

ECONOMIC IMPACT STUDY

2005

IRONMAN EVENT

PREPARED BY

TECHNICAL ASSISTANCE CENTER

State University of New York at Plattsburgh

for the

Essex County – Lake Placid Convention and Visitors Bureau

NOVEMBER 4, 2005



TABLE OF CONTENTS

Executive Summary	2
Methodology	3
Why did Racers Choose Lake Placid Event.....	4
Lodging Selection	5
Economic Impact Analysis	6

EXECUTIVE SUMMARY

This study was commissioned by the Lake Placid - Essex County Convention and Visitors Bureau (the Bureau). The Bureau is responsible for marketing Essex County's tourism assets.

The Lake Placid Ironman competition is one of 26 qualifying events for the Ford Ironman World Championship, held in Kona, Hawaii. The endurance event consists of a 1.2-mile swim, a 56-mile bike race and a 13.1-mile run. The competition has been held each July in Lake Placid for seven consecutive years.

The primary focus of this study was to measure the overall economic impact of the 2005 event on the local economy. The study specifically measured the following three key variables:

- 1. Motivation to participate in the Lake Placid Ironman versus other Ironman events**
- 2. Specific expenditures by race participants and their travel parties during the race event and training visits prior to the event.**
- 3. Where participants and their travel parties chose to stay within Essex County for race and pre-race trips as well as their lodging choices.**

With a total direct economic impact estimated at more than **\$6 million**, this event brings significant lodging, food, attractions and shopping revenues to the greater Lake Placid region. In addition, the event provides significant destination recognition for the area that further benefits the local tourism-based economy. This data is also useful for estimating the expenditures of other similar groups that annually visit the region.

According to the study, more than 60 percent of the participants stayed in either a hotel or motel, while 25 percent utilized private homes for accommodations when visiting the area. A majority of the attendees stayed in Lake Placid for both pre-race training trips and the Ironman event.

The study also revealed that physical location of the event was the dominant reason racers chose to participate in the Lake Placid Ironman, as opposed to other qualifying races held around the country.

METHODOLOGY

The purpose of this study was to gather, research, analyze, and report relevant data to determine the economic impact of the annual Ironman event on Essex County in 2005.

The Bureau engaged the Technical Assistance Center (TAC), an economic development outreach service based at the State University of New York at Plattsburgh, to help design the survey instrument and to tabulate, analyze and report the results.

TAC is funded in part by the federal Economic Development Administration. TAC engages faculty experts from the State University of New York at Plattsburgh for projects such as this. John Parmelee, faculty member in the Department of Hotel, Restaurant, and Tourism Management, was the principal investigator and author of this report. Dr. Mark Gultek, also a faculty member in the Hospitality Management program at Plattsburgh State, assisted in the data analysis and review process. The research and report were developed and edited with the assistance of TAC staff, Jim Murphy and Howard Lowe.

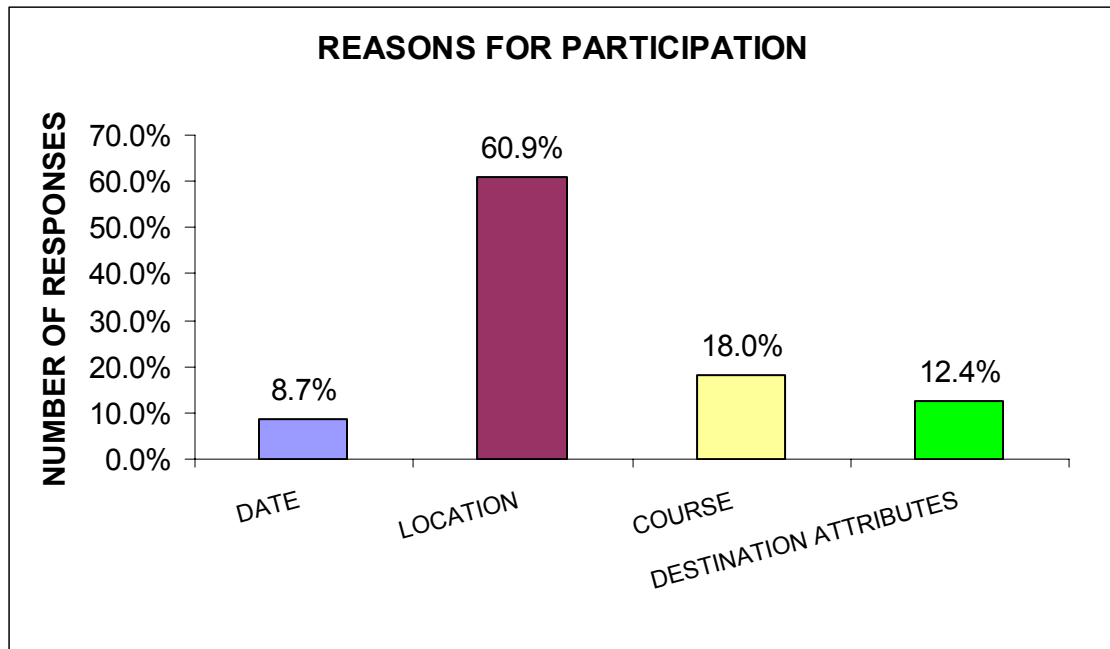
While participants had been surveyed at past Lake Placid Ironman events, this was the first time TAC was contracted to study race expenditures and determine economic impact. The research team based its survey questions (included as part of a larger survey conducted by event organizers) on previous surveys it had developed for similar purposes, as well as the advice of professionals in the tourism industry. The results of this survey closely compare with visitor profile and tourism-related studies conducted by TAC for the Bureau in 2004 and 2005. In the opinion of the authors, this correlation provides additional confirmation of the findings.

The survey instrument was a custom event survey administered through Survey Monkey, a recognized electronic survey and survey analysis provider. The names and addresses came from a database of participants at the 2005 event. The on line survey was well designed by comparative standards.

Survey data was entered and tabulated by TAC staff, and computer-assisted analysis was performed on the raw data using the SPSS data research software program with the assistance of a statistical research professor at the University of Vermont.

The event attracted 2,218 race participants in 2005, a one percent drop from the previous year. A total of 2,139 surveys were electronically mailed. The survey response deadline was October 15, 2005. A total of 863 surveys were returned, representing more than a 40 percent response rate. This is considered a phenomenal response rate from a statistical research perspective.

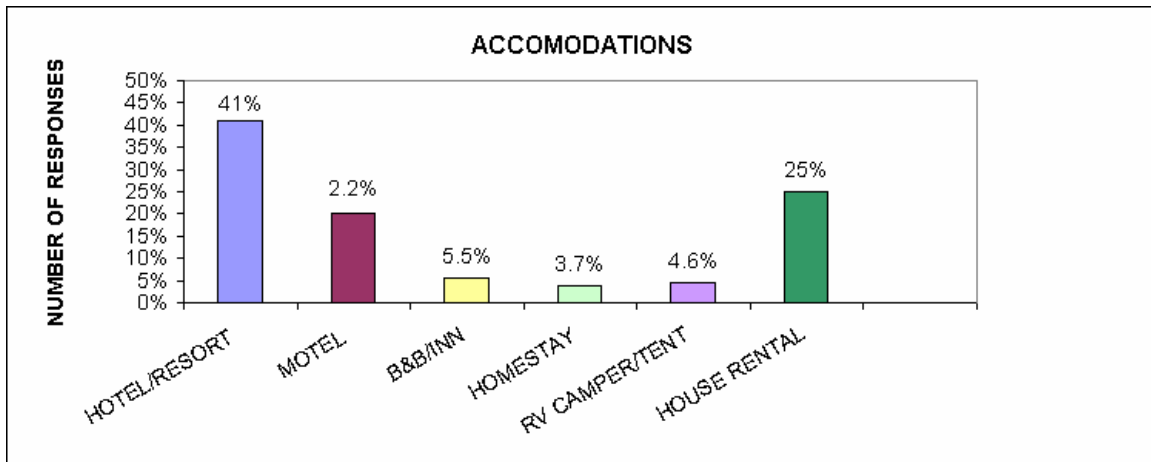
WHY DID RACERS CHOOSE LAKE PLACID EVENT?



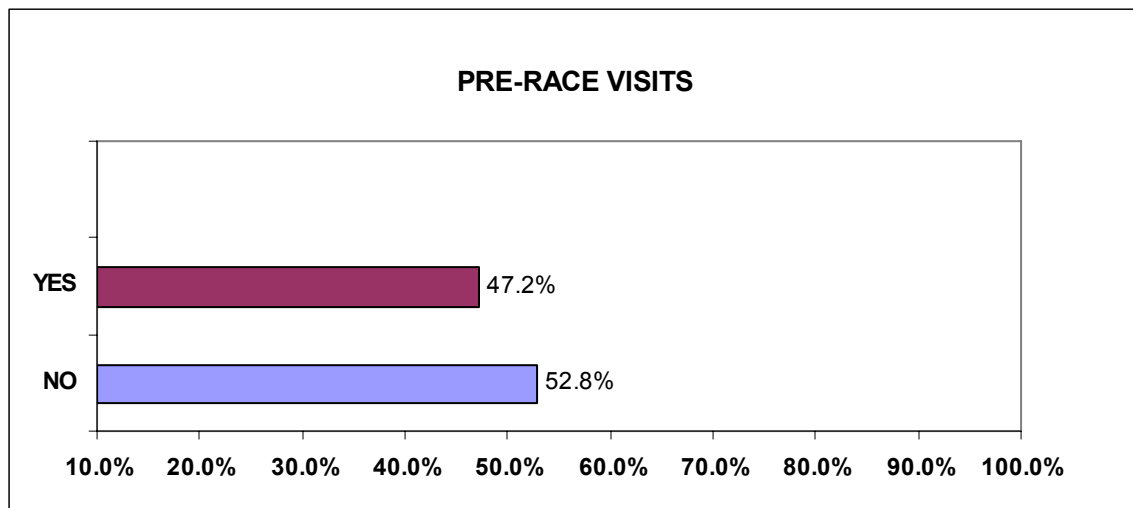
This study measured the motivational reasons racers chose to participate in the Lake Placid Ironman event over other venue choices. The Lake Placid **location** was the primary motivation for racers to participate at this venue. While the course itself was less of a factor, it is conceivable that individuals might incorporate the location with attributes of the course itself.

Individuals attending the race predominantly (**80%**) **stayed in the Lake Placid area** while participating in event related activities.

LODGING SELECTION



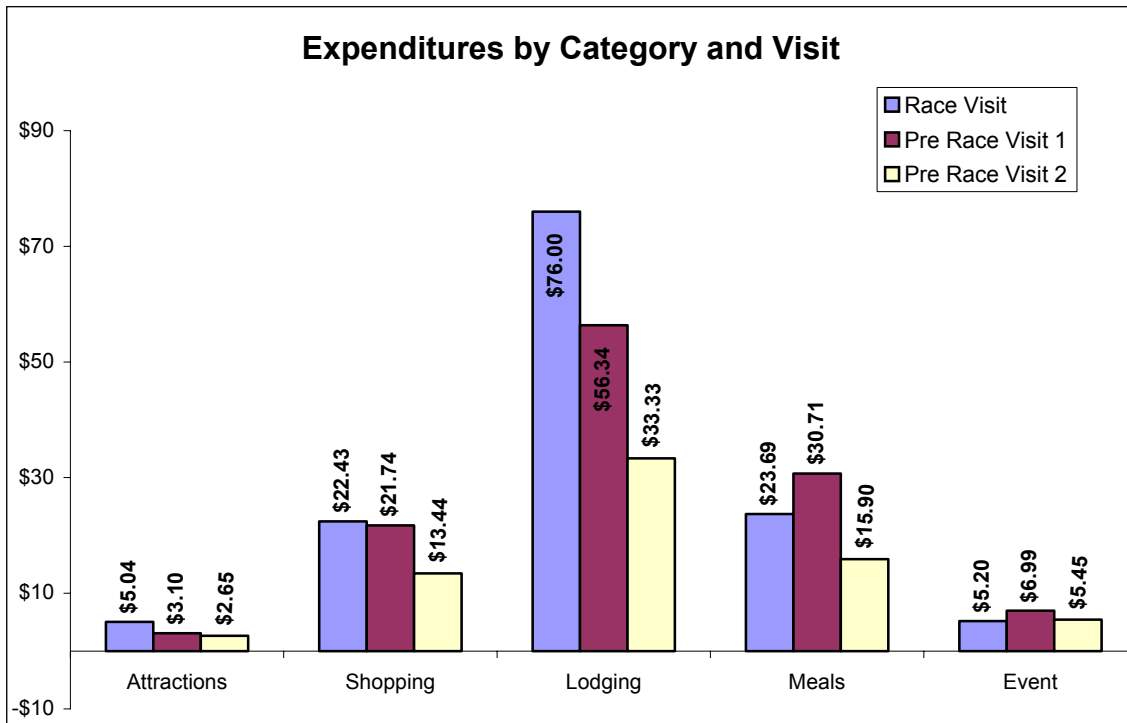
The data for accommodation selection is consistent with similar studies of the area as far as the distribution between the hotel/resort categories and other accommodation options, but reveals a significantly higher private house rental component.



The Ironman event has a unique positive economic impact feature in that it encourages participants to visit the region in preparation for the event. This factor generates additional revenues for the region. **Nearly 50 percent of the participants made pre-race visits**, representing a significant amount of additional revenue for the region.

EXPENDITURES BY CATEGORY AND VISIT

The chart and table below summarize the expenditure data for the event participants in various categories. Because of the large number of survey respondents, the accuracy of the average variables is consequently substantiated. As expected, the highest expenditures come on the day of the race. The most notable exception is the participants' expenditure for meals, which was highest during the first pre-race trip.

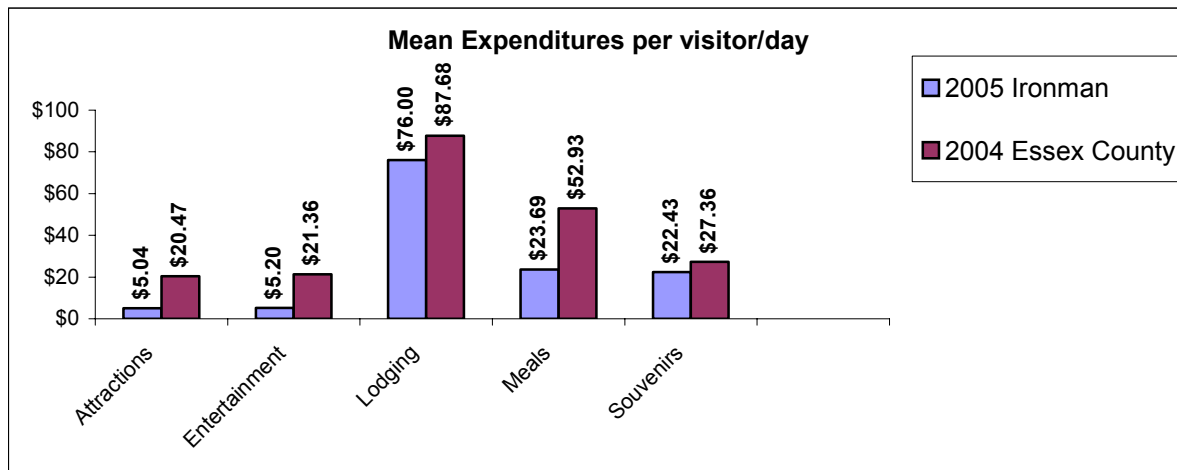


	RACE VISIT per person/per day	PRE RACE VISIT 1 per person/per day	PRE RACE VISIT 2 per person/per day
ATTRACTIONS	\$5.04	\$3.10	\$2.65
SHOPPING	\$22.43	\$21.74	\$13.44
LODGING	\$76.00	\$56.34	\$33.33
MEALS	\$23.69	\$30.71	\$15.90
EVENT	\$5.20	\$6.99	\$5.45
AVERAGE DAILY EXPENDITURE per person/per day	\$132.36	\$118.88	\$70.77

Participants/Travel Parties and Nights Spent, By Visit

CATEGORY	RACE	PRE RACE VISIT	PRE RACE VISIT 2
# OF NIGHTS	4.98	2.48	2.48
# IN PARTY	4.02	3.27	3.42
# OF RACE PARTICIPANTS	2218	302	200

The table and chart below compare the per-visitor, per-day expenditures of this study with those of the 2004 Essex County Leisure Visitors study. While the Ironman participants' expenditures are predictably less than the average leisure traveler (racers are here to race and may not have time for much else), it still represents a comparably significant overall expenditure impact, especially in the lodging and souvenir/shopping categories. It also predictable that this group would expend less money on meals and entertainment because of the inherent self discipline and the schedule limitations required to participate in this event.



CATEGORY	2005 Ironman Mean Expenditure per Visitor/per day	2004 Mean Expenditure Essex County per Visitor/per Day*
ATTRACTIONS	\$5.04	\$20.47
ENTERTAINMENT	\$5.20	\$21.36
TRANSPORTATION		\$19.15
LODGING	\$76.00	\$87.68
MEALS	\$23.69	\$52.93
SOUVENIRS	\$22.43	\$27.36
ALL OTHER		\$14.45
AVERAGE DAILY EXPENDITURE	\$132.36	\$243.40*

- data from the Essex County 2004 Visitors Profile Study

The **overall economic impact** for this event using the above data tallies just over **\$6,000,000** (see calculations below). These calculations are based on the average statistics derived from the data analysis only. They do not include any indirect/induced “ripple effects” of these revenues. This study does not utilize any economic multipliers to account for additional revenue generation. It reflects only the direct participant expenditure levels.

Expenditure Computation

of nights x average party size x # of participants x average expenditure = Gross Dollars Generated

RACE DAY Nights/Size/Participants/Average Expenditure

Lodging	4.98 x 4.02 x 2,218 x \$76.00 = \$3,195,000
Meals	4.98 x 4.02 x 2,218 x \$23.69= 1,052,000
Attract	4.98 x 4.02 x 2,218 x \$5.04 = 224,000
Events	4.98 x 4.02 x 2,218 x \$5.20 = 231,000
<u>Shopping</u>	<u>4.98 x 4.02 x 2,218 x \$22.43 = 996,000</u>
TOTAL RACE EXPENDITURE	\$5,698,000

PRE-RACE VISIT 1

Lodging	2.48 X 3.27 X 302 x \$56.34 = \$138,000
Meals	2.48 X 3.27 X 302 x \$30.71 = 75,000
Attract	2.48 X 3.27 X 302 x \$ 3.10 = 7,600
Events	2.48 X 3.27 X 302 x \$ 6.99 = 17,100
<u>Shopping</u>	<u>2.48 X 3.27 X 302 x \$21.74 = 53,250</u>
TOTAL PRE-RACE 1	\$290,950

PRE-RACE VISIT 2

Lodging	$2.48 \times 3.42 \times 200 \times \$33.33 =$	\$ 56,500
Meals	$2.48 \times 3.42 \times 200 \times \$15.90 =$	27,000
Attract	$2.48 \times 3.42 \times 200 \times \$2.65 =$	4,500
Events	$2.48 \times 3.42 \times 200 \times \$5.45 =$	9,3000
<u>Shopping</u>	$2.48 \times 3.42 \times 200 \times \$13.44 =$	<u>22,800</u>
TOTAL PRE-RACE 2		\$120,100

Total Estimated Direct Expenditures = \$6,109,050