

Bend Concert Series Intercept Survey Summer 2010 Final Results

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Prepared for:

Visit Bend

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Introduction and Methodology. This report presents the final results of a concert series intercept research project conducted for Visit Bend by RRC Associates of Boulder, Colorado during summer 2010. The primary intent of the research was to estimate the economic impact of the concert series on the Bend area. The intercept survey was conducted by interviewers at nine of the concert series events held at the Les Schwab Amphitheatre in Bend between May 29 and September 18, 2010. An aggregate total of 26,293 concert-goers attended the nine events. The nine concert acts studied in the research, along with respective attendance, are summarized in Table 1 below.

Table 1
Summer 2010 Bend Concert Series: Events Studied via Intercept Research

	Date	Act	Attendance	% of Attendance
1	5/28/10	Goo Goo Dolls	1,790	6.8%
2	5/30/10	Band of Horses and She & Him	3,799	14.4%
3	6/20/10	Merle Haggard & The Strangers	1,429	5.4%
4	7/16/10	Steve Miller Band	4,631	17.6%
5	7/17/10	Barenaked Ladies	1,406	5.3%
6	8/5/10	Michael Franti & Spearhead	3,456	13.1%
7	8/27/10	Bob Dylan & John Mellencamp	5,030	19.1%
8	8/29/10	Clint Black with Luke Bryan	2,097	8.0%
9	9/17/10	Willie Nelson	2,655	10.1%
	TOTAL		26,293	100.0%

The results presented in this report are based on 800 attendee interviews completed at the nine concerts. The aggregate results have been weighted so as to be representative of the respective attendance counts at the nine concerts. The aggregate survey results have a margin of error of approximately +/- 3.5 percentage points calculated for questions at 50% response¹. Although survey results for individual concerts are provided in the Appendix section, results for individual concerts have varying and larger margins of error. This written summary focuses on the aggregate results, insofar as the primary intent of this project was to estimate economic impact of the entire concert series on an aggregate basis.

Respondent Origin. More than half of the survey respondents were permanent, year-round local residents of Central Oregon (57 percent), while 32 percent were overnight visitors staying in Central Oregon, 7 percent were day visitors to Central Oregon, and 4 percent were seasonal residents of Central Oregon (Figure 1 – shown in Appendix 2).

¹ For the total sample size of 800 respondents interviewed, margin of error is +/- 3.5 percentage points calculated for questions at 50% response (if the response for a particular question is “50%”—the standard way to generalize margin of error is to state the larger margin, which occurs for responses at 50%). Note that the margin of error is different for every single question response on the survey depending on the resultant sample sizes, proportion of responses, and number of answer categories for each question.

Overnight Visitors. The large majority of overnight visitors (71 percent) stayed in Bend, while 5 percent stayed in Redmond, 5 percent stayed in Eagle Crest, 4 percent stayed in Sunriver, and 15 percent stayed elsewhere. On average, overnight visitors stayed 2.2 nights in the area, with most staying one (41 percent) or two (30 percent) nights. Most overnight visitors stayed in paid lodging (hotel, home or condo rental, etc. - 58 percent), while 21 percent stayed with friends/family who live in the area (21 percent), 13 percent stayed in a tent/RV/camper van, and 9 percent stayed in a vacation home / timeshare owned by themselves, family or friends. The average nightly rate paid for accommodations while in the area was \$99 (average of \$115 among those staying in paid lodging and \$23 among those camping), with an average of 2.6 people staying in each unit of accommodations. Both length of stay and number of people per unit were somewhat less for concertgoers than for the overall Bend summer visitor profile (Figures 2-4).

Motivation and Planning for Concert/Trip. The majority of out-of-town attendees (86 percent) bought their concert ticket(s) prior to arriving in Bend. When asked if they made this trip to Bend specifically to attend this concert, 80 percent of visitors said they came specifically for the concert while 20 percent said they would have visited the area anyway.

Net Promoter Score. “Net promoter” questions were asked in the effort to measure destination and event success and customer satisfaction. Respondents were asked “How likely would you be to recommend Bend to a friend, family member or colleague?”, and “How likely are you to recommend this event to a friend, family member or colleague?” The answer scale to this question is based on an 11-point scale where 0=not at all likely, 5=neutral, and 10=extremely likely. The results are intended to quantify word of mouth and measure how well a destination or event is regarded among its customer base; this question is asked in many other industries and is considered an important benchmark of a destination’s, company’s, or event’s performance and potential for positive word of mouth.

Respondents who give rating scores of 9 or 10 (74% for Bend overall, 74% for the specific event attended) tend to be “promoters” of the item being rated, speaking of it highly if asked. Respondents who give scores of 7 or 8 (18% for Bend; 19% for the event) tend to be more impartial or passively satisfied, not necessarily a strong promoter but neither a detractor as well. These guests probably wouldn’t say anything bad about the destination/event, but they aren’t raving fans either. Respondents who give ratings of 6 or below (7% for Bend; 7% for the event) are “detractors”—if asked, likely to be less than enthusiastic or are more likely to not have good things to say about the destination or event. As such, Bend’s “net promoter score” (percentage of promoters minus percentage of detractors) is 67% and the overall net promoter score of the events that took place throughout the summer was also 67% (Figure 5). The net promoter score of both Bend overall and the events varied somewhat by the specific event attended by the respondent, of which detailed results can be seen in the attached data tables and graphs (Figure 6).

Spending. Respondents were asked to “estimate how much money you will spend per person today and tonight, both at the concert and in the Bend area throughout the day, on the following: Food and drinks; Shopping (souvenirs, clothing, equipment, gifts, etc.); Recreation and entertainment (golf, rafting, sightseeing, etc.); and other items (local transportation, parking, etc. – but excluding lodging).”

On average, during the day and evening of the concert, respondents spent the most on food and drinks (average of \$45 per person; representing 43 percent of the total spending among respondents), followed by shopping (\$24; 23 percent), recreation/entertainment (\$14; 13 percent), lodging (\$9; 9 percent), and other expenses (\$13; 13 percent). The average amount spent per person on the day of the concert totaled \$105.

Almost all respondents at least spent something on food and drinks (95 percent of respondents), compared to 37 percent who spent money shopping, 21 percent who paid for lodging (taking into account day visitors, locals, and visitors staying with family and friends), 16 percent who spent money on recreation/entertainment, and 20 percent who paid for “other expenses.” (Figures 7 and 8)

Direct Economic Significance and Direct Economic Impact of Concert Series. In order to evaluate the economic scope and effects of the Bend Summer Concert series, two economic measures have been calculated: “Direct Economic Significance” and “Direct Economic Impact.” These terms are defined below.

- “Direct Economic Significance” is a measure of concert-related spending by all concert attendees. This includes trip-related spending by day visitors and overnight visitors who were specifically attracted to the area by the concert; day-of-visit expenditures by overnight visitors who would have been in the area regardless of the concert series; and spending during the concert timeframe by permanent local residents and seasonal residents of Central Oregon. The very broad measure of “economic significance” can be understood as reflecting all attendee-related economic activity associated with the concert series. The term “direct” further specifies that measure is a reflection of first-order economic activity stemming from the spending of concert attendees. Larger economic effects would be identified if “secondary” (a.k.a. “multiplier” or “indirect and induced”) economic impacts were included in the analysis as well.
- “Direct Economic Impact” is a measure of economic activity associated with only those concert attendees who are day or overnight visitors to Central Oregon who made the trip to Bend specifically in order to attend a concert. Economic activity associated with visitors who would have been in the area regardless of the concert series is excluded, since factors other than the concert series were the primary drivers of those visits. Additionally, economic activity associated with permanent and seasonal residents is excluded, insofar as it is assumed that these groups would have incurred a similar level of discretionary spending in Central Oregon even if the concerts had not taken place (i.e.

it is assumed that they would have spent their discretionary/entertainment dollars on other goods/services/activities in the local area instead of the concert events).² “Economic impact” is thus a narrower measure than “economic significance,” and it tabulates the incremental “new money” brought into the Central Oregon area by outside visitors attracted to the area as a result of the concert series.

Again, the term “direct” further specifies that the economic impact evaluation has been limited to first-order economic effects. Secondary/multiplier impacts have been excluded from the analysis; but if they were included, the identified impact would be significantly larger.

Table 2 to follow quantifies the estimated direct economic significance and direct economic impact of the summer 2010 Bend concert series. Overall, the analysis finds the following:

- Direct Economic Significance (column 10): Total concert-related attendee spending in the Central Oregon area was estimated to be \$3.61 million. After deductions to retail sales to account for local capture of economic activity (discussed in more detail later), total direct economic activity associated with the concert series in the local area was estimated at **\$2.88 million**.
- Direct Economic Impact (column 11): Total trip-related spending by visitors attracted to Bend in order to specifically attend the concert series was \$2.26 million. After deductions to retail sales to account for local capture of economic activity, total direct economic impact associated with the concert series was estimated at **\$1.81 million**.

As outlined in Table 2 to follow, the methodologies for estimating both economic significance and economic impact are essentially identical. The key distinction pertains to which groups of attendees are included in the respective economic evaluations. The economic significance evaluation reflects concert-related economic activity associated with all attendee groups, while the economic impact evaluation reflects economic activity associated only with visitors specifically traveling to the area for the purpose of attending a concert.

For both the economic significance and economic impact evaluations, the following methodological steps were applied:

- Quantify concert attendance by attendee group, utilizing survey data and concert attendance counts. Six key segments were quantified:
 - Overnight visitors coming to Bend specifically to attend a concert (estimated by the survey data to be 24.6 percent of concert attendees)

² To the extent that some local and seasonal residents might have left the community in search of music or other entertainment options if the Bend concert series did not take place, the concert series retained economic activity in the local economy which would have otherwise escaped; and any such economic activity could be credited as “economic impact.” It is beyond the scope of this research to quantify any such impact, however.

- Overnight visitors who would have come to Bend anyway (7.3% of attendees)
- Day visitors coming to Bend specifically for the concert (6.4% of attendees)
- Day visitors who would have come to Bend anyway (0.7% of attendees)
- Permanent year-round residents of Central Oregon (56.6% of attendees)
- Seasonal residents of Central Oregon (4.4% of attendees)

All six of these segments were factored into the economic significance calculations. For the economic impact calculations, only overnight and day visitors coming to Bend specifically to attend a concert were included.

- Calculate days in the Central Oregon area influenced by the concert. Overnight visitors drawn by a concert averaged 1.72 nights in the Central Oregon area, which is estimated to have extended their local economic impact beyond the day of the concert accordingly. By contrast, for all other attendee segments, economic significance and/or impact were assumed to be limited to expenditures on the day of the concert only.
- Calculate per capita daily or concert-related spending. Spending factors were calculated based on survey results. Visitor spending was collected for the entire day and evening period during which visitors were in the Bend area. Permanent and seasonal resident spending was collected for the concert timeframe only. Spending estimates were collected for several expenditure categories, including lodging, food & drink, shopping, recreation/entertainment, and other.
- Calculate aggregate attendee spending for each attendee group, by multiplying per capita daily concert-related expenditures by the aggregate person-days in Central Oregon which were influenced by the concert series.
- Adjust retail sales to reflect local capture of economic value. Much of the price of retail items reflects manufacturers' costs of creating goods, as well as the costs charged by transporters and wholesalers. Insofar as such manufacturers, transporters and wholesalers are located outside of the Central Oregon region, it is important to exclude those portions of economic value creation from the local economic evaluation, and only include that proportion of economic value represented by the retailer's margin. This step is applied in this analysis to grocery purchases (assumed to represent 20 percent of total attendee food & drink purchases) and shopping purchases. Based on data reported for selected Western U.S. communities in 2008 by the IMPLAN economic modeling system, a grocery retail margin of 29.5 percent and a blended retail margin of 35.0 percent have been applied to grocery and shopping purchases respectively.
- Calculate aggregate economic significance and aggregate economic impact by summing the economic activity of appropriate segments. As noted previously, aggregate direct economic significance, estimated at \$2.88 million, is calculated from the sum of economic activity by all concert attendee segments. Aggregate economic impact,

estimated at \$1.81 million, is calculated from the sum of economic activity of only those visitor segments specifically attracted to area by the concert series.

Again, it should be noted that secondary economic effects associated with multiplier effects are excluded from this analysis. Inclusion of such secondary effects would result in significantly higher total economic significance and total economic impact estimates.

Additionally, it should be noted that some economic benefits of the Bend concert series are not captured in this analysis, such as the following:

- Insofar as visitors have a positive experience in Central Oregon as a result of the concert series, they may be more likely to return in the future, and to generate positive word of mouth which encourages other visitors to come. The Net Promoter Score evaluation discussed earlier suggests that most attendees did have a positive experience with Bend and the concert series.
- Local economic impacts associated with concert production have been excluded, but may be significant (e.g. advertising expenditures, locally purchased concert production goods and services, performer & staff spending while in Central Oregon, etc.).
- Insofar as the Bend Concert Series reinforces the overall quality of life of Central Oregon for permanent and seasonal residents, it may help foster business attraction and retention, boost the attractiveness of the area for second homeowner investment, and indirectly contribute to related economic impacts.

Table 2: Economic Significance and Economic Impact of the Bend Summer 2010 Concert Series

1	2	3	4	5	6	7	8	9	10	11
Measure	CONCERT ATTENDEE GROUP								GRAND TOTAL: "DIRECT ECONOMIC SIGNIFICANCE" (effects of all concert attendees)	SUBTOTAL: "DIRECT ECONOMIC IMPACT" (effects of only those day & overnight visitors specifically attracted to Bend by concerts)
	Overnight visitors staying in Central Oregon			Day visitors to Central Oregon (not staying in area overnight)			Permanent, year-round local residents of Central Oregon	Seasonal residents of Central Oregon		
	Overall	Came to Bend specifically for concert	Would have come to Bend anyway	Overall	Came to Bend specifically for concert	Would have come to Bend anyway	Overall	Overall		
CATEGORIES OF ATTENDEES INCLUDED IN ECONOMIC EVALUATIONS:										
Groups included in econ. signif. calcs:	x	x	x	x	x	x	x	x	x	
Groups included in econ. impact calcs:		x			x					x
PERSON-DAYS IN BEND ASSOCIATED WITH CONCERT SERIES:										
Percent of total concert attendees	31.9%	24.6%	7.3%	7.1%	6.4%	0.7%	56.6%	4.4%	100.0%	31.0%
Number of total concert attendees	8,393	6,479	1,913	1,854	1,682	172	14,892	1,154	26,293	8,161
Average nights (days) of stay in Bend	1.56	1.72	1.00	1.00	1.00	1.00	1.00	1.00	1.18	1.57
Total person-days in Bend	13,052	11,139	1,913	1,854	1,682	172	14,892	1,154	30,953	12,821
PER CAPITA DAILY SPENDING IN BEND (permanent & seasonal residents: spending associated with concert timeframe only):										
Lodging expenditures	\$29.31	\$31.90	\$14.25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$12.36	\$27.71
Food & beverage expenditures	\$61.21	\$61.65	\$58.65	\$33.57	\$29.96	\$68.70	\$36.54	\$50.03	\$47.27	\$57.50
Shopping expenditures	\$41.46	\$43.33	\$30.56	\$45.99	\$38.37	\$120.30	\$11.18	\$14.51	\$26.16	\$42.68
Recreation/entertainment expenditures	\$24.39	\$24.09	\$26.18	\$7.31	\$2.67	\$52.55	\$7.13	\$25.65	\$15.11	\$21.28
Other expenditures	\$30.69	\$30.92	\$29.30	\$6.97	\$4.64	\$29.61	\$4.46	\$5.64	\$15.71	\$27.48
Total per capita spending today	\$187.06	\$191.89	\$158.94	\$93.83	\$75.65	\$271.15	\$59.31	\$95.84	\$116.61	\$176.64
AGGREGATE SPENDING ASSOCIATED WITH CONCERT SERIES:										
Lodging expenditures	\$382,593	\$355,337	\$27,256	\$0	\$0	\$0	\$0	\$0	\$382,593	\$355,337
Food & beverage expenditures	\$798,970	\$686,768	\$112,201	\$62,248	\$50,400	\$11,848	\$544,233	\$57,719	\$1,463,169	\$737,168
Shopping expenditures	\$541,114	\$482,643	\$58,470	\$85,284	\$64,536	\$20,748	\$166,519	\$16,739	\$809,657	\$547,180
Recreation/entertainment expenditures	\$318,388	\$268,311	\$50,076	\$13,557	\$4,495	\$9,062	\$106,122	\$29,593	\$467,660	\$272,806
Other expenditures	\$400,540	\$344,481	\$56,059	\$12,917	\$7,810	\$5,107	\$66,351	\$6,507	\$486,314	\$352,291
Total spending	\$2,441,604	\$2,137,541	\$304,063	\$174,006	\$127,241	\$46,765	\$883,225	\$110,558	\$3,609,393	\$2,264,782
ADJUSTMENT OF RETAIL SALES TO REFLECT LOCAL CAPTURE OF ECONOMIC VALUE (i.e. calculate retailer margins by subtracting out cost of goods)										
Note: This adjustment applies to retail sales only (grocery & shopping). The adjustment is not needed for lodging, restaurant, recreation, and other purchases.										
Calculation of grocery margins:										
F&B spend (from above)	\$798,970	\$686,768	\$112,201	\$62,248	\$50,400	\$11,848	\$544,233	\$57,719	\$1,463,169	\$737,168
Assumed grocery share of F&B spend	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
Assumed grocery spend	\$159,794	\$137,354	\$22,440	\$12,450	\$10,080	\$2,370	\$108,847	\$11,544	\$292,634	\$147,434
Assumed grocery margin	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%
Assumed local capture of groc. spend	\$47,139	\$40,519	\$6,620	\$3,673	\$2,974	\$699	\$32,110	\$3,405	\$86,327	\$43,493
Calculation of shopping margins:										
Shopping expenditures	\$541,114	\$482,643	\$58,470	\$85,284	\$64,536	\$20,748	\$166,519	\$16,739	\$809,657	\$547,180
Assumed retail margin	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
Assumed local capture of shop. spend	\$189,390	\$168,925	\$20,465	\$29,850	\$22,588	\$7,262	\$58,282	\$5,859	\$283,380	\$191,513
AGGREGATE LOCAL DIRECT ECONOMIC SIGNIFICANCE & IMPACT ASSOCIATED WITH CONCERT SERIES:										
Lodging	\$382,593	\$355,337	\$27,256	\$0	\$0	\$0	\$0	\$0	\$382,593	\$355,337
Grocery	\$47,139	\$40,519	\$6,620	\$3,673	\$2,974	\$699	\$32,110	\$3,405	\$86,327	\$43,493
Other F&B (restaurants/bars)	\$639,176	\$549,415	\$89,761	\$49,798	\$40,320	\$9,479	\$435,386	\$46,175	\$1,170,536	\$589,734
Shopping	\$189,390	\$168,925	\$20,465	\$29,850	\$22,588	\$7,262	\$58,282	\$5,859	\$283,380	\$191,513
Recreation/entertainment	\$318,388	\$268,311	\$50,076	\$13,557	\$4,495	\$9,062	\$106,122	\$29,593	\$467,660	\$272,806
Other	\$400,540	\$344,481	\$56,059	\$12,917	\$7,810	\$5,107	\$66,351	\$6,507	\$486,314	\$352,291
Total	\$1,977,226	\$1,726,988	\$250,237	\$109,794	\$78,186	\$31,609	\$698,250	\$91,539	\$2,876,809	\$1,805,174

Notes to Table 2:

- Among overnight visitors staying in Central Oregon who "would have come to Bend anyway," the average length of stay in the Central Oregon area was 4.11 nights. However, since concert attendance was one night, only one night is credited in the economic significance calculations for this segment.
- Seasonal residents were assumed to be present in Central Oregon even if the concert series did not occur. As such, they are credited with one day of spending in the economic significance calculations, and no impact in the economic impact calculations. However, to the extent that some seasonal residents might have been drawn to Central Oregon by the concerts, any such trips should be included in the economic impact calculations, and the respective economic impact and economic significance should reflect total length of stay. To the extent the concerts might have drawn some seasonal residents to Bend, both the economic significance and economic impact shown may be understated accordingly.
- It is assumed that seasonal residents had no lodging expenditures; but to the extent some seasonal residents might have stayed in commercial accommodations, lodging spend may be understated accordingly.
- Overnight visitor spending is assumed to be similar on concert days and non-concert days.
- Economic activity associated with event production is excluded from the analysis.
- Secondary economic effects attributable to "multiplier" effects are not counted. Economic effects would be greater if secondary effects were included in the analysis.