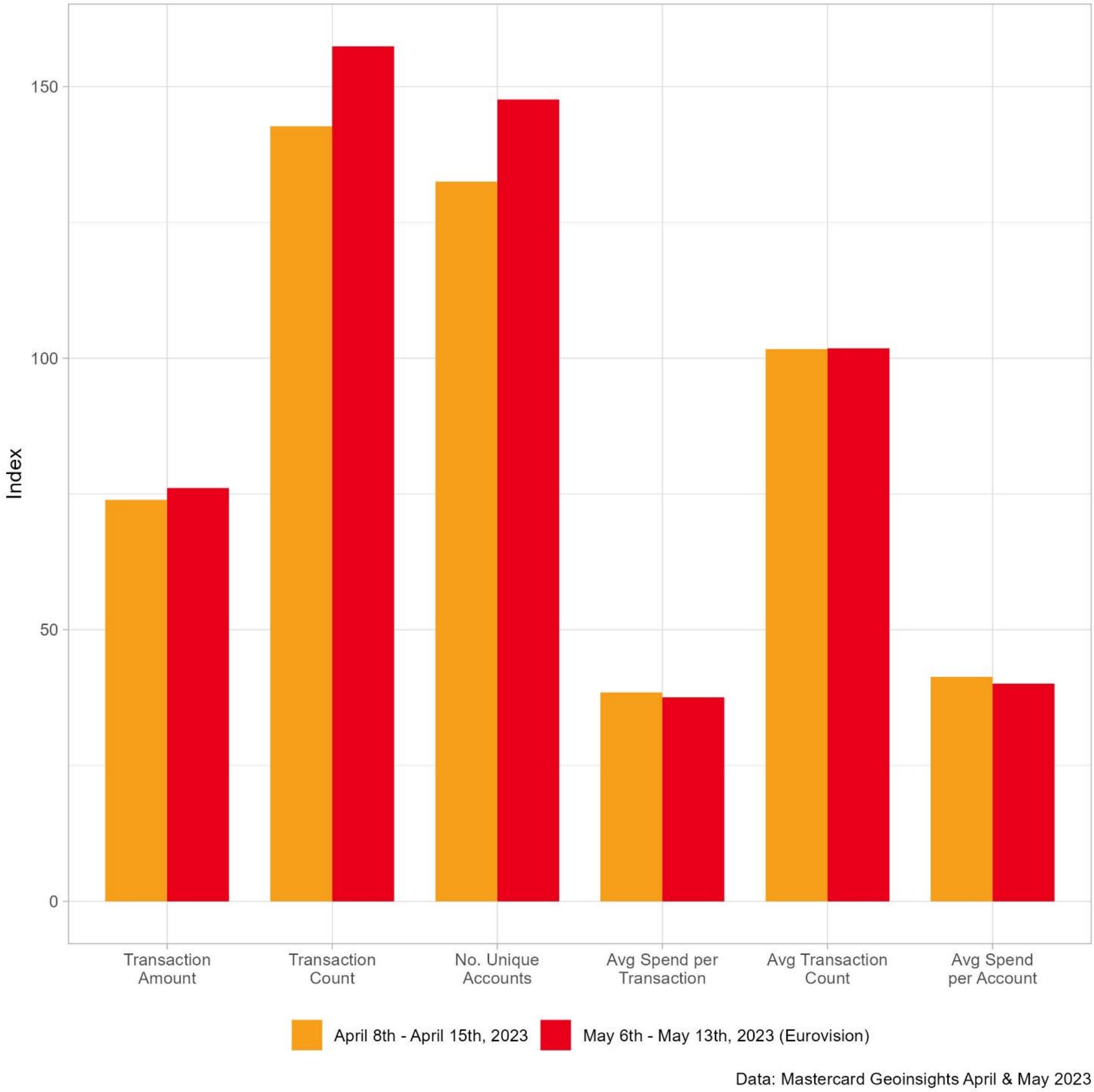

Figure 1: Comparing consumer spending in Liverpool City Region during the week of the Eurovision Song Contest (2023), with the same week in the previous month.

Given the increased number of transactions and unique accounts present in Liverpool City Region during Eurovision week, the next question we wanted to explore was: who are these additional consumers? To do so, we explored the differences in uplift between 'Domestic' and 'International' cardholders, as shown in *Figure 2* (on page 5).

From this data there is limited evidence to suggest that the general increases in consumer spending (see *Figure 1*) were driven by increased overseas tourism, as the index values for international cardholders remained fairly stable across the two weeks. This is an interesting finding, given that Eurovision is a festival that has a large international audience, and is expected to bring many new visitors to the host city each year. Instead, the spend data seems to suggest a significant uplift in 'Domestic' spending, i.e. by residents of the UK. For example, the number of transactions made by 'Domestic' cardholders increased by 9% during the week of Eurovision 2023, and the number of unique card holders was 10% higher than in April 2023, which points to increased spending locally, but also increased number of visitors to Liverpool City Region from around the UK during this time.

Next, we wanted to explore if there were specific sectors and industries that benefitted from Eurovision being hosted in Liverpool. To do so, we examined uplifts between a number of industries, as shown in *Figure 3 (*on page 5).

Figure 3 highlights a particularly positive impact for 'typical' night-time economy industries; 'Bars, Taverns and Nightclubs' saw an increase in total transaction amounts of around 6%, and 'Eating Places' saw an increase of around 11%. The uplifts seen for other sectors add credence to some of these insights, for example, 'Grocery and Food Stores' and 'Total Retail' saw only marginal increases during Eurovision 2023. These sectors, whilst key components of the consumer environment, appear to have been less impacted by Eurovision 2023, suggesting that large-scale events like Eurovision generate greater benefits for leisure and night-time venues than traditional retail locations.

An interesting finding in relation to *Figure 3* is that 'Accommodations' and 'Art, Entertainment and Recreation' spending was actually lower during Eurovision 2023. 'Accommodations' could potentially be explained in the context of purchase timing. Hotel reservations and bookings are usually made in advance of a visit, and Eurovision fans often book their itinerary as soon as the host city is announced. What this finding could also suggest is that there was a lack of capacity for additional visitors during Eurovision 2023, as all hotels were booked up, resulting in relatively low numbers of new reservations made during the event. 'Art, Entertainment and Recreation' venues also saw lower spending during Eurovision week. As this category comprises spending in 'Live Performances', this contributes further to debates about whether small music venues benefit from large events.

The final aspect we wanted to explore was how consumer spending was concentrated geographically, with a particular focus on understanding if Eurovision generated spending uplifts regionally, or just in specific parts of the city where Eurovision activities were more visible. To do so, we calculated walk-time isochrones from the Eurovision Village (see *Figure 4* on page 6). Isochrones are a spatial tool used to represent the geographic area someone can reach within a specified walking duration or distance (for example, a 15-minute walk).

The Eurovision Village, located at Pier Head, acted as the main hub for fans and locals to experience the Eurovision Song Contest in Liverpool, where events, live performances and show screenings were held across the week for Eurovision fans to enjoy. *Figure 4* pinpoints the location of the Eurovision Village, highlighting its proximity to some of the major cultural, leisure and retail districts of Liverpool.

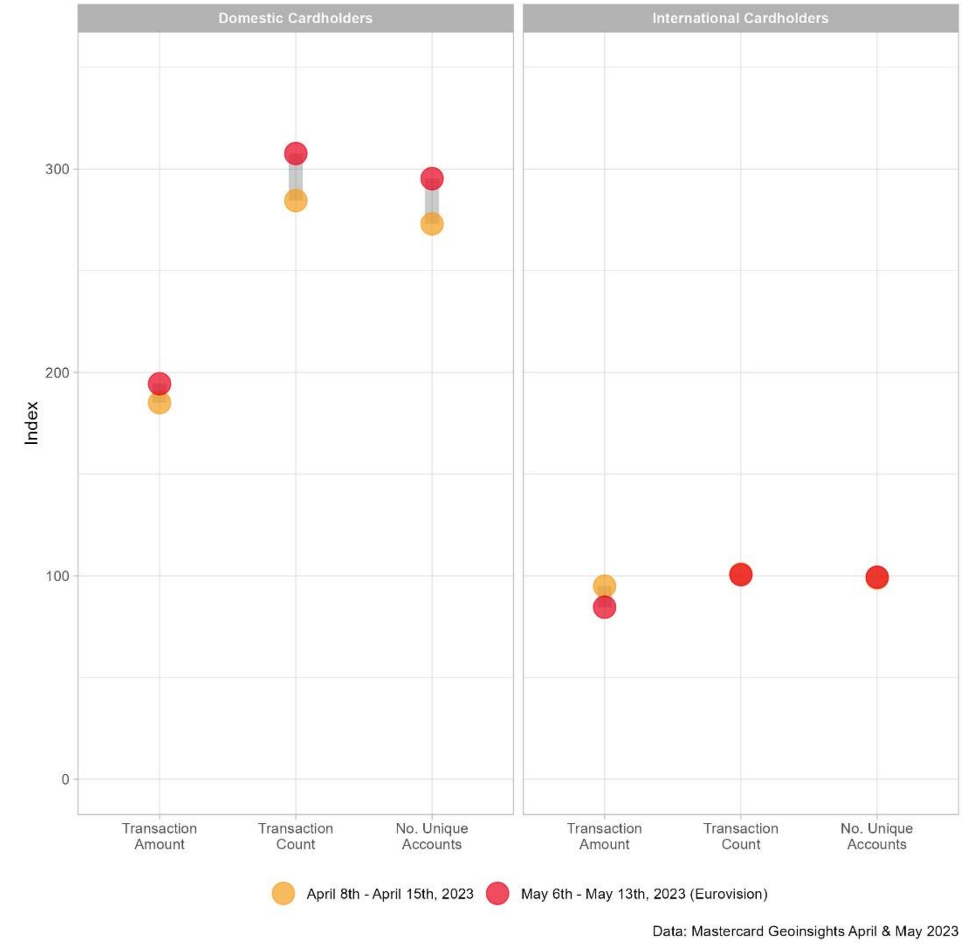

Figure 2: Consumer spending in Liverpool City Region between different cardholder types (Domestic vs International), comparing the week of the Eurovision Song Contest (2023), with the same week in the previous month. Overlapping dots are seen for International cardholders, representing a limited change in average index values between the two weeks.

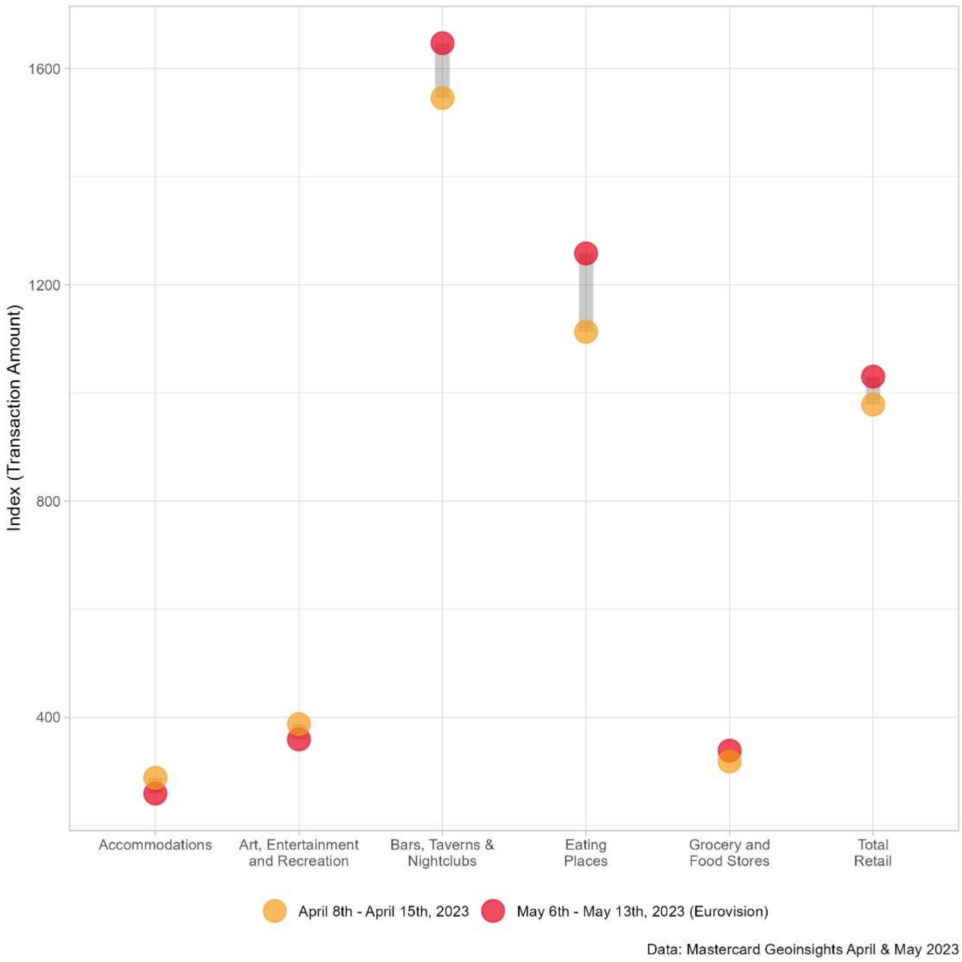

Figure 3: Consumer spending in Liverpool City Region, between different spend types or 'industries', comparing the week of the Eurovision Song Contest (2023), with the same week in the previous month.

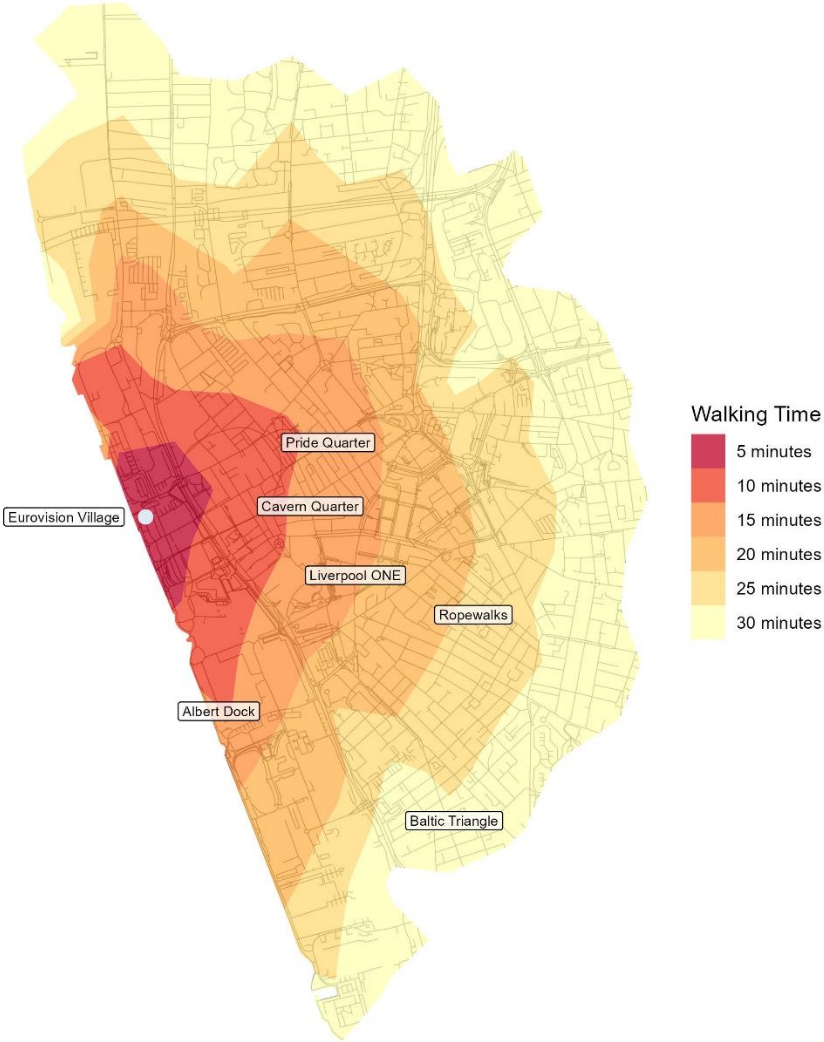

Figure 4: Location of the Eurovision Village, and average walking time to a variety of other cultural, leisure and retail districts in the City of Liverpool.

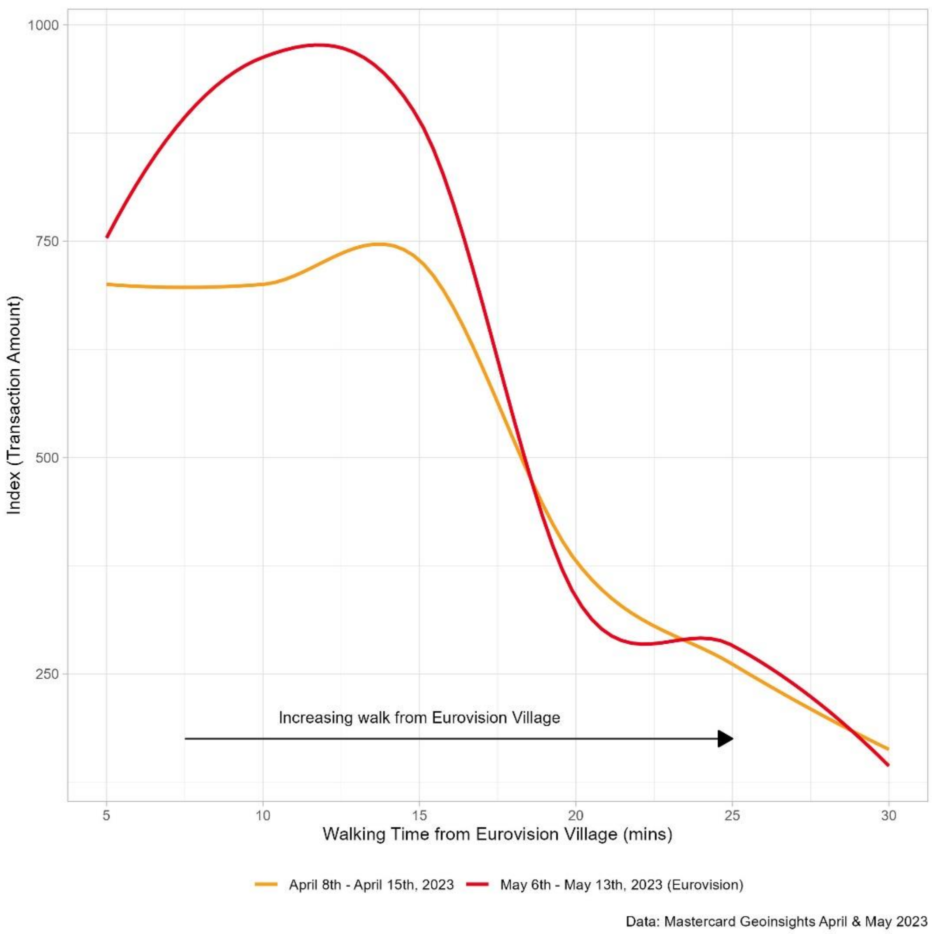

Figure 5: Average transaction amounts in relation to walking time from the Eurovision Village.

To examine the geographic distribution of spend relative to the Eurovision Village, we calculated the average transaction amount in each of the walking time isochrones, as shown in *Figure 5* (on page 6). Firstly, what is clear is that regardless of the week, there is a general decrease in overall transaction amounts with increasing distance from the Eurovision Village, where districts over 25 minutes' walk from the Village can expect spending to be around three times lower. Given that the Eurovision Village was located in the centre of Liverpool, this trend represents a very typical spending profile for a city, where the highest levels of spending are seen in the 'core'. What is also interesting is that, regardless of the week, a noticeable 'hump' is seen at around 10-15 minutes' walk from the Eurovision Village, which relates to the existence of many of the major retail and leisure districts of the city within these distances, such as Liverpool ONE – a large retail district which includes many of the most popular shops in the city-region.

However, in terms of the impact of Eurovision 2023 on these geographic trends, it appears that the event generated increased income in and around the city centre, with a heavily pronounced 'hump' of increased transaction amounts between 5 and 15-minutes' walk from the Eurovision Village. This 'hump', when compared with the month previous, points to roughly an additional 25% being spent in this part of the city during Eurovision 2023. Furthermore, this increased spend points to a slight redistribution of consumer spending onto Pier Head compared with the same week in April. The final interesting trend is the uplift in spend at around 25-30 minutes' walk from the Eurovision Village. This area is home to the Baltic Triangle, which was home to several fringe events during Eurovision, including EuroClub 2023, which could explain why spending was slightly higher in this part of the city during the week of Eurovision 2023.

4. Conclusions and Policy Implications

Our quantitative, data-driven approach to explore changing consumer behaviour during Eurovision 2023, supports most of the findings of Amion's mixed methods economic impact report (2023). Essentially, the economic uplift seen during Eurovision in May 2023 was driven by an increase in UK-based visitors to the city region, and an increase in average spending in eateries and bars. In addition, our analysis demonstrates that expenditure was predominantly concentrated within a 15-minute walk time from the Pier Head epicentre of Eurovision activity, and that retailers outside of this area fared slightly worse in terms of sales transaction amounts, when compared to the corresponding week in April (*Figure 5*). This view of spend distribution, in addition to evaluation of spend uplift, offers a more comprehensive picture of an event's impact, and could be a productive methodology to apply for current and future evaluations.

As a singular case study, it would be premature to draw definitive conclusions from the data about the impact of temporary large-scale events on Liverpool's established bar and venue sector. What the research demonstrates is the advantage of working with commercial partners, such as Mastercard, to access existing data as means to analyse consumer behaviour during large events. This methodology could be applied to different types of events, across different locations, such as other Eurovision host cities (for example, the 2024 event in Malmö Sweden adopted a more dispersed approach to fringe event delivery), or Taylor Swift's upcoming three night 'Eras Tour' in Liverpool. Such efforts would generate a more comprehensive view of how different cities, with different demographics and configured city geographies, experience different impacts during these events. For researchers, policy makers, bodies such as LCR's newly formed Local Visitor Economy Partnership (LVEP), and commercial operators across the live music and wider nighttime economy, these insights can also inform decision-making on where and when to locate temporary large scale events, and how to devise and deliver fringe activities that benefit as many local businesses as possible.

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