Tourist Expenditure at a Sport Event Portfolio: Determinants, Outcomes, and Variances

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Sport tourism
Friday, June 3, 2016
20-minute oral presentation
(including questions)
(Forum East 2)

Community and scholarly support for large-scale sport events is gradually declining as sustainability and efficiency are becoming primary concerns. Accordingly, a push for the creation of small-scale event portfolios that comply with a community’s resources and infrastructure is developing as a more sustainable alternative. Small-scale sport events are argued to be a sustainable form of tourism development for communities by balancing different stakeholder interests (Getz, 2008; Gibson, Kaplanidou, & Kang, 2012) and are particularly beneficial when focused on regular season sports or annual events (Highman, 1999; Ziakas & Costa, 2011; Gibson et al., 2012). Small-scale sport events often generate a consistent flow of visitors, utilize existing infrastructure, require minimal public funding, and are an appropriate size for the community to manage (Highman, 1999). These factors challenge the criticisms of mega-sport events in regard to the viability of facilities post event (Hiller, 2006), financial burden of event production (Lee & Taylor, 2005), and associated environmental impacts (Collins, Jones, & Munday, 2009). By combining several smaller scale events to create an event portfolio a synergistic effect is created that can be leveraged to optimize intended outcomes (Ziakas, 2014). An event portfolio is defined as a strategically planned and interrelated series of events in terms of resources, themes, and markets (Ziakas, 2014). However, little to no research has investigated the community impact of an event portfolio. Thus, the current study investigated a portfolio of four small scale cycling events located in the Northwest United States to better understand their combined impact on the local economy.

Two research questions guided the study, RQ 1: What factors influence tourist expenditure amongst a destination’s portfolio of small-scale sport events? RQ 2: Do the individual events within an event portfolio differ in terms of tourist expenditure, travel behavior or participant demographics?

Four mountain bike events located in Oregon, USA served as the research context for the current study, which included the High Cascades 100 Endurance Mountain Bike Race (HC), Mountain Bike Oregon (MBO), the USA Cycling Marathon Mountain Bike National Championships (MNC), and Cog Wild (CW). The HC and MNC events are competitive endurance events, while MBO and CW are bike tour events. An online survey was developed from previous economic impact surveys that assessed visitor spending, travel behavior, and participant demographics (Lindberg, 2010, 2009a, 2009b; White & Stynes, 2008). The survey was pilot tested then distributed via email after each event resulting in a total sample of N=616 comprised of subsamples from each event: CW (n=119), HC (n=185), MBO (n=244), and MNC (n=68). Through descriptive statistics, general linear modeling, chi square testing, and multiple regression, each of the four events were compared with each other and the determinants of visitor expenditure were analyzed for the combined sample.

In total, respondents spent an average of US$1,195.53 during their event specific travel, with US$343.37 spent per day and US$135.64 per person per day. The total sample traveled an average distance of 673.16 miles (SD=1029.90mi), were predominantly aged 35-44 years old (42.9%), male (82%), and reported an annual household income of US$100,000 to 199,999 (42.6%). Multivariate analysis of variance demonstrated the four events significantly differed in total expenditure, daily expenditure, daily expenditure per person, trip duration, travel distance, and the amount of travel party event participants (Pillai’s Trace = .489 F (21, 1587) = 14.718, p<.001). Chi-square testing revealed the events differed in terms of participant age ($\chi^2$=48.29, p<.001), income ($\chi^2$=40.77, p<.001), and lodging type/location ($\chi^2$=373.06, p<.001). Multiple regression analysis revealed overall expenditure was determined by distanced traveled, travel party size, the amount of travel party event participants, trip duration, and income (R2=.28). Daily expenditure was significantly determined by travel party size, the amount of travel party event participants, and trip duration (R2=.30). Lastly, daily expenditure per person was found to be determined by distanced travel, travel party size, the amount of travel party event participants, and trip duration (R2=.23).
The results suggest the spending and travel behavior of participants differ based on event type. Overall, visitor expenditure ranged from US$100 to US$175 per day. The bike tour events (i.e., CW and MBO) produced higher total expenditure, travel party size, and trip duration compared to the competitive events (i.e., MNC and HC). The CW event lead all variables except travel party event participants, indicating this style of event produces higher visitor spending from tourists that are willing to travel the furthest and stay the longest. Although not confined to event specific travel, the meta-analysis performed by Weed et al. (2014) found relatively lower estimates for expenditure with cyclists staying overnight spending an average of £43.33 (US$65.73) per person per day suggesting the event participants under investigation have higher expenditures than non-event cyclists. The prestigious national championship MNC event produced the lowest total visitor expenditure despite participants traveling an average of over 700 miles, which corresponds with the minimalistic travel style preferred by highly competitive amateur athletes (Buning & Gibson, 2015; Bull, 2006; Chalip & McGuirity, 2004). Similarly, the competitive events attracted fewer travel party event participants than the bike tour events. Distance travelled to the event was shown to be a significant determinant of both total and daily expenditure per person similar to other studies on event tourism that suggest individuals bundle travel costs with costs at the destination (Tang & Turco, 2001; Cobb & Olbering, 2010; Brown, Rascher, McEvoy, & Nagel, 2007). Explaining this idea, Buning and Gibson (2015) argue that individuals traveling longer distances to an event have an increased desire to experience the destination’s attractions once they arrive. Group size, trip duration and income were also found to contribute to visitor expenditure, a finding similar to several studies on sport spending in general (e.g., Wicker et al., 2013; Wicker, et al., 2010) and specifically active sport tourism (e.g., Downward et al., 2009; Sato et al., 2014).

The study results provide practical implications for the management and marketing of sport events for destination management organizations (DMOs) and organizers. To better predict and understand visitor spending related to a potential or planned events, DMOs can estimate tourist expenditure as determined by event type, travel distance, travel party size, visit duration, and visitor income. Travel distance of potential participants can also be estimated based on the findings that suggest some events attract individuals from further distances. DMOs, event organizers, and other stakeholder groups should work in collaboration to develop an event portfolio ideal for the host community that maximizes positive tourism impacts and is in compliance with the local infrastructure and resources. Freeman and Thomlinson (2014) argue for sustainable community based mountain bike tourism to be successful the existence of community partnerships, legislation, economic development, and physical geography in coordination with the local infrastructure, programs, destination marketing, and culture is critical. Through the coalescing of different events a community can attract a wide range of individuals willing to travel extensive distances. Based on the findings presented here, tour style events attract the largest groups and the highest overall direct visitor spending. Future research should explore visitor expenditure related to event portfolios, seek to understand the potential differences in community impact relative to large scale events, identify events that provide efficient and sustainable tourism development.