

Munich Oktoberfest

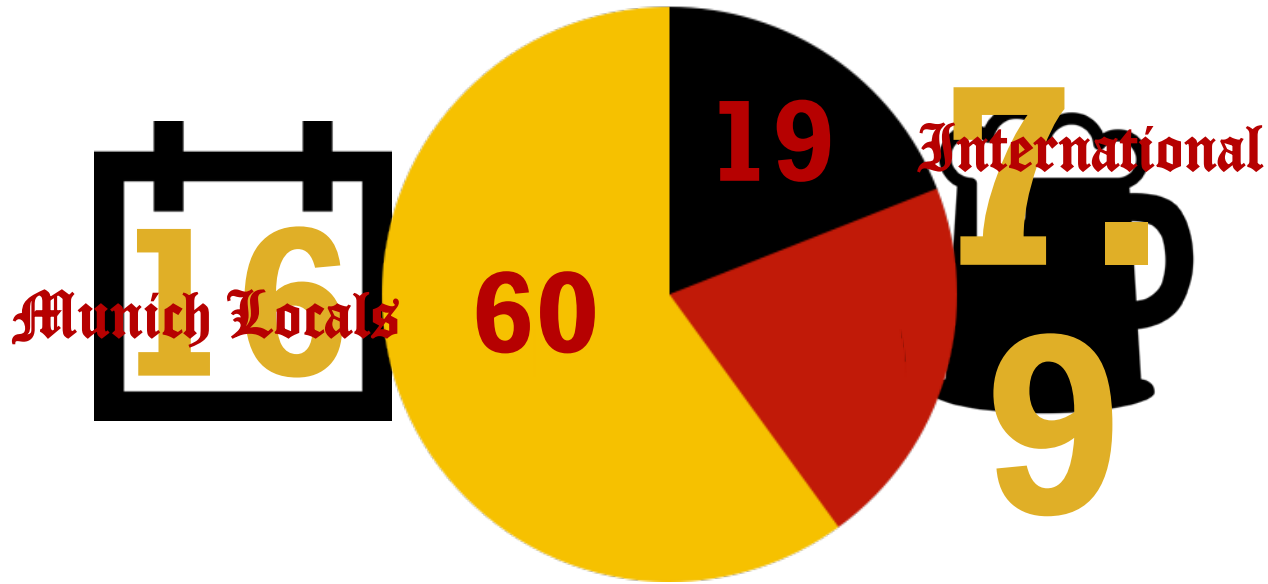


Zachary Bickel | Erica Cheng | Michelle Hara | Crystal Wang

A large, dense crowd of people at a festival, likely Oktoberfest. In the center, a man in a pink shirt and suspenders holds a beer aloft. The crowd is diverse in age and appearance, with many people wearing traditional Bavarian attire like lederhosen and dirndls. The atmosphere is festive and celebratory.

**It's all about having fun together,
celebrating Munich's culture and history.**

Oktoberfest by the numbers



Visitors never exceed 7 million

6 million

5 million





We need to look elsewhere.

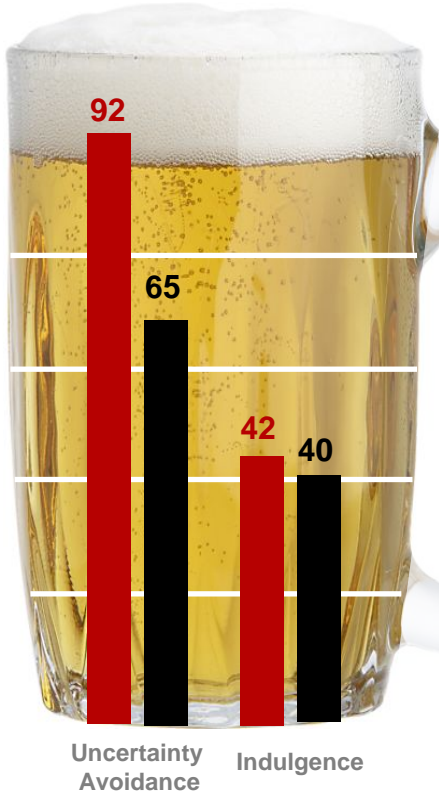




| | Munich | Sapporo | Cincinnati | Sydney |
|---------------------------|--------|---------|------------|--------|
| Relationship with Germany | ● | ● | ● | ◐ |
| Local Culture | ● | ● | ◐ | ◐ |
| Profitability | ○ | ● | ◐ | ◐ |
| Risk | ○ | ◐ | ◐ | ● |
| Beer Consumption | ● | ● | ◐ | ● |
| Government Support | ● | ● | ◐ | ● |

Hofstede Culture Dimension Scale

■ Japan ■ Germany



Why Sapporo?





Culture

Fun

History

Friends



7

Beer Tents

30

Games Station

50

Food Vendors

Target Market



19-35 year olds



All economic classes



Socially and culturally committed



Sapporo Oktoberfest Marketing



Print Campaign



Social Media



Corporate Outreach

Three glasses of beer are shown side-by-side. The leftmost glass contains a dark, reddish-brown beer with a thick, light-colored head of foam. The middle glass contains a golden, light-colored beer with a thick, light-colored head of foam. The rightmost glass contains a dark, reddish-brown beer with a thick, light-colored head of foam. The glasses are set against a blurred background of what appears to be a bar or restaurant setting.

Key Performance Index

Attendance

670K



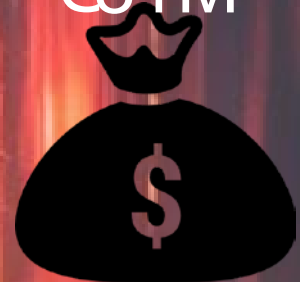
Impressions

Online Traffic



Revenue

€81M

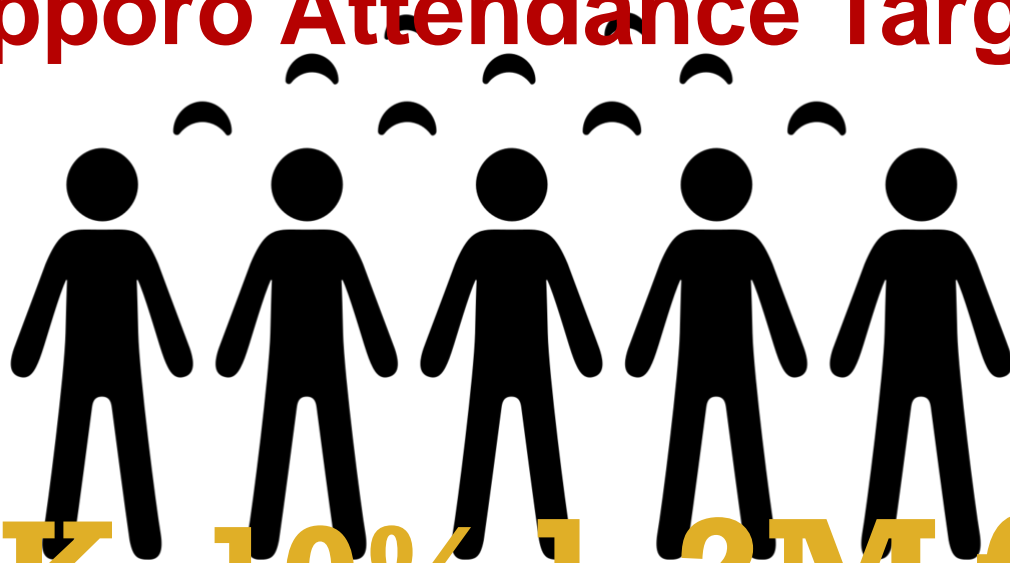




Oktoberfest

- ✓ Branding
- ✓ More Profits
- ✓ Quality Control
- ✓ New Market Presence

Sapporo Attendance Targets



670K

First Year

10%

YOY Growth

1.2M

8 Years

€67

Per Visitor

Over next 10 years:

NPV

€60M in Sapporo

€425M in Munich

**Adding Sapporo,
13.5% increase in NPV**





Appendix

SWOT
Analysis

Target
Calculations

Tourism in
Japan

Oktoberfest
Comparison

Estimates
Appendix

Cash Flows

Stakeholders

Games &
Food

S

- High international visibility
- Economic benefit to City of Munich
- Culturally & historically rooted
- Overall positive reputation
- Strong German economy

W

- Reached maximum capacity
- International perception varies
- Pressure on tent operators, rather than city to create experience

O

- Expand festival fairgrounds and capacity
- Offer more variety in experience – food, drinks, events, etc.
- Integrate more history and culture

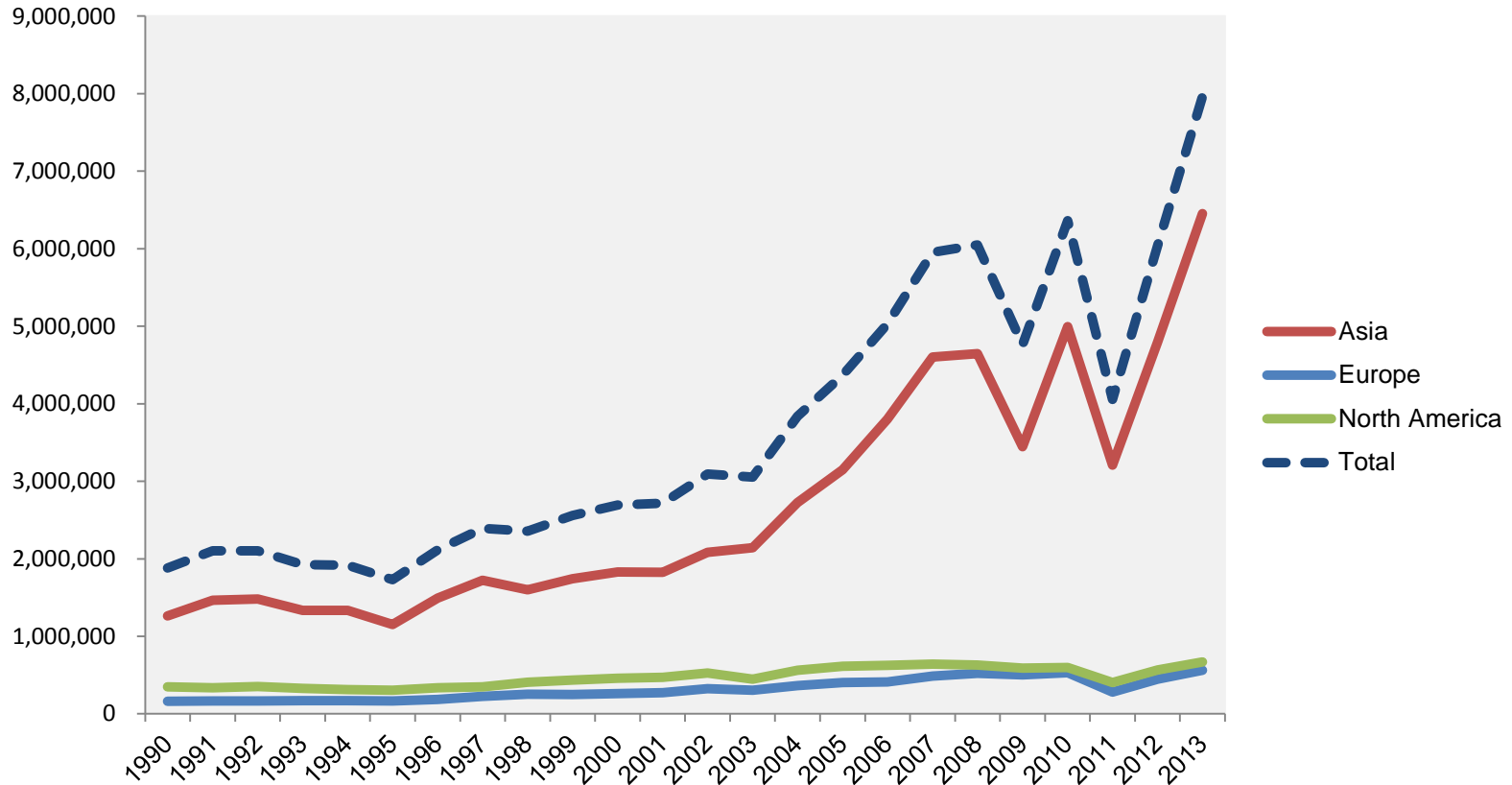
T

- Distorted brand image of Oktoberfest internationally
- Limited supply of exclusive vendors
- Tent operators can drop out

Targets

- €67 Per Visitor
 - About €9 for a stein in Munich Oktoberfest
 - Beer is more expensive in Japan so we'd aim for €10 or more
 - Reasonable amount to spend
- Target 1.2 to 1.3 M visitors in Sapporo in 8 Years
 - Target 670 k in the first year
 - 10% attendance growth YOY

Tourism in Japan



Comparison

Theresienwiese

- 420,000 m²
- 35 Tents
- 114,000 Seats
- 6,500,000 Visitors
- 12,000 Directly Employed

Odori Park (Estimates)

- 78,901 m²
- 7 Tents
- 8,821 Seats
- 1,221,000 Visitors
- 2,254 Directly Employed

Estimates

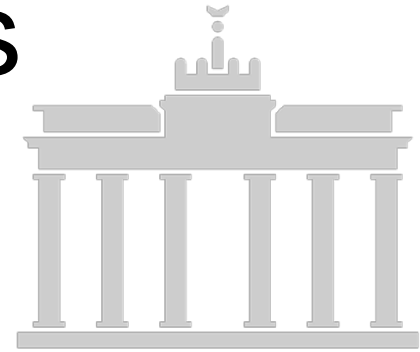
| <i>Metric</i> | <i>Munich (Theresienwiese)</i> | <i>Sapporo (Odori Park) Estimates</i> |
|---|--------------------------------|---|
| Size (m ²) | 420,000 | 78,901 |
| Tents | 35 | 7 |
| Seats | 114,000 | 21,416 |
| Visitors | 6,500,000 | 1,221,087 |
| Directly Employed | 12,000 | 2,254 |
| Estimated Possible Total Annual Revenue | € 435,000,000.00 | € 81,718,892.86 |
| Estimated Possible Annual EBITDA | € 101,377,694.47 | € 19,044,765.41 |
| Estimated 10 Year PV Total Revenue | € 1,823,725,357.21 | € 253,058,800.82 |
| Estimated 10 Year PV EBITDA | € 425,023,154.16 | € 58,975,902.97 |

Cash Flows

| | |
|---------------|-----|
| Growth Rate | 10% |
| Discount Rate | 20% |

| <i>Year</i> | <i>Sapporo Percent of Theoretical Capacity</i> | <i>Discount Factor</i> | <i>Sapporo (Odori Park) Estimated Total Revenue</i> | <i>Sapporo (Odori Park) Estimated EBITDA</i> |
|-------------|--|------------------------|---|--|
| 1 | 55.00% | 0.833333333 | € 44,945,391.07 | € 10,474,620.97 |
| 2 | 60.50% | 0.694444444 | € 49,439,930.18 | € 11,522,083.07 |
| 3 | 66.55% | 0.578703704 | € 54,383,923.20 | € 12,674,291.38 |
| 4 | 73.21% | 0.482253086 | € 59,822,315.52 | € 13,941,720.52 |
| 5 | 80.53% | 0.401877572 | € 65,804,547.07 | € 15,335,892.57 |
| 6 | 88.58% | 0.334897977 | € 72,385,001.77 | € 16,869,481.83 |
| 7 | 97.44% | 0.279081647 | € 79,623,501.95 | € 18,556,430.01 |
| 8 | 100.00% | 0.232568039 | € 81,718,892.86 | € 19,044,765.41 |
| 9 | 100.00% | 0.193806699 | € 81,718,892.86 | € 19,044,765.41 |
| 10 | 100.00% | 0.161505583 | € 81,718,892.86 | € 19,044,765.41 |

Stakeholders



Games & Food

Types of Games

Traditional Games

- Pachinko
- Goldfish Scooping Game
- Water Balloon
- Sudoku
- Taiko
- Hanafuda
- Renju
- Shoji
- Kancho

Types of Food

Japanese Food

- Takoyaki
- Kasutera
- Crepe
- Cotton Candy
- Taiyaki

German Food

- German Sausage
- Pretzel
- Chicken