What's the Difference? Spending between Mass Participation Sporting Event First-Timers and Repeaters

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When discussing consumer spending among repeat participants, two of the core ideas behind it are loyalty and retention. According to Oliver (1999), the definition of loyalty is “a deeply held commitment to rebuy or re-patronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing.” There are two different parts of loyalty that make up the whole concept: behavioral and attitudinal. Increased retention is certainly a manifestation of behavioral loyalty. As stated by Alexandris and James (2003), customer loyalty has been shown to be associated with higher retention rates. Research has shown that loyal customers are more profitable to companies, due to fewer servicing costs and increased spending (Dowling & Uncles, 1997). What the research does not indicate, is whether first-time or repeat participants spend more money overall on their event experience.

On one hand, Myburgh, Kruger & Saayman (2014) found differences in levels of spending at an Ironman Triathlon event based on years of participation. First-timers spent the most, while moderately experienced participants followed, with the most experienced spending the least. Adding validity to this idea, Godbey and Graefe (1991) argue that increased consistent attendance will lead to repeaters becoming more calculated with their expenditures. Conversely, Alegere and Juaneda (2006) present that repeat customers are more interested in quality, and thus are more willing to display increased spending. Not only do views on overall spending differ between first-time and repeat customers, but segmented spending is also likely to differ between the two groups. Li (2008) discusses how first-timers are more likely to patron large-icon attractions and explore widely, while repeaters prefer to engage in more dining and shopping. With such conflicting research findings, it is difficult to determine what spending habits should be expected from first-timers and repeaters.

One area where the exact situation can be analyzed is in mass participation sporting events (MPSE). An MPSE is an event where participants will outnumber spectators, and often come from out of town to participate, such as a marathon. As stated by Schumacher (2007), participant-based events can produce substantial financial gains for the host city stemming from visitors. Because of this, MPSEs provide a unique way to look at participants spending, not just as it relates to the event itself, but to their overall experience with the MPSE and host city. And yet, there remains a large gap in the current research. The current body of research, looking at spending levels of participants in MPSEs, has yet to look longitudinally at repeat versus first-time participants and their spending levels.

Marathons are one of the most common forms of MPSEs in the United States. According to findmymarathon.com, 833 marathons are scheduled for 2017. RunningUSA.com stated that in 2016, there were 1100 marathons that occurred in the US. These events take place all over the country and are not limited to any geographical location. Both websites claim over 500,000 race finishers each year from 2014-2016.

There is a significant body of research - mainly stemming from leisure research, but also extends to sport management literature on first-timer and repeater spending. Often times the research is in regards to tourists or spectators, but rarely in regards to participants. This research attempts to fill the current gap, clarifying the uncertainty regarding this topic. The same group of marathon participants will be examined longitudinally from their status as first-timers to repeaters the following year against first-timers. By looking at this sample and analyzing if they differ, we will be able to determine differences, if any exist, between the two groups.

H1: First-time participants will have higher total spending than repeat participants.

H2: Spending differences will vary by segment between first-timers and repeat participants.
Data from an annual mass participant running event was used for this research. Data was collected from three consecutive events in 2014, 2015, and 2016 with a total of 1255 participants completing a post event survey. Respondents were classified into two separate groups: the first was people who participated in the event two consecutive years, and the second was people who participated in the event for the first time. To determine levels of representativeness between the two groups four factors were analyzed: age, centrality of running in their life, number of events participated in the past year, and future events planned to participate in. There was no statistical difference found in either age or centrality of running in their life. In both survey questions, “events participated in” and “future events planned to participate in”, there was a significant difference between the first-timers and the repeaters, with the repeaters partaking in more of both. Prior to testing the spending data, responses with errors (e.g. $50,000 spent on lodging) were removed from the sample. Independent samples t-test was conducted to examine the spending difference between these two groups. The first hypothesis examined possible differences in total spending of the two groups. The independent sample t-test results indicated that total spending of the second group (people who participated in the event for the first-time) was significantly higher than the first group (people who participated in the event two consecutive years). Total spending: \( t(1252)=0.17, p<.05 \). This finding confirms H1, that there is a total spending difference between the two groups. In order to test H2, the spending data was collected based on the Participant Sport Event Attribute and Service Delivery (PSEASD) scale (Du, Jordan, & Funk, 2015). The spending was categorized into eight different segments: food & beverage, lodging, retail shopping, local transportation, tourist attractions, entertainment & recreation, race registration fee, and other major expenses. Among these eight spending categories, tourist attraction, lodging, and transportation were the categories that had significant differences between the first group and the second group. Tourist attraction: \( t(1154)=0.13, p<.01 \). Lodging: \( t(1182)=0.51, p<.05 \). Transportation: \( t(1203)=0.84, p<.05 \). This finding confirms H2.

In summary, findings from this study demonstrate that first-time participants had higher total spending than repeat participants who took part in the event two consecutive years. This finding is consistent with the previous finding that first-time participants are more likely to spend money because repeat participants become more calculated with their spending (Godbey and Graefe, 1991). First-time visitors of the new cities are more likely to be active than repeat visitors, which leads to visiting more tourist attractions and using more transportation (Li, 2008). Therefore, higher total spending of first-time participant can be attributed to visiting tourist attractions that are located in the city where the MPSE is held, using more transportation and being less efficient with their lodging spending which is consistent with the results.

Previous literature has examined total spending difference of first-time participants and repeat customers (Myburgh, Kruger & Saayman, 2014), but there was little research examining spending differences by various segments. By segmenting spending into eight different categories, our findings provide meaningful insights to MPSE organizations. Since first-time participants spend more money in general, especially visiting tourist attractions, event organizers can create a strategic marketing approach that considers the first-time participant’s spending tendencies. Future research should be conducted to analyze if the increased spending levels amongst the first-timers has any effect on future non-participation. By understanding this relationship, managers can attempt to improve retention and loyalty by addressing the potential cost issues among the lodging, transportation, and tourist attraction segments.