

# **ESTIMATED ECONOMIC IMPACT ON SAN DIEGO DUE TO THE 2003 PACIFIC LIFE HOLIDAY BOWL**

## **SUMMARY REPORT**

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# I. INTRODUCTION

Prior to the 2003 college football post-season, Marketing Information Masters, Inc. was awarded a contract by the Holiday Bowl organization to conduct an economic impact study on the San Diego community caused by the 2003 Pacific Life Holiday Bowl. Economic impact, as defined for this study, is the infusion of out-of-county money into the San Diego economy which would not have occurred if the particular event had not taken place in San Diego.

Input used to estimate the economic impact of the Pacific Life Holiday Bowl was derived from two types of sources, i.e., corporate and spectators. The "corporate" side of the equation included directly reported expenditures from: a) each of the participating universities; b) non-local radio and television media covering the event; c) title sponsor and all non-local corporate event sponsors; and d) the non-local halftime entertainment agency and its performers. Data obtained from these corporate sources included, basically, expenditures in specific categories, number of travelers, number of hotel rooms, and length of stay. These corporate data were then examined in conjunction with non-local spectator statistics obtained from the results of interviewer-administrated surveys conducted at San Diego Qualcomm Stadium on game day.

Regarding spectator surveys, an independent (MWBE), professional data collection firm was subcontracted to conduct the face-to-face interviews. The data collection methodology was based upon random respondent selection throughout the stadium parking lot, as well as inside the stadium's perimeter walls. (See table below for the percentage distribution of interviewing locations by vicinity of stadium gate entrances.)

<b>VICINITY OF INTERVIEWING LOCATIONS</b>	<b>PERCENT OF INTERVIEWS</b>
<b>GATE A</b>	<b>11</b>
<b>GATE B</b>	<b>9</b>
<b>GATE C</b>	<b>12</b>
<b>GATE D</b>	<b>7</b>
<b>GATE E</b>	<b>6</b>
<b>GATE F</b>	<b>13</b>
<b>GATE G</b>	<b>10</b>
<b>GATE H</b>	<b>18</b>
<b>GATE J</b>	<b>14</b>
<b>TOTAL</b>	<b>100</b>

In total, 672 spectator groups, (representing 2,604 spectators), were intercepted. Of the 672 intercepts, 241 groups (1,110 spectators) were San Diego County residents, and 431 groups (1,494 spectators) resided outside of San Diego County. Local spectator groups were surveyed for group size, and for possible influence of ticket purchase induced by either of the two participating universities. Non-local groups were administered a more lengthy questionnaire that asked for detailed information on accommodations, length of stay, group size, specific expenditures, awareness and attendance at various "Holiday Bowl Week" events, attendance at various San Diego attractions, as well as reasons for attending the game and visiting San Diego County.

Of all non-local spectator groups that attended this annual civic event, 90 percent stated that the Holiday Bowl was the "main reason" for their visit to San Diego, nine percent stated that the game "influenced" their visit but was not the main reason, and less than one percent stated that the Holiday Bowl game did not influence their decision to visit San Diego County (i.e., purchased tickets because they were visiting San Diego, not vice versa).

TYPE OF SPECTATOR	PERCENT OF ALL SPECTATORS	PERCENT OF NON-LOCALS
SAN DIEGO RESIDENT	43	N/A
HOLIDAY BOWL WAS MAIN REASON FOR VISIT	52	90
HOLIDAY BOWL INFLUENCED VISIT BUT WAS NOT MAIN REASON	5	9
HOLIDAY BOWL DID NOT INFLUENCE VISIT	<1	<1
TOTAL	100	100

Based on this study's definition of economic impact, expenditure data from out-of-county tourists who were not influenced by the Holiday Bowl to visit San Diego, as well as local spectator groups, have been eliminated from all economic impact calculations. The resultant sample size utilized for the economic analysis (425 random observations) yields a 95% confidence level with a maximum margin of error of  $\pm 4.8$  percentage points.

Furthermore, 80% of the approximately \$5 million in game-related revenue, (i.e., ticket sales, broadcast rights, television fees, title sponsor revenue, etc.), has not entered into the economic impact calculations due to the relatively short time interval between receipt of these revenues and payouts to the two participating universities.

Also, please note that indirect economic impacts, as well as employment estimates, were **derived/calculated** using the most recently updated **RIMS II** multipliers (Regional Input-Output Modeling System), procured from the U.S. Department of Commerce, Economic and Statistics Administration, Bureau of Economic Analysis, Washington D.C. These multipliers are based on the 1998 benchmark input-output accounts for the U.S. economy and 2000 regional data.

## **II. ESTIMATED ECONOMIC IMPACT ON SAN DIEGO**

### **A. Overview**

The Pacific Life Holiday Bowl game, played on Tuesday, December 30, 2003, at San Diego Qualcomm Stadium, provided wholesome family entertainment to 61,102 fans of college football. The 2003 match-up, University of Texas (10-2 and ranked 5th in the nation), and Washington State University (9-3 and ranked **15th**), were the two highest ranked teams ever to play in the Holiday Bowl. Furthermore, no other **non-BCS** game featured two universities ranked in the top 15; and only the Sugar Bowl's national championship game featured two teams that have won more games during the past three years than UT (32 wins - 3rd in the nation), and WSU (29 wins - 10th in the nation).

In the tradition of "America's Most Exciting Bowl Game," the 9%-point underdog, **WSU**, won by eight points (28-20); and with 1:15 left to play, UT had the ball and a chance to tie the game. The excitement of the 2003 Pacific Life Holiday Bowl was shared by households across the United States and Mexico, as it was broadcast nationally through a rights contract with **Westwood One**, as well as by home-state radio networks of the two teams, and XEXX radio (Mexico). In addition, the game was televised at 5:00 p.m. Pacific, 8:00 p.m. Eastern, on ESPN, and received a "4.86 rating, which was the highest rating of all 15 post-season college football bowl games broadcast by ESPN and **ESPN2**, and the highest rated of any college football game on ESPN for the 2003 season. This television industry measurement of nationwide viewership equates to 4.3 million households, and an estimated **8+** million viewers. The game was replayed at 12:20 a.m. Pacific, 3:20 a.m. Eastern, reaching 351,415 households.

### **B. Economic Impacts & Estimated Taxes**

The 2003 Pacific Life Holiday Bowl game and its ancillary events created a record-breaking estimated economic impact of \$30.3 million on the San Diego community, which is the sixth consecutive year of having an economic impact greater than \$20 million. The direct economic impact (i.e., visitor spending) was estimated at

\$15.7 million, with an estimated indirect impact of \$14.6 million (which includes household earnings). Employment (measured in full-time equivalency) generated by the economic impact was estimated at 392 person-years.

Holiday Bowl spectators and participants staying in local hotels generated an estimated 28,900 room-nights, resulting in an estimated Transient Occupancy Tax of \$308,000. In addition, the local portion of state sales tax, estimated at \$251,000 was generated due to the 2003 Pacific Life Holiday Bowl. Furthermore, the City of San Diego netted approximately \$413,000 in concessions royalties, parking fees, stadium rent, and Holiday Bowl office rent.

2003 PACIFIC LIFE HOLIDAY BOWL ESTIMATED ECONOMIC IMPACT				
TOTAL ECONOMIC IMPACT (\$ Mil)	DIRECT ECONOMIC IMPACT (\$ Mil)	INDIRECT ECONOMIC IMPACT* (\$ Mil)	EMPLOYMENT (Full-time equivalency <b>person-years</b> )	VISITOR ROOM NIGHTS (#)
<b>30.3</b>	<b>15.7</b>	14.6	392	<b>28,900</b>

\* Includes household earnings

2003 PACIFIC LIFE HOLIDAY BOWL DIRECT ECONOMIC IMPACT (VISITOR SPENDING)		
SPENDING CATEGORY	SPENDING (\$ MILLION)	SPENDING (PERCENT)
LODGING	<b>3.0</b>	<b>19</b>
FOOD & BEVERAGE	<b>5.4</b>	<b>35</b>
ENTERTAINMENT	<b>1.2</b>	<b>8</b>
LOCAL TRANSPORTATION	<b>1.3</b>	<b>8</b>
SHOPPING	<b>2.4</b>	<b>15</b>
OTHER	<b>2.4</b>	<b>15</b>
<b>TOTAL</b>	<b>15.7</b>	<b>100</b>

2003 PACIFIC LIFE HOLIDAY BOWL ESTIMATED TAXES & CITY REVENUES	
TYPE OF TAX / REVENUE	AMOUNT OF TAX / REVENUE
TRANSIENT OCCUPANCY TAX	\$308,000
STATE SALES TAX (LOCAL PORTION)	\$251,000
ROYALTIES / PARKING FEES / STADIUM AND OFFICE RENT	\$413,000
TOTAL	\$972,000

2003 PACIFIC LIFE HOLIDAY BOWL SALES TAX (LOCAL PORTION) DUE TO VISITOR SPENDING		
LOCAL PORTION OF SALES TAX (DESTINATION)	LOCAL PORTION OF SALES TAX (DOLLARS)	LOCAL PORTION OF SALES TAX (PERCENT)
Specific to the incorporated or unincorporated area where sales tax was generated	\$91,273	1.0%
San Diego Regional Transportation Commission	\$45,636	0.5%
County Transportation Fund	\$22,819	0.25%
County Revenue Fund (a.k.a. Realignment Money)	\$45,636	0.5%
County Public Safety Fund (mostly police & fire)	\$45,636	0.5%
TOTAL	\$251,000	2.75%**

• Source: Research and Statistics, Board of Equalization, State of California

\*\* The remaining 5% sales tax is placed in the State of California general fund.

### C. Game Attendance

The number of non-local spectators inside San Diego Qualcomm Stadium was an estimated 33,668 people, which equates to 57 percent of all spectators. Of the 33,668 non-local spectators, 33,374 were influenced to visit San Diego County by the Pacific Life Holiday Bowl, while 294 were visiting San Diego County for reasons other than the bowl game.

Furthermore, approximately five percent of the non-local spectator groups that were influenced by the Holiday Bowl to visit San Diego stated that there were additional out-of-county members of their travel party who were in San Diego, but who did not attend the game. When these additional non-spectator visitors are added to the total, along with participating universities' team members, coaches, staff, band members, non-local halftime performers, etc., and when the non-locals whose visit to San Diego was not influenced by the bowl game are subtracted, the net visitor count equates to 36,946 out-of-county residents who were attracted to San Diego by this annual post-season football game and its ancillary "bowl week" events.

#### **D. Ticket Acquisition**

The total number of tickets sold for the 2003 Pacific Life Holiday Bowl was 65,463. More than one-half (52%) of the out-of-county visitor groups that were in San Diego due to the Holiday Bowl, obtained their game tickets either through one of the two universities (40%), or through one of their respective alumni associations (12%). Seven percent of the visitor groups purchased their tickets directly from the Holiday Bowl office, 14 percent bought through Ticketmaster, and 11 percent purchased from a "private individual." In addition, four percent of the visitor groups acquired game tickets via the Internet, while 11 percent stated that they received their tickets as a gift/complimentary.

#### **E. Visitor Characteristics**

Survey data indicated that the characteristics of Holiday Bowl visitors included 66 percent male, 34 percent female, and an average (median) age of 38 years for males, and 40 years for females. Median household annual income was calculated at \$85,756, and the overall average group size for these visitors was 3.5 persons who stayed in San Diego an average of 3.0 nights.

One-half (50%) of the visiting spectator groups were either from the state of Washington (33%), or the state of Texas (17%), with an additional 22 percent from Southern California (outside of San Diego County). When non-local spectators were asked which team/university influenced them to visit San Diego, 53 percent answered Washington State University, 35 percent mentioned University of Texas, and 12 percent stated "both/neither", i.e., the game itself. Among local spectator groups that were

asked which university, if any, influenced their ticket purchase to this year's bowl game, 20 percent stated Washington State University, 20 percent stated University of Texas, while 60 percent purchased their tickets due to the game itself.

More than one-half (56%) of non-local visitor groups were staying in a hotel or motel, 18 percent were staying in a home of a friend or relative, four percent were utilizing "other" accommodations, (e.g. motor home/recreation vehicle, military base, etc.), and 22 percent did not utilize overnight accommodations, i.e., day visitors. Less than one-half (44%) of non-local spectator groups arrived by personal car, eight percent by rental car, 39 percent by commercial airline, two percent by charter airline, three percent by recreation vehicle, and four percent, collectively, by "other" modes of transportation, i.e., train, charter bus, and public bus.

While in San Diego, 50 percent of the spectator groups traveled around town in a personal automobile, 34 percent utilized a rental car (which includes 26% that rented a car after their arrival), three percent drove their recreational vehicle, six percent used the San Diego Trolley, three percent used a taxi, and two percent, collectively, traveled around San Diego either by charter bus, public bus, tour bus, or shuttle bus.

The majority (70%) of non-local spectator groups drove themselves to Qualcomm Stadium on game day, while 25 percent reported using the San Diego Trolley, one percent arrived by taxi, and four percent, collectively, arrived by public bus or charter bus.

## **F. Visitor Activities**

The level of awareness of the Kickoff Luncheon among non-local Holiday Bowl spectator groups was measured at 42 percent. Furthermore, four percent of the visitor groups stated that at least one person in their immediate travel group attended the luncheon held at Golden Hall, in the San Diego Civic Center.

Awareness of the Port of San Diego Holiday Bowl Parade (held on Harbor Drive) was greater than the awareness of the Kickoff Luncheon, among out-of-county visitors who were in town because of the bowl game. The majority (61%) of Holiday Bowl non-local spectator groups were aware of the parade, and 14 percent reported that at least one person in their immediate travel group attended the parade.

In addition to the aforementioned Holiday Bowl-related activities, non-local spectator groups reported visiting, on *this* trip to San Diego, the following local attractions: San Diego Zoo (21%); Sea World (18%); San Diego Wild Animal Park (5%); and LEGOLAND (4%). Furthermore, local beaches, Mexico, and local golf courses, were also visited by 27 percent, 10 percent, and six percent, respectively, of non-local spectator groups that were in San Diego for the Pacific Life Holiday Bowl. Seventy (70) percent of the visitor groups reported attending/participating in one or more of the above mentioned attractions/activities.

All surveyed non-local visitor groups that visited San Diego to support a particular team, were asked if they would return to San Diego if their team, (i.e., Washington State University or the University of Texas), were to play in the Holiday Bowl again within the next few years. The vast majority (87%) of these spectator groups stated they would return, while only five percent stated they would most likely not return, and eight percent were not sure.

## **G. Hotel | Motel Visitors**

In examining the survey data obtained from Holiday Bowl spectator groups that were staying at a hotel or motel, it was determined that their average group size was 3.3 people who stayed an average of 3.1 nights, and occupied 1.4 hotellmotel rooms. These visitors reported an average daily room-rate of \$98. In addition, 38 percent of hotellmotel visitor groups rented a vehicle while in San Diego, at an average daily rate of \$52.

Survey data pertaining to hotellmotel spectator groups were combined with visitor travel data obtained from the universities, media, etc., in order to determine the number of room-nights which occurred in San Diego. The result yielded a total of 28,900 room-nights in San Diego due to the Pacific Life Holiday Bowl.

## **H. Port of San Diego Hotel Properties**

More than one-fourth (27%) of all Holiday Bowl non-local spectator groups that had hotellmotel accommodations in San Diego, indicated that their immediate travel party was staying at a hotel on Unified Port District property. In all, 12 different Port District hotel properties were mentioned. This equates to 1,443 visitor groups,

averaging 3.1 people and 1.4 hotel rooms per group. The average room rate was \$119 per night, and the average length of stay was 3.2 nights. When these data were extrapolated, and added to the two universities' and title sponsor's corporate accommodations on Port District property, the result yielded 9,420 room-nights on Port District hotel properties due to the Pacific Life Holiday Bowl game and ancillary events.

In addition, Pacific Life Holiday Bowl-related visitors groups staying in hotels on Port District property averaged \$219 per day on food and beverage, and 31% rented a vehicle at an average of \$57 per day. Furthermore, it is estimated that the Unified Port District received \$12,700 in car rental fees, and \$62,400 in airport passenger facility charges, due to the 2003 Pacific Life Holiday Bowl.

## **I. Curbside Attendance & Television Coverage - Parade**

The Port of San Diego Holiday Bowl Parade (largest helium balloon parade in the United States) once again attracted a curbside attendance exceeding 100,000 people, according to the San Diego Police Department. The parade stepped-off at 10:00 a.m., Tuesday, December 30, 2003, on Harbor Drive; and was televised live, locally on Cox Communications, Channel 4, then rebroadcast on Cox six additional times over the next few days. Furthermore, the parade was broadcast nationally via cable by PAX-TV, which has the potential to reach more than 80,000,000 households across the United States.