

LTVA Special Events

Customer Value Study



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Project Overview

In an effort to measure the average per-customer spending value for special events in the South Lake Tahoe area, the Lake Tahoe Visitors Authority (LTVA) contracted with the Strategic Marketing Group (SMG) to conduct the *LTVA Special Events Customer Value Study*.

SMG conducted in-person surveys with visitors who attended local special events between June and September 2010.

Project Objectives

- To develop visitor travel planning and trip behavior, including motivations for visiting, number of nights spent and lodging choices;
- To analyze awareness of advertising and promotional efforts, including websites visited and advertising recall;
- To evaluate the role of special events in travel behavior, including prior awareness of events and the importance of event on visit;
- To determine satisfaction with special events; and
- To establish average per-customer value by event.

Methodology

SMG conducted in-person surveys at special events in the South Lake Tahoe area in June, July, August and September 2010. Special events included the following:

Music Events:

- Rascal Flatts
- Sugarland
- Doobie Brothers
- Elton John
- Bob Dylan
- Stevie Nicks

Non-Music Events:

- Tour de Tahoe
- Iron Girl
- Sample the Sierra
- Lake Tahoe Air Show
- Hot August Nights
- Celebrity Golf
- Lake Tahoe Marathon

The survey resulted in 647 responses.

This report analyzes survey results by all responses, as well as responses from those who attended music events and non-music events. The “Customer Value by Event” value provides the average per-customer value by all, both music event and non-music event respondents, as well as a breakdown of average customer value by specific event.

Executive Summary

Travel Planning

Survey respondents included a mix of visitor types; about half were overnight visitors to the South Shore, followed by a mix of locals and day visitors. About a third of all overnight visitors were from California and Nevada. However, those attending non-music events were somewhat more likely than those attending music events to be from other states.



Study Insight

Non-music events may attract overnight visitors from further away because, unlike music events that feature touring artists, these events are distinct to the Lake Tahoe area. They may also be somewhat more likely to attract new visitors to the area, and encourage visitors to stay longer than music events.

A little over half of participants indicated that they used a website to plan their trip to South Shore. However, no single website stood out as a key planning site; the most popular included Travelocity.com and Expedia.com, which accounted for 29% of those who visited a website combined.

Only a small percentage of respondents indicated using tahoesouth.com a lodging property's website or the Tahoe Chamber's website to help plan their trip

When asked to indicate the most important factor in their decision to visit South Shore, attending the special event was cited more than any other factor, with little difference between respondents who attended music or non-music events. Those attending music events were somewhat more likely to cite advertising than those attending non-music events.

Travel Behavior

Most visitors indicated that they were repeat visitors to South Shore. Those attending non-music events were somewhat more likely to be first time visitors than those attending music events.

Overall, respondents indicated that they planned their trip well in advance, averaging 47 days overall. Those attending non-music events tended to plan their trips 50 days in advance; a week longer than those attending music events, who averaged 43 days.

Overnight visitors stayed an average of three nights during their stay in South Shore. However, those attending non-music events averaged more than a full day longer than those attending music events.

Overnight visitors tended to stay in casino hotels, followed by non-casino hotels and motels. Although these were the most popular lodging choices for those attending music and non-music events, those attending non-music events were somewhat more likely to stay in a condominium.



Study Insight

Although non-music events may attract a somewhat higher percentage of new visitors, and visitors from further away than music events, they may also attract a percentage of visitors who already have ties in the area via family or friends, or an owned vacation condominium.

Overall, respondents averaged 2.8 adults in their immediate travel party; over half (57%) had two adults in their party. Very few participants indicated that they had children in their travel parties. Those attending non-music events had slightly larger parties.

Respondents overall estimated that their travel party would spend an average of \$894 during their current trip to South Shore. On average, those attending non-music events estimated spending more than \$150 on their trip than those attending music events. This is not surprising given their larger parties and longer stays; in fact, the increase did not translate to a larger per-customer value (see Customer Value, below).

Special Events

Overall, respondents attending music events accounted for 48% of the total sample and those attending non-music events accounted for 52%.

Most respondents (82%) reported that they were aware of the event before leaving home. However, those who attended music events were

much more likely to have been aware of the event before leaving home (90%) than those attending non-music events (74%).

In order to analyze advertising recall, respondents were given a list of sources and asked to select the ones that had informed them of the special event within the past 30 days. More than a quarter stated that they had heard about the event online; this percentage was even higher among those attending music events. Those attending music events were significantly more likely to have heard about the event through the radio.

Respondents rated the importance of attending the special event on their decision to visit South Shore on this trip on a scale of 1 (not at all important) to 7 (very important). Overall, respondents gave an average rating of 5.0, indicating that the event was somewhat important to their decision to visit the South Shore. Those attending music events considered the event somewhat more important than those attending non-music events.



Study Insight

Over a third of respondents who attended music and non-music events cited the special event as the most important factor in their decision to visit South Shore. Although this was cited more often than any other single factor, it also reveals that most respondents visited South Shore for another reason. Likewise, when asked to rate the importance of the event on their decision to visit, 62% stated that the event was at least somewhat important to their decision to visit; however, this means that a significant percentage—over one third—of respondents did not consider the event important in their decision to visit. This indicates that special events should be considered an important but not driving force in respondents' decision to visit the area.

Respondents reported high levels of satisfaction with the event overall, as well as its location, vendors, service and quality. At least 80% of respondents gave a positive rating to each aspect, and ratings varied little between those attending music and non-music events.

Respondents indicated how likely they would be to return to the South Shore for similar events. Overall, 88% of respondents indicated that they would definitely or possibly return. Those attending music events were even more likely to return.

Customer Value by Event

Average customer value was determined by dividing the total amount respondents estimated those in their immediate travel party would spend on this trip (i.e., their trip budget) by the number of people in their immediate travel party.

Overall, respondents averaged party sizes of 3.06 people, with a total trip budget of \$893.65. This results in an average customer value of \$292.04.

Music events averaged party sizes of 2.75 people and total trip budgets of \$815.52, which resulted in an average per-customer value of \$296.55.

Among respondents who attended music events, those attending the Elton John concert averaged the highest per-customer values (\$467.60). Those attending the Stevie Nicks concert averaged the lowest per-customer value (\$216.38).

Non-music events average higher party sizes (3.38) and trip budgets (\$973.10), but had a slightly smaller average per-customer value (\$287.90).

Among respondents who attended non-music events, those attending Hot August Nights had a significantly higher average customer value (\$668) than those attending other events. Those attending the Lake Tahoe Air Show had the lowest average customer values (\$162).



Study Insight

Non-music events may attract a somewhat higher percentage of new visitors and visitors from further away than music events. However, when compared with music events, they may also attract a higher percentage of visitors who already have ties in the area via family or friends, or an owned vacation condominium, as well as a higher percentage of visitors who are not likely to return.

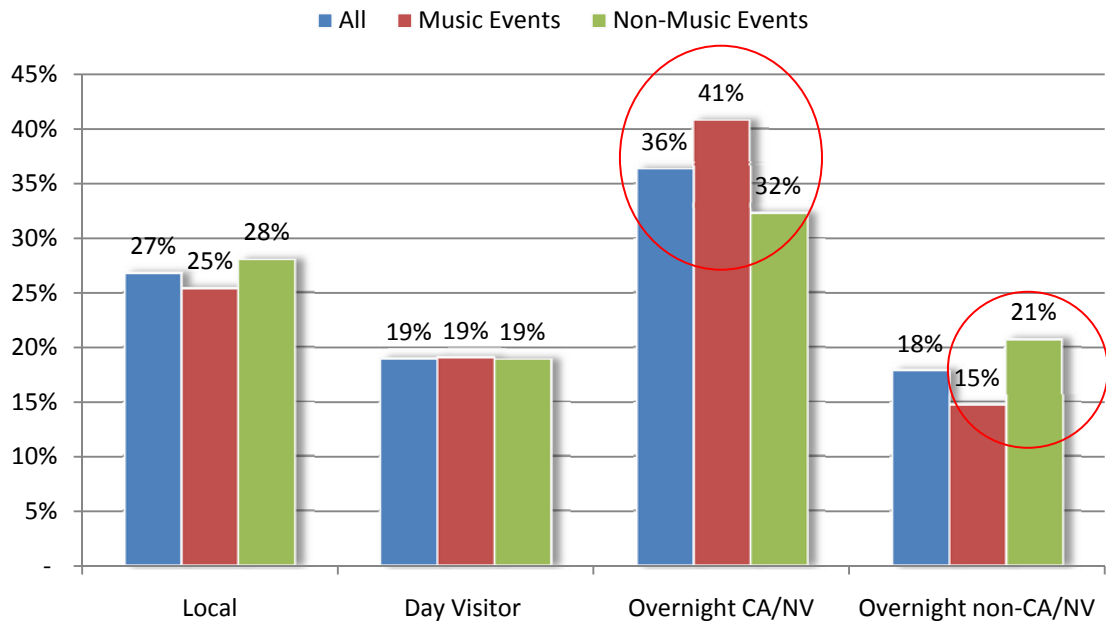
This may help explain why, although respondents attending non-music events had larger travel parties and tended to stay longer than those attending music events, they actually had slightly lower per-customer values than those attending music events.

Part 1: Travel Planning and Behavior

A. Visitor Type

- The survey asked respondents if they were overnight visitors, day visitors or locals of the South Shore. Overnight visitors were also asked if they live within or outside of California or Nevada.
- Overall, more than half (54%) of respondents were overnight visitors to the South Shore, followed by 27% who considered themselves locals and 19% who were day visitors to the area.
- No differences existed in the percentage of day visitors by event type, and little difference existed in the percentage of local visitors.
- However, among overnight visitors, those who attended music events were more likely to hail from California or Nevada, whereas non-music events attracted a higher percentage of out-of-state visitors.
- This is likely because each of the non-music events is distinct to the Lake Tahoe area, and therefore may attract out-of-state visitors who could not attend the event closer to home. The music events, on the other hand, each featured a touring artist.

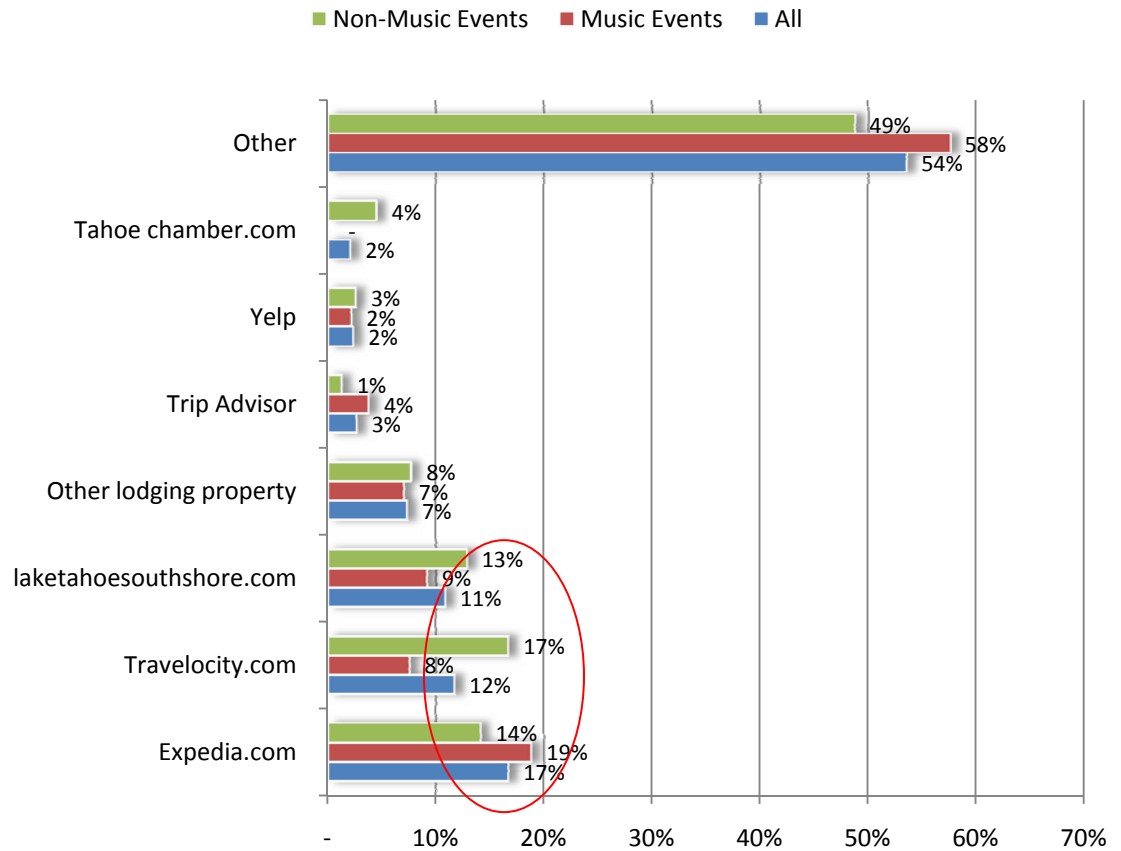
Figure 1
Visitor Type
(Base = All Respondents, n=627)



B. Websites

- Respondents indicated the websites they used when planning their current trip to the South Shore.
- Overall, just over half of respondents stated that they used a website when planning a trip to the South Shore (53%).
- 29% of those who answered the question listed travelocity.com or expedia.com.
- 11% had used laketahoesouthshore.org.
- 7% had visited a lodging property’s website.

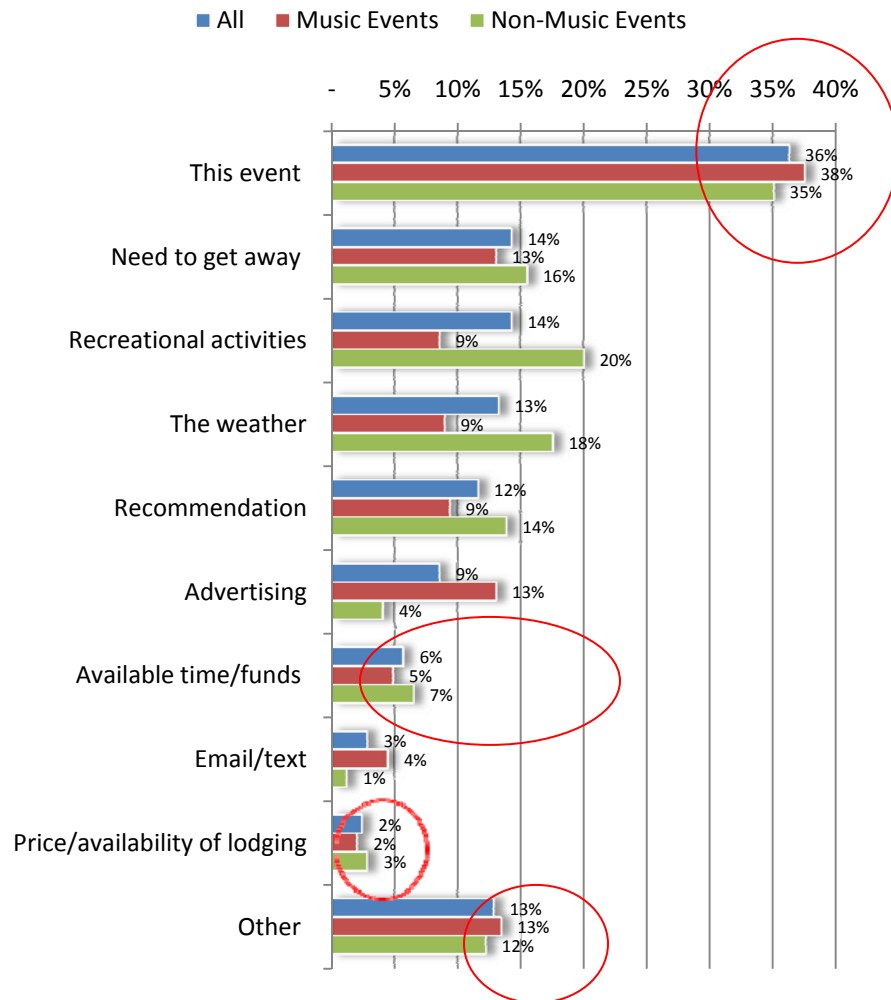
Figure 2
Websites Used to Plan Trip to the South Shore
 (Base = Those Answering, n=342)



C. Decision Making

- Survey respondents selected the most important factor in their decision to visit the South Shore on their current trip from a list of factors.
- Over a third (36%) of respondents stated that the event they were attending was the most important factor in their decision to visit.
- 14% selected factors related to promotional activities, including 9% who cited advertising, 3% who selected an email or text and 2% who cited price and availability of lodging they like.
- Those who attended music events were somewhat more likely to select advertising.

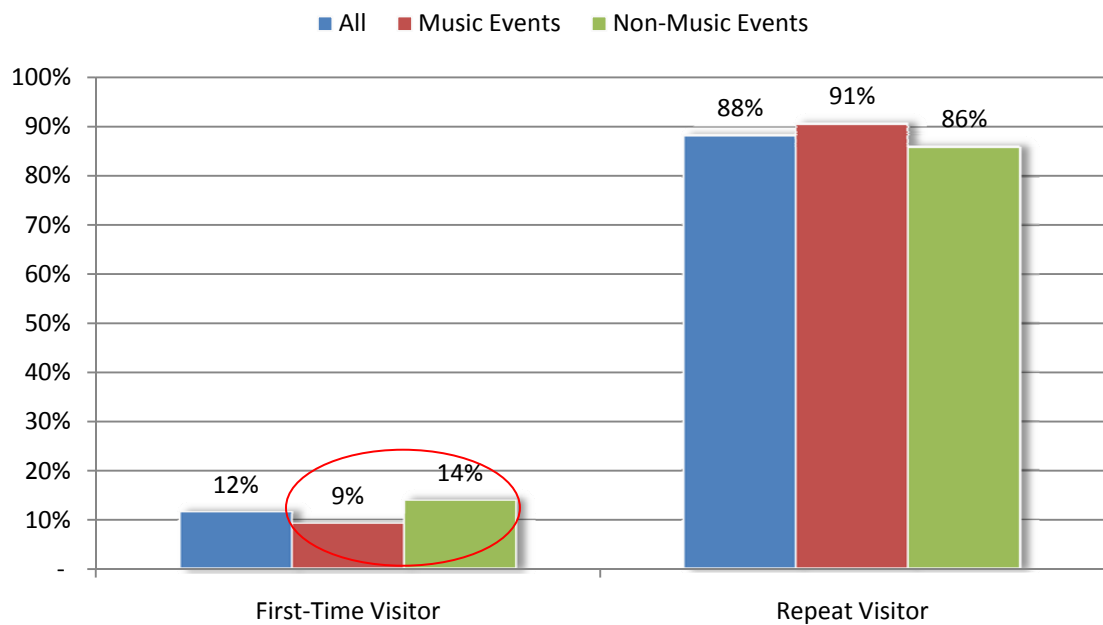
Figure 3
Most Important Factor in Decision to Visit South Shore on this Trip
 (Base = Those Answering, n=490)



D. First/Repeat Visitors

- Visitors specified whether their current trip was their first visit to the South Shore.
- Overall, only 12% of respondents indicated that they were first-time visitors.
- Those attending non-music events were somewhat more likely to be first-time visitors (14%) than those attending music events.

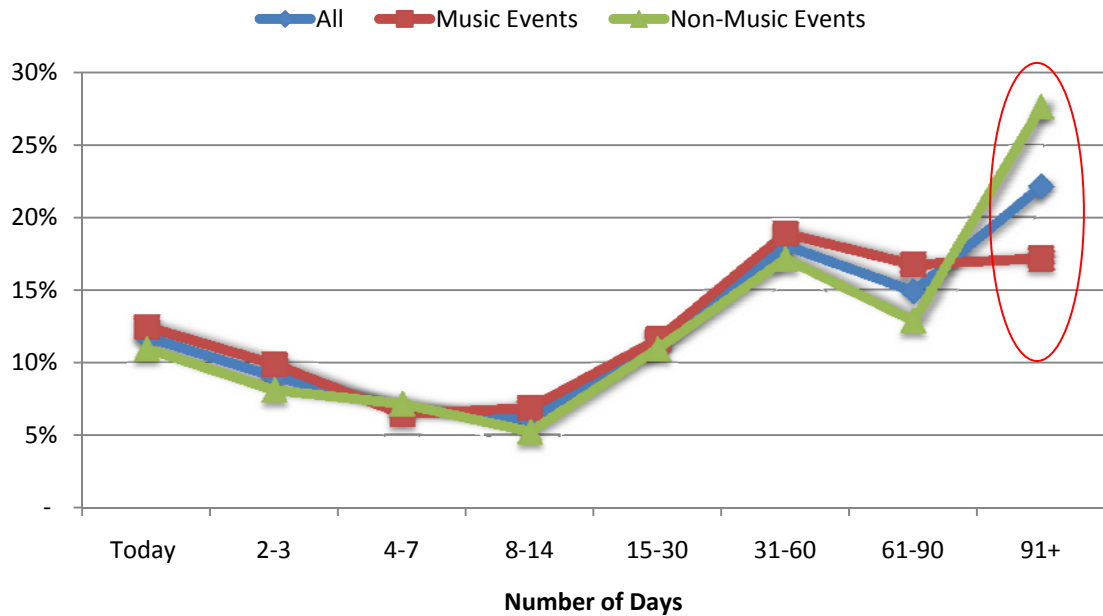
Figure 4
First/Repeat Visitors
 (Base = Those Answering, n=497)



E. Advance Trip Planning

- Respondents specified how long they had planned their trip to the South Shore in advance of the special event they were attending.
- Overall, respondents indicated an average lead time of 47 days.
- In general, respondents were well distributed among planning time ranges, with similar percentages of respondents indicating that they planned their trip today, within the past week, one to two weeks ago, two weeks to one month ago, one to two months ago, and two to three months ago.
- Those attending non-music events averaged somewhat longer lead times (50 days) compared with those attending music events (43 days).

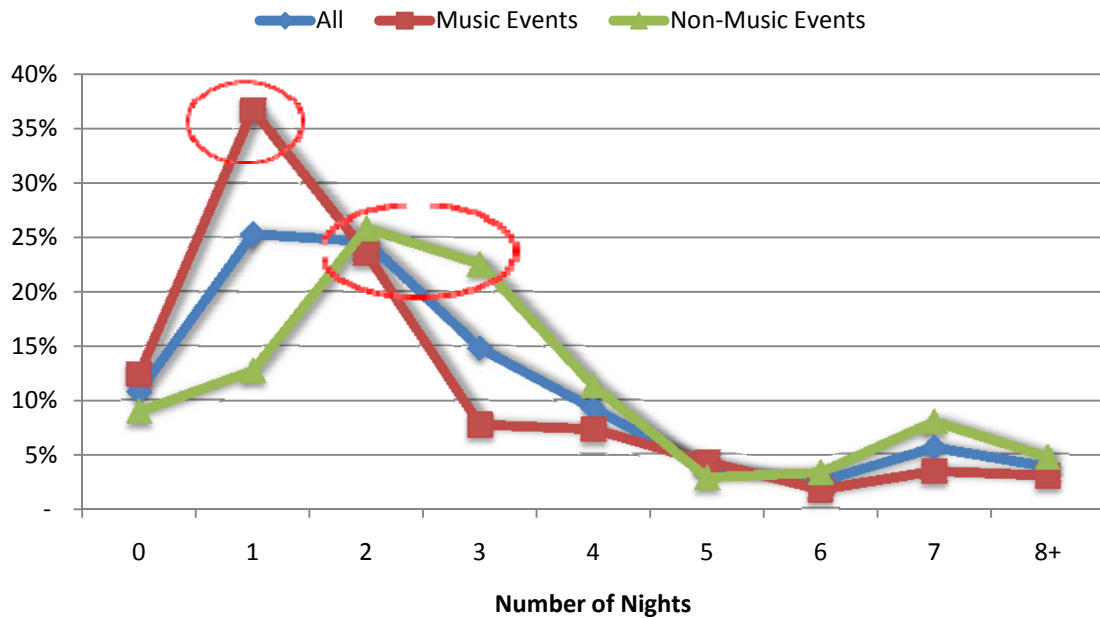
Figure 5
Number of Days Trip Planned in Advance
(Base = Overnight Visitors Answering, n=447)



F. Nights Spent in South Shore

- Overnight respondents specified the number of nights that they would be spending in South Shore on their current trip.
- Overall, respondents averaged three nights.
- Respondents attending non-music events stayed notably longer, averaging more than a full day longer than those attending music events.
- This is not surprising, given that some non-music events span over more than one day.

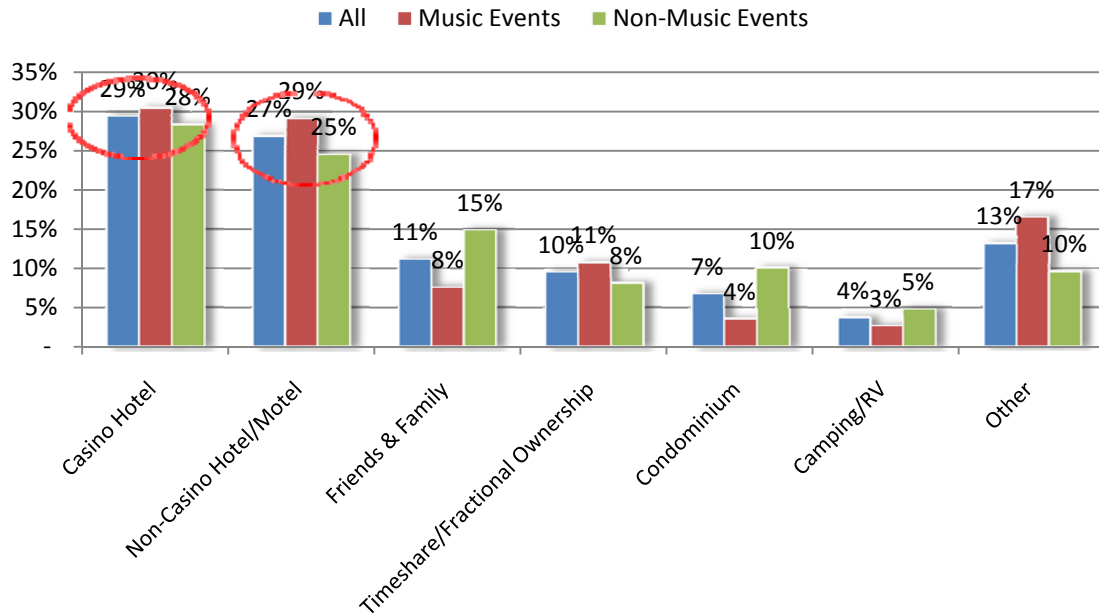
Figure 6
Number of Nights Spent in South Shore on Current Trip
(Base = Overnight Visitors Answering, n=447)



G. Type of Lodging

- Overnight respondents specified the type of lodging they stayed in during their current trip to South Shore.
- Casinos and non-casino hotels and motels were the most popular responses.
- In general, responses varied only slightly between those attending music and non-music events.
 - However, those attending non-music events were somewhat more likely to stay with family or friends or in a condominium
 - This may indicate that a percentage of those attending non-music events have stronger ties to the area, either via contacts in the area or a vacation property.

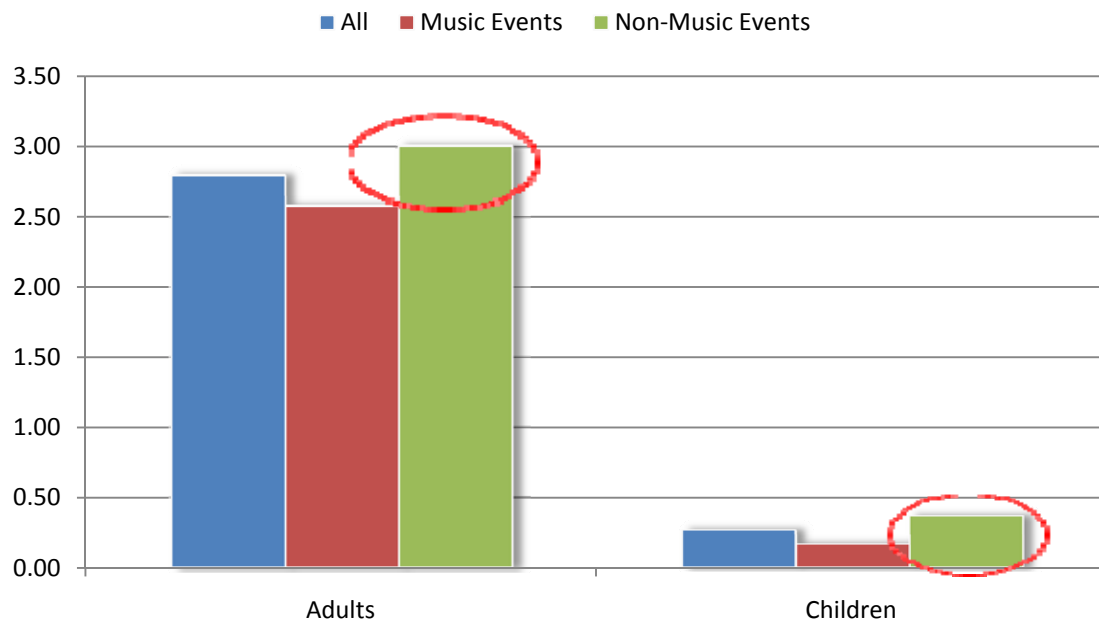
Figure 7
Type of Lodging During Current Trip to South Shore
 (Base = Overnight Visitors Answering, n=431)



H. Number of People in Party

- Respondents provided the number of adults and children in their party during their current trip to South Shore.
- For a breakdown of party size by event, see the Customer Value by Event section.
- Overall, respondents averaged 2.8 adults; over half (57%) had two adults in their party.
- Respondents averaged only 0.3 children in their parties; most (87%) reported having no children in their party.
- Those attending non-music events had slightly larger parties, averaging 3.0 adults and 0.4 children. In comparison, those attending music events averaged 2.6 adults and 0.2 children.

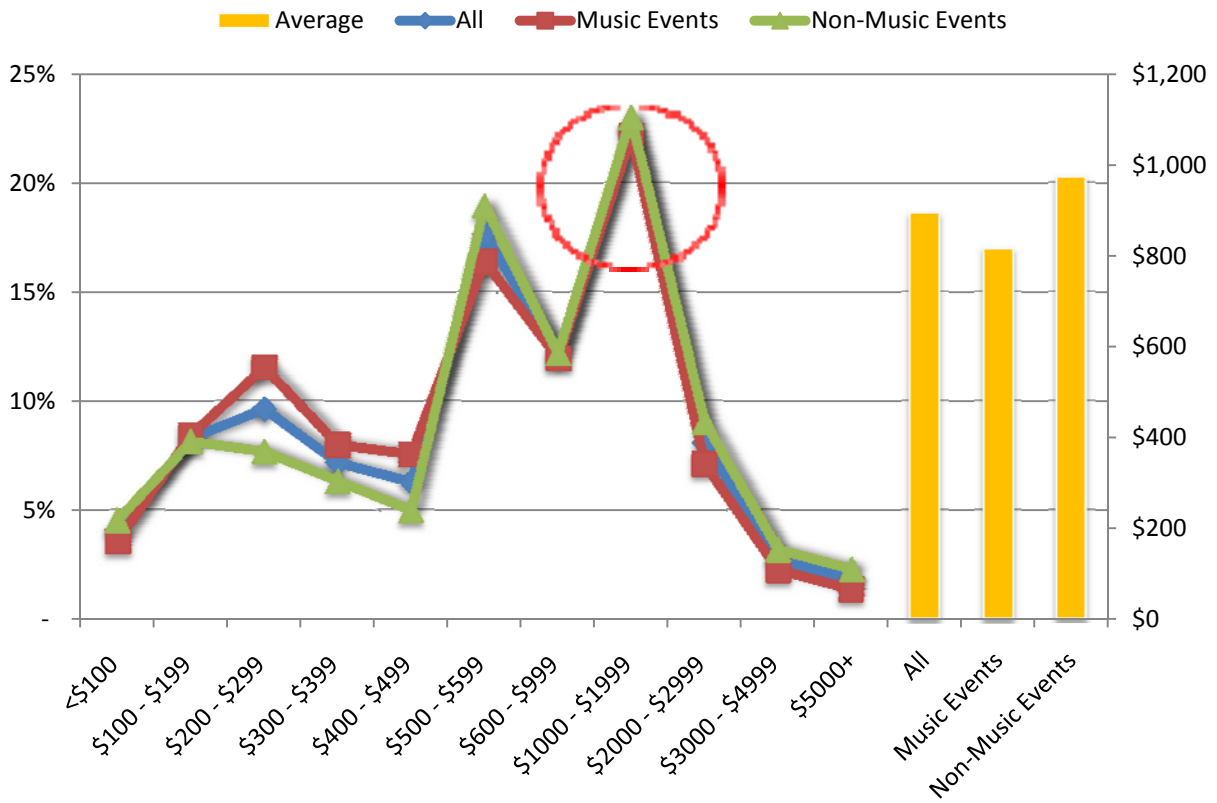
Figure 8
Number of Adults and Children in Immediate Party (Average)
(Base = Those Answering, n=498)



I. Amount Spent on Current Trip

- Respondents estimated the total amount they expected their immediate party would spend on their current trip to South Shore.
- For a breakdown of amount spent by event, see the Customer Value by Event section.
- Overall, respondents estimated spending an average of \$894.
- On average, those attending non-music events estimated spending more than \$150 on their trip than those attending music events.
- This is not surprising, given that those attending non-music events also averaged longer stays and larger parties.

Figure 9
Estimated Amount Spent by Immediate Party on this Trip to South Shore
(Base = Overnight Visitors Answering, n=448)

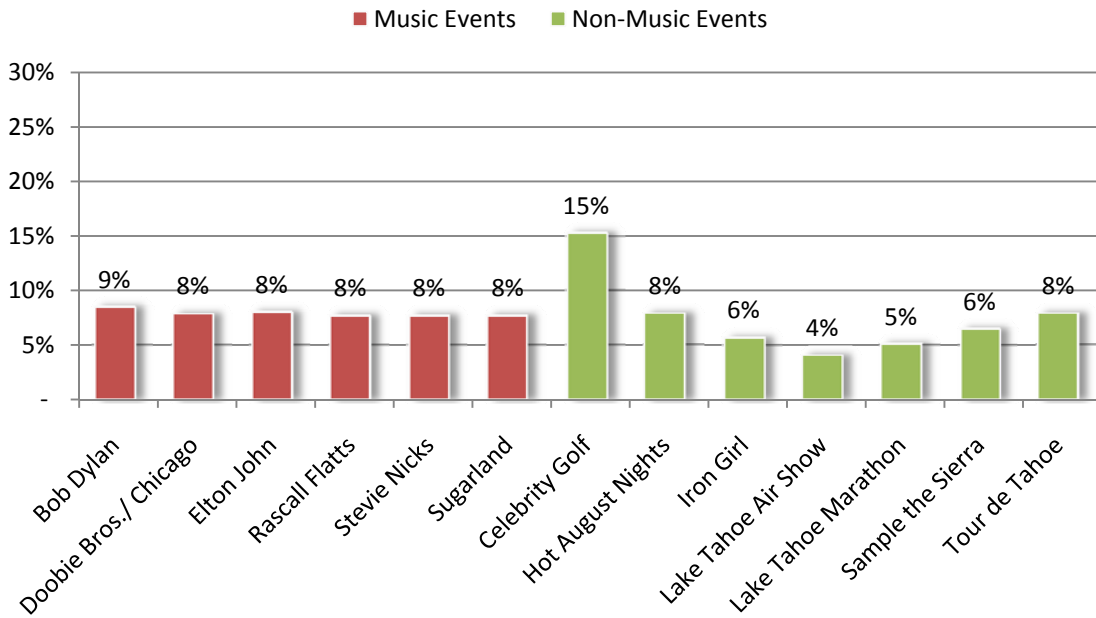


Part 2: Special Events

A. Events Attended

- Surveys were conducted onsite at several musical and non-musical events.
- For a breakdown of customer value by event, see the Customer Value by Event section.
- Overall, respondents attending music events accounted for 48% of the total sample and those attending non-music events accounted for 52%.
- In general, a similar number of respondents were interviewed at most events.
 - However, the Celebrity Golf tournament accounted for the highest percentage respondents (15%), and the Lake Tahoe Air Show accounted for the smallest (4%).

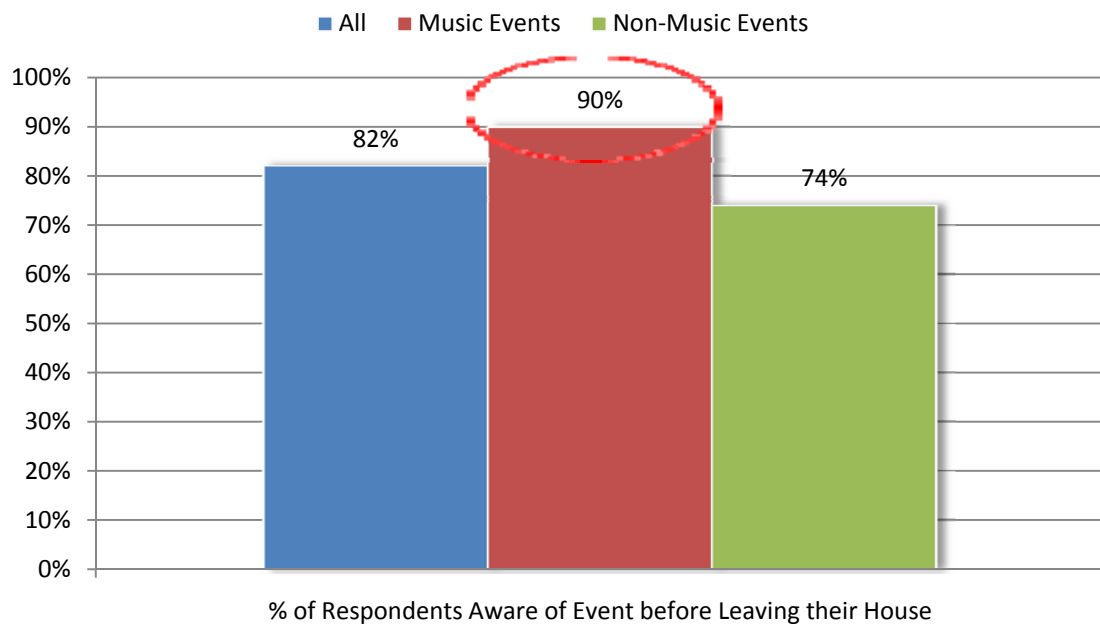
Figure 10
Percentage of Respondents by Event
 (Base = All Respondents, n=647)



B. Event Awareness

- Respondents were asked if they were aware of the event they were attending before leaving their home.
- Most respondents (82%) reported that they were aware of the event before leaving home.
- Respondents who attended music events were much more likely to have been aware of the event before leaving home (90%) than those attending non-music events (74%).

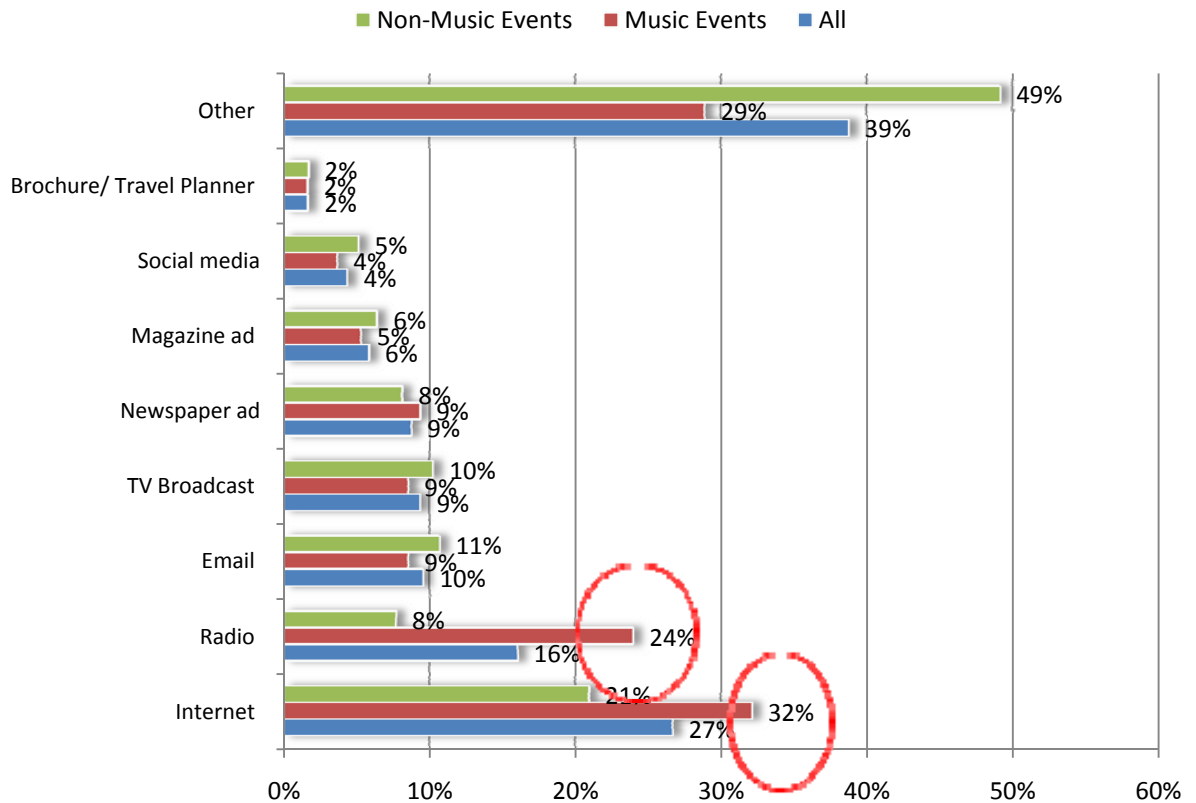
Figure 11
Awareness of Event before Trip
(Base = Those Answering, n=497)



C. Event Advertising Recall

- In order to identify advertising recall, respondents were given a list of sources and asked to select the ones that had informed them of the special event within the past 30 days.
- More than a quarter (27%) stated that they had heard about the event online.
 - Those attending music events were more likely to have heard about the event online (32%) than those attending non-music events (21%).
- Those attending music events were also significantly more likely to have heard about the event through the radio (24%) than those attending non-music events (8%).
- Nearly half (49%) of those attending non-music events reported hearing about the event from a source not listed.

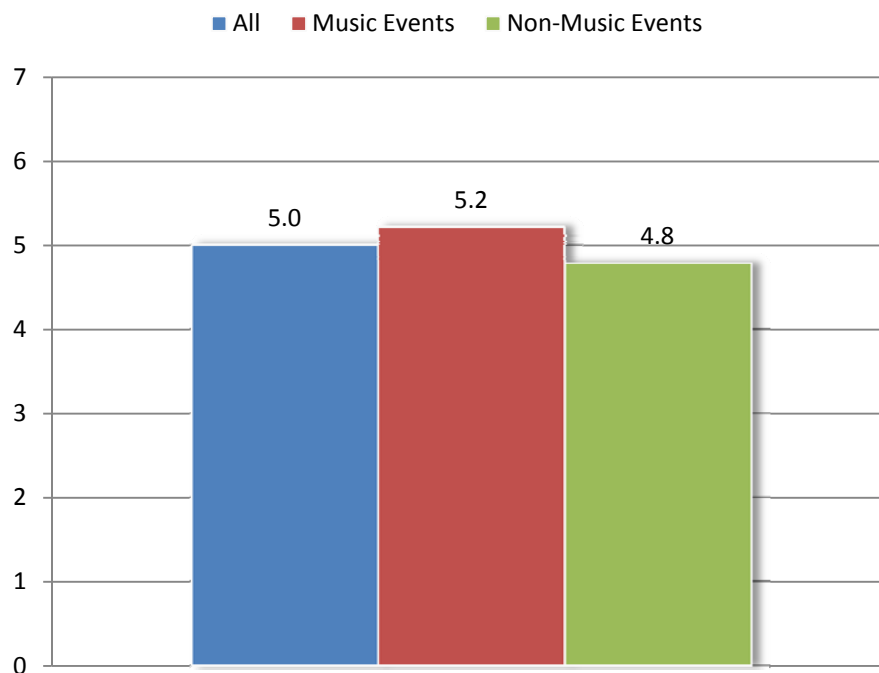
Figure 12
Advertising Recall
 (Base = Those Answering, n=480)



D. Importance of Event on Trip

- Respondents rated the importance of attending the special event on their decision to visit South Shore on this trip on a scale of 1 (not at all important) to 7 (very important).
- Respondents gave an average rating of 5.0, indicating that the event was somewhat important to their decision to visit the South Shore. Overall, 62% of respondents stated that the event was at least somewhat important in their decision to visit.
- However, this also indicates that a significant percentage (38%) of respondents did not consider the special event important to their decision to visit the area.
- Those attending music events reported that the event was somewhat more important in their decision to visit the South Shore on this trip, averaging a rating 5.2 out of 7. In comparison, those attending non-music events averaged a rating of 4.8 out of 7.

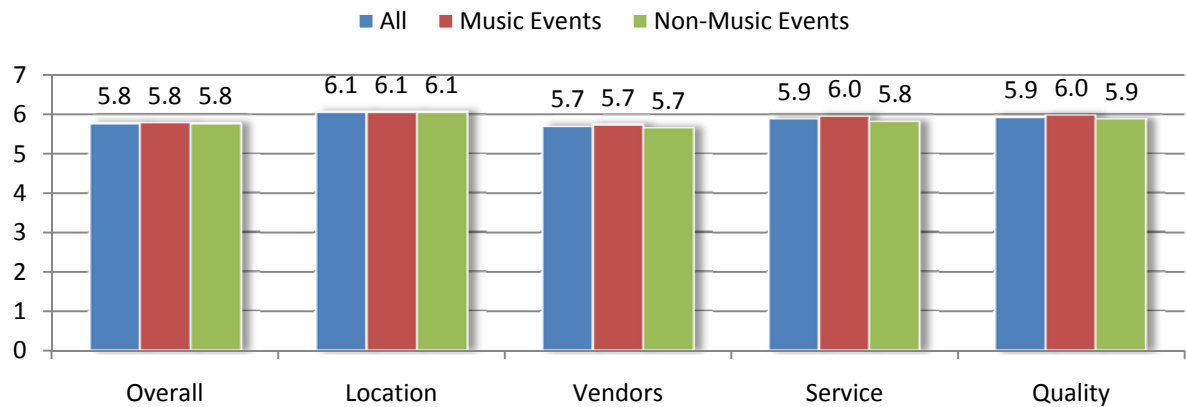
Figure 13
Importance of Special Event on Decision to Visit South Shore on This Trip
(Base = Those Answering, n=493)



E. Satisfaction with Event

- The survey asked respondents to indicate their satisfaction on with the event overall, as well as with its location, vendors, service and quality. Respondents rated their satisfaction on a scale of 1 (very dissatisfied) to 7 (very satisfied).
- In general, respondents indicated that they were satisfied with each aspect the event, averaging a satisfaction rating of 5.7 out of 7 with event vendors and 6.1 out of 7 with event location.
- At least 80% of respondents gave a positive rating to each aspect.
- Ratings varied little between those attending music and non-music events.

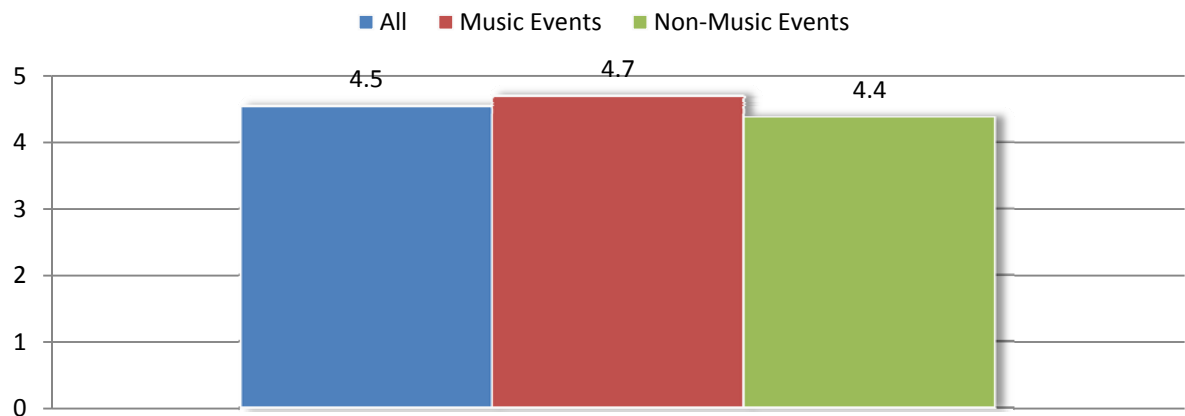
Figure 14
Satisfaction with Event



F. Likelihood of Returning for Similar Events

- Respondents indicated how likely they would be to return to the South Shore for similar events on a scale of 1 (definitely not) to 5 (definitely).
- Respondents indicated a high likelihood of returning to the South Shore for similar events. Overall, 88% of respondents indicated that they would definitely or possibly return.
- Those attending music events were somewhat more likely to return for a similar event; 92% indicated that would definitely or positively return, compared with 84% among those attending non-music events.

Figure 15
Satisfaction with Event
(Base = Those Answering, n=623)



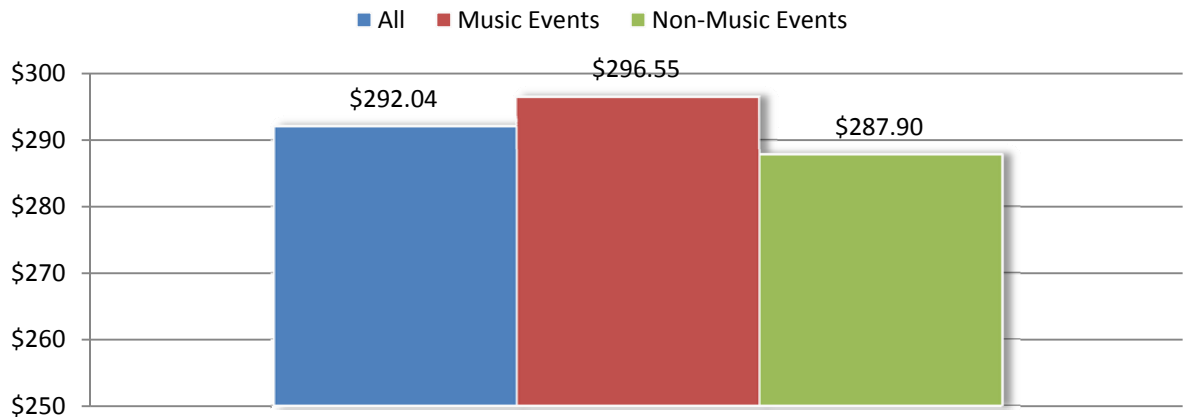
Part 3: Customer Value by Event

Average customer value was determined by dividing the total amount respondents estimated those in their immediate travel party would spend on this trip (i.e., their trip budget) by the number of people in their immediate travel party. For a breakdown of trip budgets, party sizes and customer value by event, see the Appendix.

A. Overall

- Overall, respondents averaged party sizes of 3.06 people, with a total trip budget of \$893.65. This results in an average customer value of \$292.04.
- Music events averaged party sizes of 2.75 people and total trip budgets of \$815.52, which resulted in an average per-customer value of \$296.55.
- Non-music events average higher party sizes (3.38) and trip budgets (\$973.10), but had a slightly smaller average per-customer value (\$287.90).

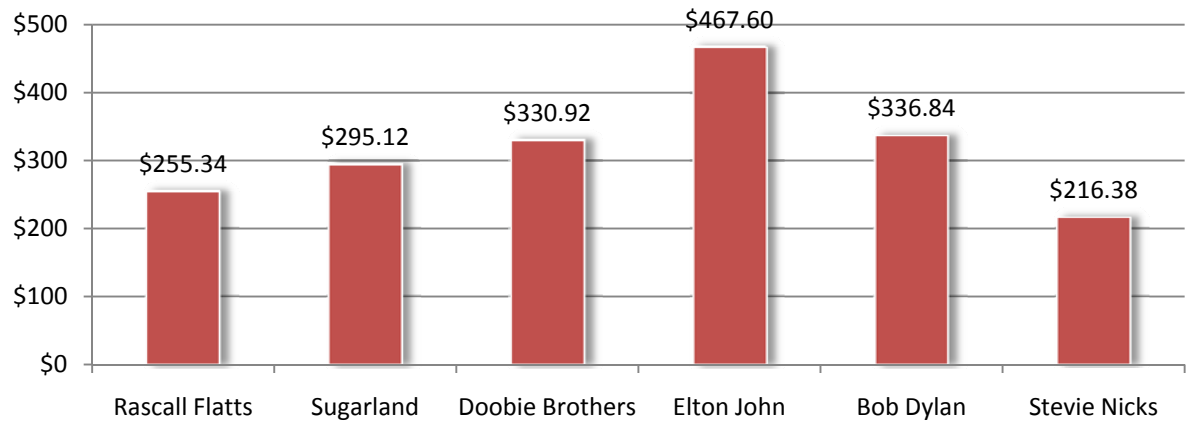
Figure 16
Average Customer Value by Event Type
(Base = Those Answering)



B. Music Events

- Among respondents who attended music events, those attending the Elton John concert averaged the highest per-customer values (\$467.60).
- Those attending the Stevie Nicks concert averaged the lowest per-customer value (\$216.38).

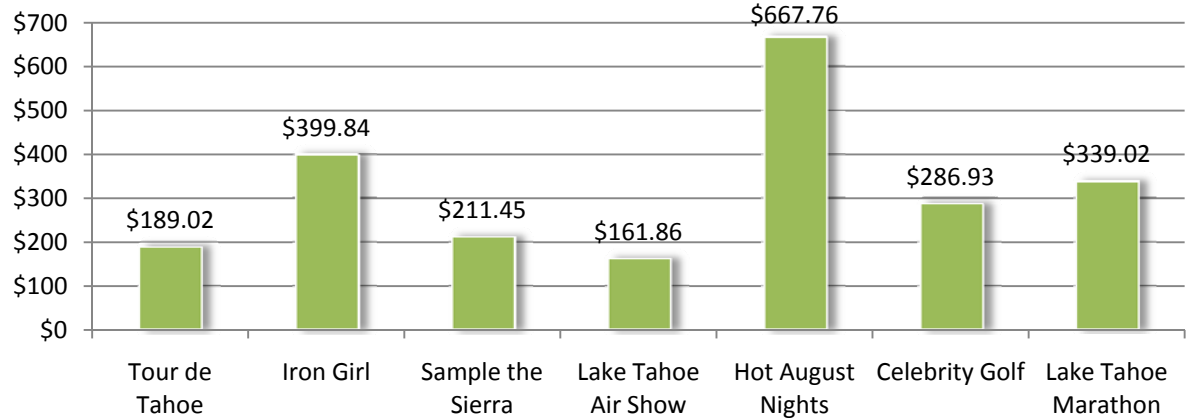
Figure 17
Average Customer Value by Music Events
(Base = Those Answering)



C. Non-Music Events

- Among respondents who attended non-music events, those attending Hot August Nights had a significantly higher average customer value (\$668) than those attending other events.
- Those attending the Lake Tahoe Air Show had the lowest average customer values (\$162).

Figure 18
Average Customer Value by Non-Music Events
(Base = Those Answering)



Appendix A: Detail by Special Event

Table 1
Detail by Special Event

Event	# Surveyed	Avg # in Immediate Travel Party	Avg Estimated Trip Budget for Immediate Travel Party	Avg Customer Value
Overall	647	3.06	\$893.65	\$292.04
Music Events				
Rascall Flatts	50	2.425	\$619.21	\$ 255.34
Sugarland	50	2.813	\$830.16	\$ 295.12
Doobie Brothers	51	3.072	\$1,016.6	\$ 330.92
Elton John	52	2.093	\$978.69	\$ 467.60
Bob Dylan	55	2.756	\$928.33	\$ 336.84
Stevie Nicks	50	2.27	\$491.18	\$ 216.38
Non-Music Events				
Tour de Tahoe	51	3.268	\$617.71	\$ 189.02
Iron Girl	37	3.107	\$1242.3	\$ 399.84
Sample the Sierra	42	3	\$634.35	\$ 211.45
Lake Tahoe Air Show	26	3.083	\$499	\$ 161.86
Hot August Nights	51	2.475	\$1,652.7	\$ 667.76
Celebrity Golf	99	3.226	\$925.64	\$ 286.93
Lake Tahoe Marathon	33	2.286	\$775	\$ 339.02

Appendix B: Survey Text

Lake Tahoe Visitors Authority
Special Events Survey 2010

Date: _____

Event Name: _____

1. What is your zip code? _____

2. Are You:

- _____ Local Resident (Go to Q16)
- _____ Day Visitor (Go to Q 7)
- _____ Overnight CA (Go to Q 3)
- _____ Overnight Visitor from Outside CA/NV (Go to Q 3)

3. How many nights will you be in South Shore on this trip?

Nights _____

4. How long prior to this event did you book your trip to South Shore?

- _____ Today
- _____ 2-3 days
- _____ 4-7 days
- _____ 8-14 days
- _____ 15-30 days
- _____ 31-60 days
- _____ 61-90 days
- _____ 91+ days

5. What type of lodging did you stay in while on this trip to South Shore?

- _____ Casino Hotel
- _____ Non-Casino Hotel/Motel
- _____ Timeshare/Fractional Ownership
- _____ Condominium
- _____ Camping/RV
- _____ Friends & Family
- _____ Other

6. Which (if any) of the following web sites did you visit to help you plan this trip to South Shore?

- _____ Expedia.com
- _____ Travelocity.com
- _____ Yelp
- _____ Trip Advisor
- _____ Tahoe south.com
- _____ Tahoe chamber.com
- _____ Other lodging property
- _____ Other _____



7. On a scale of 1-7 with 1= Very Important and 7=Not at All important, how important was attending this special event in your decision to visit South Shore on this trip?

Very Important Not At All Important
 1 2 3 4 5 6 7

8. How many people are in your immediate party?

_____ Adults (21 & Over)
 _____ Children (Under 21)
 _____ Total

9. Is this your first trip to South Shore?

_____ Yes _____ No

10. Were you aware of this event prior to leaving your home?

_____ Yes, was aware before leaving home
 _____ No, found out about it after arriving

11. Which of the following ways did you hear about this event in the last 30 days?

_____ Magazine advertisement
 _____ Newspaper advertisement
 _____ Internet
 _____ Email
 _____ Social media (Facebook, Twitter etc.)
 _____ TV Broadcast
 _____ Brochure/Travel Planner
 _____ Radio
 _____ Other: _____

13. How important was this event in your decision to visit South Shore on this trip?

_____ Very important
 _____ Somewhat important
 _____ Not very important
 _____ Not at all important

12. Which ONE of the following do you think was the MOST IMPORTANT in your decision to visit South Shore on this trip?

_____ Advertising you saw or heard
 _____ Recommendation from friend/relative
 _____ Email or text you received
 _____ This specific event
 _____ The weather in Lake Tahoe
 _____ Available time and funds
 _____ Need to get away
 _____ Price and availability of lodging you like
 _____ Recreational activities in Lake Tahoe



____ Other _____

14. What is the likelihood you will return to South Shore for future events similar to this one?

- ____ Definitely
- ____ Probably
- ____ Maybe
- ____ Unlikely
- ____ Definitely Not

15. How much do you estimate your immediate party will spend while on this trip to South Shore?

\$ _____

16. On a scale of 1-7 with 1= Very Satisfied and 7=Not at All Satisfied, how satisfied are you with this event?

Very								Not At All
<u>Important</u>								<u>Important</u>
1	2	3	4	5	6	7		

17. On a scale of 1-7 with 1= Excellent and 7=Poor, how would you rate each of the following?

Location	1	2	3	4	5	6	7
Vendors	1	2	3	4	5	6	7
Service	1	2	3	4	5	6	7
Quality	1	2	3	4	5	6	7

Thank You!

