

An aerial photograph of a large beach area during the South Padre Island Kite Fest. Numerous colorful kites are flying over the sand, including long, multi-colored streamers and a kite shaped like the American flag. A large crowd of people is gathered along the shoreline, and many cars are parked in a lot. The ocean waves are visible in the background.

# South Padre Island Kite Fest

February 1 - 3, 2018  
Event Economic Impact Report

**Prepared for**

City of South Padre Island Convention and Visitors Bureau

**Prepared by**

Business and Tourism Research Center  
The University of Texas Rio Grande Valley

**Research Team Leaders**

Dr. Penny Simpson, Professor of Marketing and Director  
Dr. Sharon Schembri, Assistant Professor of Marketing

The University of Texas Rio Grande Valley  
Robert C. Vackar College of Business and Entrepreneurship  
1201 West University Drive Edinburg, TX 78539-2999 USA  
Tel: 956-665-2829 Cell: 956.240.0627  
penny.simpson@utrgv.edu

# Executive Summary and Survey Highlights

This report details the measured economic impact of the 2018 South Padre Island (SPI) Kite Fest held on February 1<sup>st</sup> – 3rd. Promoted by B&S Kites with \$22,100 funding support from the SPI Convention and Visitors Bureau (CVB), organizers expected to attract 300 plus (547 in 2017) rooms for 2 to 3 nights. To examine the spending of SPI Kite Fest participants on SPI, a short survey incentivized with the opportunity to enter a drawing to win two nights at Schlitterbahn Beach Resort was conducted. The survey was administered online and onsite with 77.5% completed onsite. Although 489 respondents attempted the survey, 18 were duplicated household responses and 100 were not on the Island specifically for Kite Fest.

Demographically, the study sample has an average age of 62 years, is predominately female (67.3%), married (80.3%), with some college education (76.7%), is retired (76.2%), has a household income above \$50,000 (65%), and is white (83.1%). Survey respondents are primarily from the US (88.7%) although 10.4% came from Canada and 0.8% came from Mexico. On average, survey participants traveled with an average of 2.5 people for an average of 271 miles. A large percentage (89.8%) of survey respondents are considered promoters of the Island to others, with 95.7% likely to return to SPI for a future vacation and 98.9% satisfied with the overall SPI experience.

Importantly, the survey analysis found that each household group attending the 2018 SPI Kite Fest event spent an estimated average of \$575 per household while on the Island for a total of \$1,081,000. This total spending resulted in \$95,444 in total sales tax revenue with \$33,435 the City's share, a 32.9% return on the \$25,150 cash plus in-kind facility usage invested by the CVB in the event.

Separately, lodging is the highest per household expenditure category with 28.7% of study respondents spending at least one night on the Island and staying an average of 1.15 nights,

generating 620 total room nights, most of which were in hotels (56.1%). With the average lodging expenditure of \$350 per household that spent the night on the Island, revenue from lodging was a total of \$188,860. Of the total lodging expenditure, 17% or \$27,441 was for the Hotel Occupancy Tax (HOT), and 10.5% of that, or \$16,949, goes toward the 10.5% City HOT. Moreover, the estimated total spending on food and beverage of \$434,700, resulted in about \$33,128 in taxes at the 8.25% rate or \$8,031 at the City 2% tax rate. The combined City's share of the HOT, food and beverage and other tax revenue is \$33,435, which represents a 32.9% return on the \$22,150 cash investment provided to the SPI Kite Fest organizer.



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# SPI Kite Fest Economic Impact

## Introduction

The South Padre Island (SPI) Kite Fest consisted of three days of scheduled events:

- Thursday, February 1<sup>st</sup>: an indoor kite performance from 6:30pm to 8:30pm in the SPI Convention Center;
- Saturday, February 3<sup>rd</sup>: a banquet and silent auction at 6:30pm at the Isla Grand Beach Resort, and;
- Friday February 2<sup>nd</sup> and Saturday, February 3<sup>rd</sup> from 10am to 4pm: two days of outdoor kite flying on the 'the Flats' next to the SPI Convention Center.

The SPI Kite Fest was organized by B&S Kites with an estimated cost of the event at \$43,062. The organization had originally requested, \$22,150 from the SPI Convention and Visitors Bureau (CVB) as well as an in-kind use of the CVB Exhibition Hall at a value of \$3,000. About \$4,600 of the funding was to cover promotional expenses with the remaining funds to offset travel and other demonstration expenses. In addition to the CVB funding, the organizer expected that 86% of the total event costs would be covered by Hotel Occupancy Tax (HOT). In terms of attendance, the event organizer expected to attract about 8,000 people with about 300+ staying in SPI lodging for two to three nights. At the 2017 Kite Fest event, about 547 rooms were rented during by event registrants. For 2018, an estimate 300 or more people would rent rooms on the Island for 2.5 nights for an expected 750 SPI room nights attributable to the 2018 SPI Kite Fest.

To promote the event, the organizer had expected to create 26 media press releases, combined with promotional spending on radio, TV, and newspaper ads, banners, festival buttons, and shirts, as well as online investments with a website and social media design and monitoring. The primary regions of promotional efforts were to be in Texas,

including the Rio Grande Valley, Austin, San Antonio, Houston, Lubbock and Dallas-Fort Worth, as well as other states in the US and in Canada.



# Method

To estimate the economic impact of the 2018 SPI Kite Fest, UTRGV researchers conducted a survey (see Appendix A) among Kite Fest attendees on SPI on Friday and Saturday, February 2<sup>nd</sup> – 3<sup>rd</sup>. As an incentive, survey respondents were offered a chance to win two nights at Schlitterbahn Beach Resort and respondents on Saturday were also offered SPI promotional products which substantially helped to recruit respondents. Respondents were asked to complete the survey via online and offline methods. Most respondents (380) were approached by onsite interviewers while others were given note cards (see Figure 1) inviting online survey participation.



FIGURE 1. SURVEY NOTE CARDS

## Interviews

A total of 19 trained interviewers and two supervisors attended the SPI Kite Fest Outdoor Kite Festival held at the Andie Bowie Flats area during the performance hours from 10am to 4pm. To get a representative sample of attendees on both days of the Kite Fest, seven interviewers were deployed on February 2<sup>nd</sup> and 12 on February 3<sup>rd</sup> to randomly select and interview event attendees. As a home base for the survey team, a tent was located just inside the Flats access point, which enabled potential respondents to be aware of the survey team when entering the event grounds and/or passing the tent. Also, the team of interviewers were made highly visible by wearing bright orange t-shirts and visors. Interviewers approached potential respondents in a professional manner and used iPads to electronically record survey responses onsite. Respondents were also able to complete a hard copy of the questionnaire, if preferred. Attendees not responding to an onsite interview were given a note card with a link to the online survey. Altogether, this methodology yielded 489 responses: 380 responses were from onsite interviews over the two days and 100 were from direct entry to the online survey at [www.utrgv.edu/kitefest](http://www.utrgv.edu/kitefest).



## Estimated attendance

Knowing the number of people attending any event is crucial to estimating the economic impact of the event. To determine the number of attendees, one person was tasked with counting the number of people attending the outdoor Kite Fest performances. The estimate of the people attending Kite Fest 2018 was achieved in multiple ways:

- Manual people count
- Digital vehicle count
- Drone footage on crowd size

A specific count of the number of people entering Bay Access Point February 2nd and 3rd was conducted with a manual people counter. As Table 1 shows, the number of people entering is much higher for Saturday, February 3 as compared to Friday, February 2. While February 3 was the main event day and hence achieved much higher attendance, Friday, February 2 was a cold and windy day, which enabled the larger kites to be flying but was not necessarily comfortable for those attending. Observations on February 2 noted many entering and then exiting about 30 minutes later while others chose to stay in their cars, honking the car horn in response to kite stunts and announcements on the PA system. Contrastingly, on February 3, the temperature was more comfortable but the lack of wind did not sustain the larger kites consistently throughout the day and therefore many attendees expressed disappointment. The larger attendance recorded on February 3 also included many elderly and many people with disabilities who enquired on entry regarding parking. The implication is that disabled parking needs to be an extra-large allocation for this event.

Table 1 shows the number of vehicles entering via Bay Access Point on February 2 and February 3, as measured via digital camera recording and Camlytics software. However, the total attendance figures are not reflective of the number of people present at any one time. Therefore, a third estimation of crowd size using a drone was conducted on an hourly basis on February 3 only. Table 1 also shows the overall attendance by count method. The February 3 hourly crowd size measured via drone footage is shown in Figures 2 - 7.



TABLE 1. CROWD SIZE BY COUNTING METHOD

Count method	Friday, February 2 (10am-4pm)	Saturday, February 3 (8:30am-3:30pm)
Manual people count	2,340	4,822
Camlytics vehicle count	920 enter 1098 exit	1562 enter 1392 exit
Drone		<b>Crowd size estimate/Related figure</b>
10am		290/Figure 2
11am		694/Figure 3
12noon		1,446/Figure 4
1pm		1,391/Figure 5
2pm		1,149/Figure 6
3pm		708/Figure 7
Average crowd size		946



FIGURE 3. DRONE FOOTAGE 10AM CROWD SIZE



FIGURE 4. DRONE FOOTAGE 11AM CROWD SIZE



FIGURE 5. DRONE FOOTAGE 12NOON CROWD SIZE



FIGURE 6. DRONE FOOTAGE 1PM CROWD SIZE



FIGURE 8. DRONE FOOTAGE 2PM CROWD SIZE



FIGURE 7. DRONE FOOTAGE 3PM CROWD SIZE

A total of almost **7,800** people were physically counted as attending the Kite Fest events; however, the survey indicated that 24.6% of respondents were not on the Island specifically for Kite Fest. Also, an estimated 20% of Kite Fest attendees are considered duplicates, having visited events on multiple days. By subtracting duplicate attendees and attendees who were not on SPI because of Kite Fest, an estimate of the number of people on the Island because of Kite Fest was determined as **4,700 individuals or 1,880 households** (4,700 divided by 2.5, the average number of people per household).



FIGURE 9. CONVENTION CENTER

## Results

A total of 489 respondents were recruited for this study. Most survey completions (77.5%) were obtained through onsite interviews while 22.5% of respondents participated in the survey individually online as shown in Figure 9.

The questionnaire contained several filter questions designed to eliminate nonqualified study participants. The first filter question was to eliminate multiple responses from a single household. This filter eliminated only 18 respondents. The next filter question was designed to eliminate potential respondents who had not visited SPI because of the SPI Kite Fest, thus their Island expenditures

would not be directly attributable to the event. This questionnaire filter eliminated 100 respondents or 21.2% of surveys attempted. Other than being at SPI for the Kite Fest reasons given for being on the Island included:

***Winter Texans, vacation, biking, warm weather, relaxing weekend, just passing by, camping at Isla Blanca Park and to see the Painted Marlin.***

The final filter was designed to eliminate respondents who live on the Island and would not likely be spending money solely because of the event. In total, the filter process left 355 of the 471 unduplicated responses or 75.4% of respondents who had come to SPI specifically for Kite Fest from outside of the immediate SPI area.

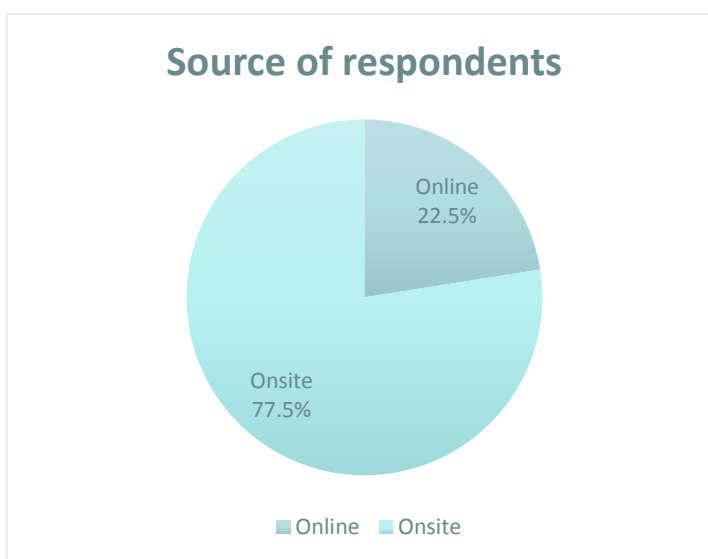


FIGURE 10. SOURCE OF STUDY RESPONDENTS



## Survey participants and SPI stay characteristics

The following results are for all 471 unduplicated survey respondents but, more specifically, 355 respondents who came to SPI specifically to attend the SPI Kite Fest 2018. The results in this section are grouped into three response-type categories:

- All data results;
- results from onsite interviews only; and
- results from online responses only.

### SPI Kite Fest participation: Survey versus actual

In this study, attendees of the SPI Kite Fest were classified according to their attendance status. As seen in Figure 10, by far, most attendees were spectators on Friday and or Saturday (93.2%). A total of 7% of respondents attended the indoor performance or banquet and (4.2%) were volunteers, staff or kite flyers.

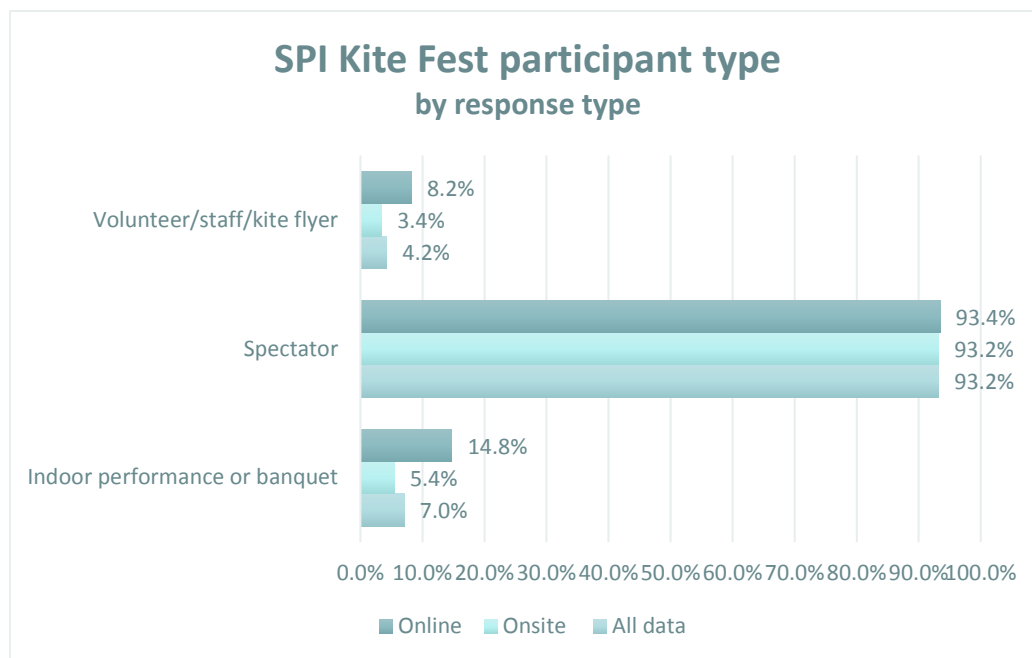


FIGURE 11. SURVEY RESPONSE TO KITE FEST PARTICIPATION TYPE

## Miles traveled, group size and stay characteristics

Survey respondents were asked to indicate the number of miles traveled to the event, how many people were in their household, how many nights they spent on SPI, and where they spent the night while at Kite Fest.

Data featured in Figure 11 shows that, on average, study participants traveled **271** miles to attend the event, although distances traveled ranged from 12 to 8,000 miles. The distance traveled by onsite respondents is significantly greater than distances traveled by online respondents.

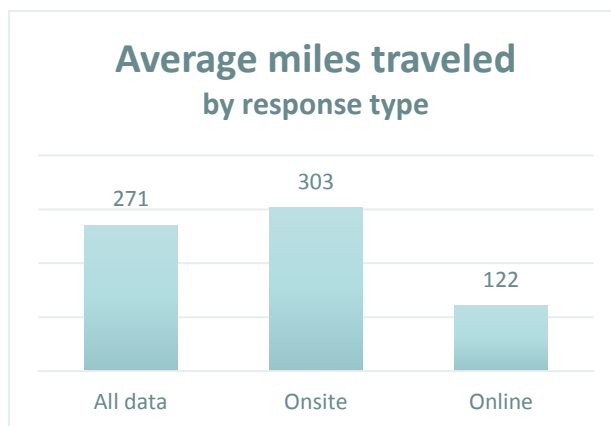


FIGURE 12. AVERAGE MILES TRAVELED

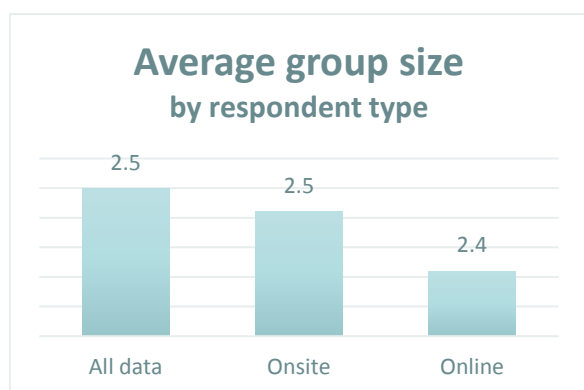


FIGURE 14. AVERAGE GROUP SIZE

A total of 147 of the unduplicated respondents (31.2%) reported spending an average of **1.15** nights on SPI for Kite Fest, as shown in Figure 13. The figure also shows that onsite respondents spent significantly more nights on SPI than did online respondents.

Figure 12 shows the average number of people per household traveling to Kite Fest as **2.5**, although the reported number of household members ranges from 1 to 13. Note that several buses were observed to attend the event.

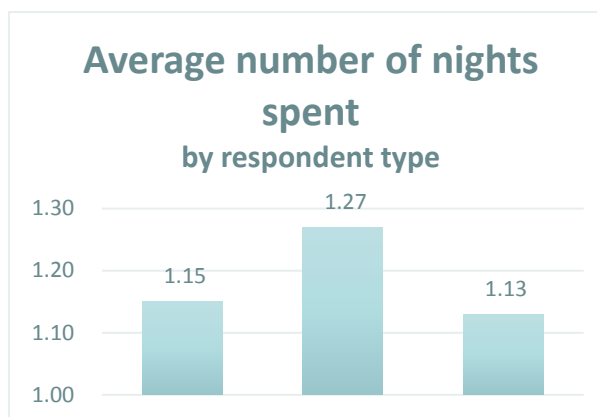
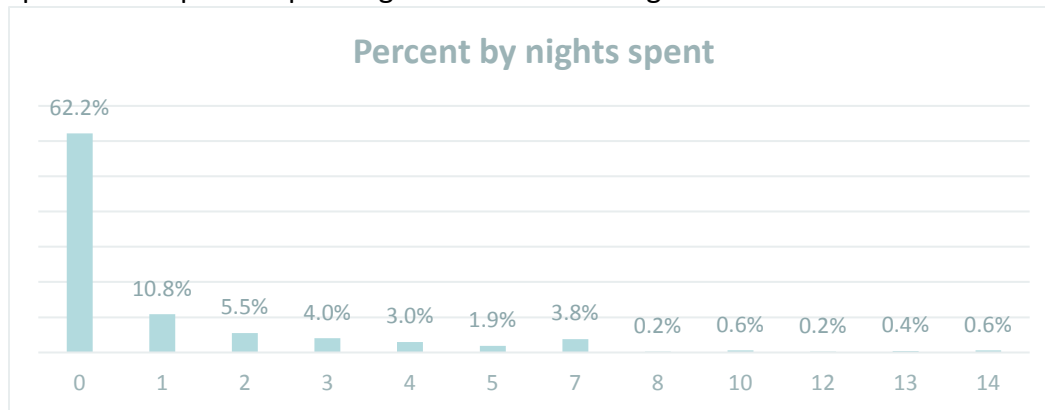


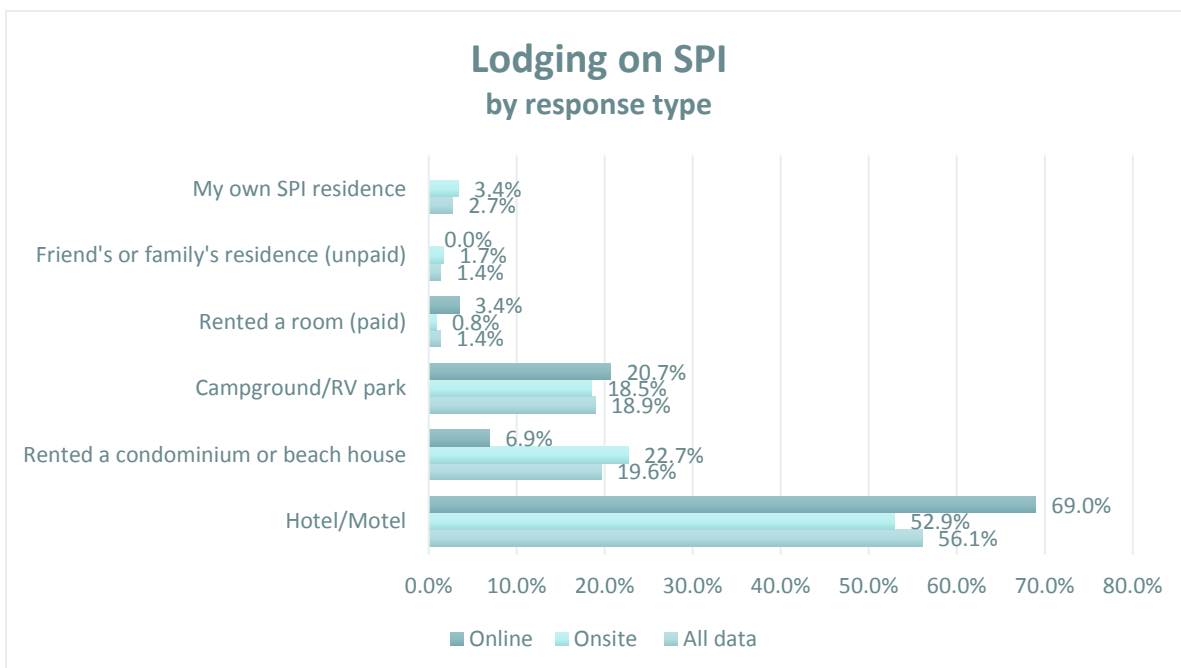
FIGURE 13. AVERAGE NUMBER OF NIGHTS SPENT ON SPI

Figure 14 breaks down the number of nights spent on SPI and shows that most respondents did not spend the night on the Island (62.2%). Of those who did, most spent one night (51 respondents or 10.8%), 5.5% spent two nights, and 4% spent three nights on the Island. A total of 51 respondents reported spending more than three nights on the Island.



**FIGURE 15. PERCENTAGE SPENDING THE NIGHT ON SPI**

Figure 15 shows the types of lodging used by Kite Fest attendees while on the Island. A total of 142 respondents reported paying for their lodging with most renting a hotel/motel room (56.1%), a condominium or beach house (19.6%), or staying at a campground/RV park (18.9%).



**FIGURE 16. LODGING TYPE USED**

## Estimated spending

Study respondents were asked to identify how much money they spent in various expenditure categories. The total average reported expenditure by category was then multiplied by the percentage of respondents who reported spending in that expense category to arrive at the average weighted spending per expense category. For example, the results, shown in Table 2, indicate that the average amount spent on lodging for the stay duration was \$350 with a weighted average of \$100 when considering that only 28.7% of respondent households spent the night on the Island. Average spending on food and beverages was \$337 with a weighted average of \$231. In total, Kite Fest attendees spent a total average of \$1,686 with the weighted average of **\$575** per household for the time they were on South Padre Island for the 2018 SPI Kite Fest.

The same method was used to estimate online versus onsite respondent spending with results showing that the total average weighted spending of onsite respondents was \$569 as compared to \$147 for online respondents, a significant difference in spending by survey response type.

**TABLE 2. TOTAL AVERAGE WEIGHTED SPENDING**

Expenditure category	Total average	% spending in category	Weighted spending
Food & Beverages	\$ 337	68.6%	\$231
Night life	\$ 169	24.8%	\$ 42
Lodging	\$ 350	28.7%	\$100
Attraction entertainment	\$ 176	20.2%	\$ 36
Retail	\$ 117	42.5%	\$ 50
Transportation	\$ 80	45.6%	\$ 36
Parking	\$ 33	1.3%	\$ 0
Admission fees	\$ 48	7.6%	\$ 4
Clothing	\$ 107	24.8%	\$ 27
Groceries	\$ 206	23.4%	\$ 48
Other	\$ 62	1.7%	\$ 1
Total	<b>\$ 1,686</b>		<b>\$575</b>

The total spending on South Padre Island that is specifically attributable to the SPI Kite Fest is determined by multiplying the 1,880 unduplicated event attendee households (see p7) by the total weighted \$575 per household spending while on South Padre (see Table 2). The result is a total, direct spending by Kite Fest attendees of **\$1,081,000** on South Padre Island.

**The estimated direct spending on South Padre Island as attributed to the 2018 SPI Kite Fest event is \$1,081,000 within a confidence interval of plus or minus 5% given the assumptions of a random sample selection and the estimate of 20% attendee duplications. With a tax rate of 8.25%, this estimate resulted in a total of \$84,687 in total sales taxes collected, which represents a return of 337.4%; more than triple the \$25,150 investment provided by the CVB to the event organizer.**

### Spending on food & beverage and lodging

The survey results indicated 68.6% of respondents spent an average of \$337 per household on food and beverages (F&B). This means that Kite Fest attendees spent a total weighted average of \$434,683 (\$231 per household x 1,880 households) on F&B. With an 8.25% tax rate, this amount resulted in about \$33,128 in sales tax collected from F&B spending, of which about \$8,031 is the City's 2% tax rate share.

The survey results also indicated that 28.7% of respondents spent an average of \$350 for a weighted average spending of \$100 per household on lodging over an average of 1.15 nights (see Figure 13) spent on SPI for the Kite Fest. These statistics indicate that Kite Fest generated 620 room nights (1,880 households x 28.7% household spending the night x 1.15 average nights spent) for a total of about \$188,860 spent on lodging. This amount of spending results in total HOT revenue of \$27,442 at the 17% HOT rate. Of that amount, South Padre Island should receive about \$16,949 at the 10.5% HOT rate.

***SPI Kite Fest attendees accounted for 620 room nights and spent \$188,860 ± \$9,400 while on the Island for the event.***

The CVB provided \$22,150 cash and \$3,000 in-kind value for a total of \$25,150 to the SPI Kite Fest organizer. For this investment, the city of South Padre Island should recover 10.5% of the HOT or \$16,949. The F&B spending of \$434,680 generated a City return in tax revenue of 2% or \$8,031. Including all tax revenue from all sources, the total return in taxes to the City as a result of the SPI Kite Fest is estimated at **\$33,435**. These taxes fully cover the \$22,150 CVB investment in the event for a 32.9% return on investment as seen in Table 3

**TABLE 3. SPENDING, TAX REVENUE AND ROI**

Spending category	Amount spent	Tax rate	Total sales tax	City's % share	City's \$ share	ROI on \$25,150
Lodging	\$ 188,862	17%	\$ 27,442	10.5%	\$ 16,949	-32.6%
Food & Beverage	\$ 434,683	8.25%	\$ 33,128	2%	\$ 8,031	
All other	\$ 457,594	8.25%	\$ 34,874	2%	\$ 8,454	
<b>Totals</b>	<b>\$ 1,081,140</b>		<b>\$ 95,444</b>		<b>\$ 33,435</b>	<b>32.9%</b>

***In summary, the taxes accrued to the City of South Padre Island as a result of 2018 SPI Kite Fest is estimated at \$33,435 ± 5% for a return on the \$22,150 cash investment of 32.9%.***



## The SPI Experience

The next section of the survey asked respondents about their stay on SPI. In this section, the “net promoter” question was used to determine how likely survey respondents are to recommend SPI as a place to visit to friends or colleagues. The results, shown in Figure 16, indicate that most study respondents (89.8%) are promoters of SPI while .08% are detractors. This yields a net promoter score (NPS) of 89, which is very good. For example, the hotel industry has a NPS of 39 ([www.netpromoter.com/compare](http://www.netpromoter.com/compare)). Recommendation likelihood varied by response type, however. Onsite respondents were much more likely to recommend SPI to others as promoters than were online respondents (NPS = 91.4 versus 72.7, respectively) and were less likely to be detractors (0.5 versus 3.0).

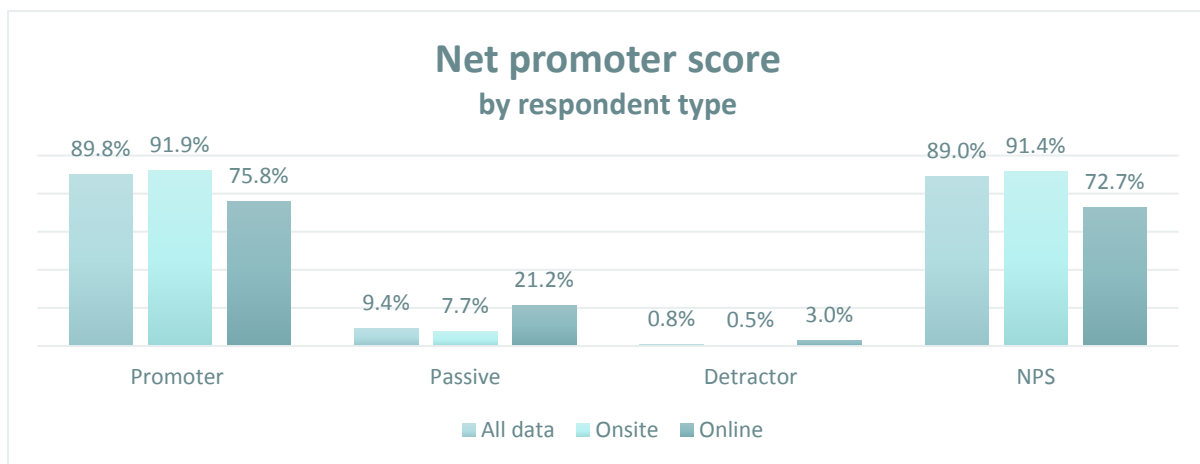
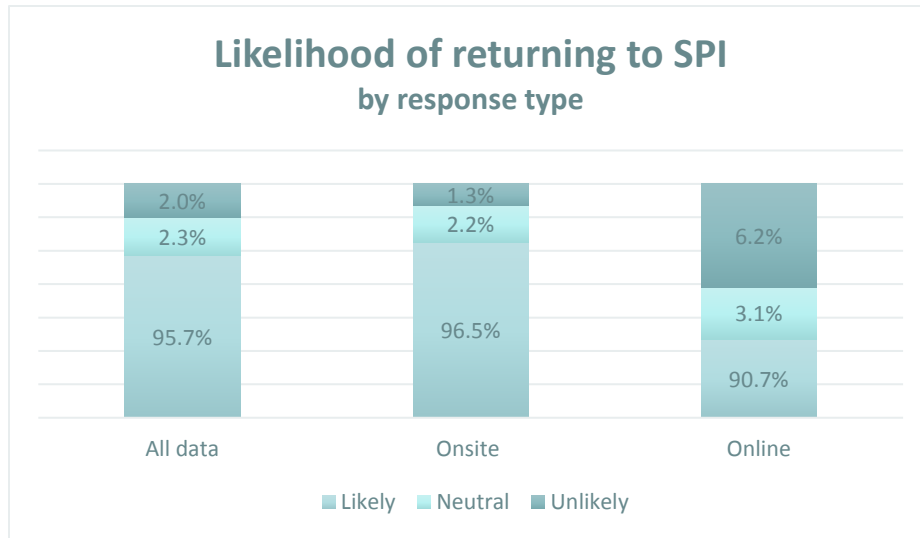
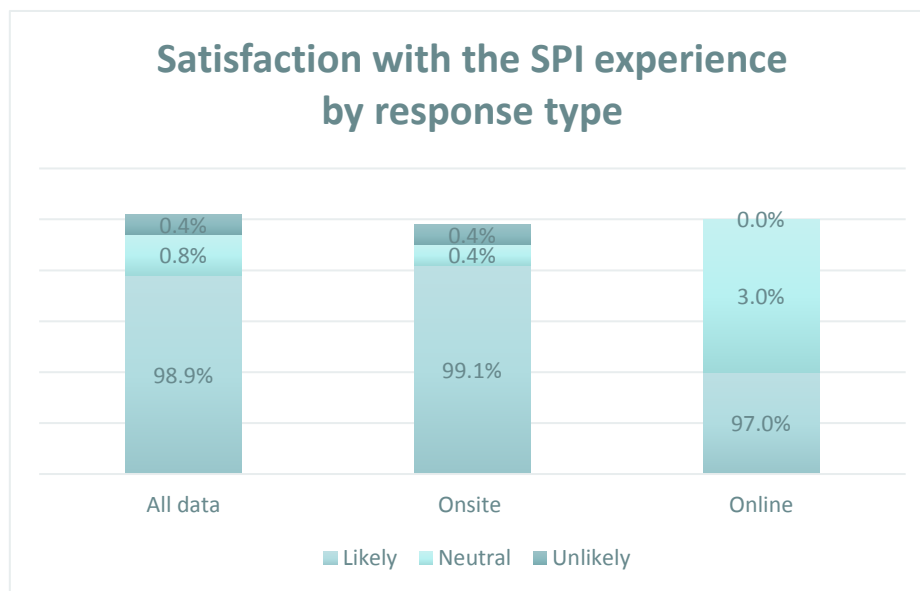


FIGURE 17. NET PROMOTER SCORE

Respondents also indicated how likely they are to return to SPI for a future vacation (Figure 17) and how satisfied overall they were with their SPI experience (Figure 18). Most respondents are likely or highly likely to return to the Island (95.7%) in the future and were satisfied or very satisfied (98.9%) with their SPI experience. Only one respondent reported having an unsatisfactory SPI experience.



**FIGURE 18. LIKELIHOOD OF RETURNING TO SPI IN THE FUTURE**



**FIGURE 19. SATISFACTION WITH THE SPI EXPERIENCE**

**NOTE:** Some respondents had suggestions for improving their stay on SPI and that feedback appears in Appendix B.

## Respondent Demographics

The remainder of the study assessed respondent demographic characteristics.

The average age of all respondents was 62.2 years, as shown in Figure 19, although ages ranged from 18 to 83 years of age. The figure also shows that the age of online respondents was significantly lower than the age of onsite respondents.

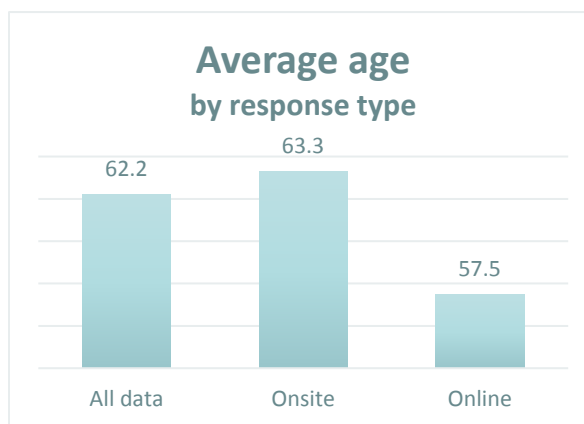


FIGURE 20. AGE

Most respondents are female (67.3%), married (80.3%), and have at least some college (76.7%) as shown in Figures 20 through 22, respectively. No differences between onsite versus online respondents were statistically significant for any of these characteristics.

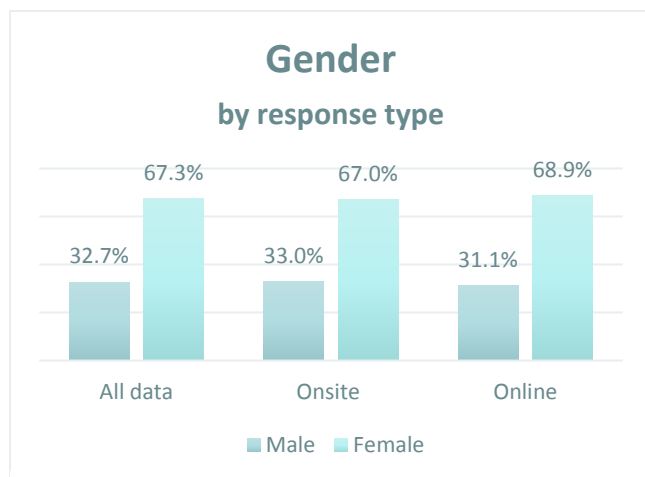


FIGURE 22. GENDER

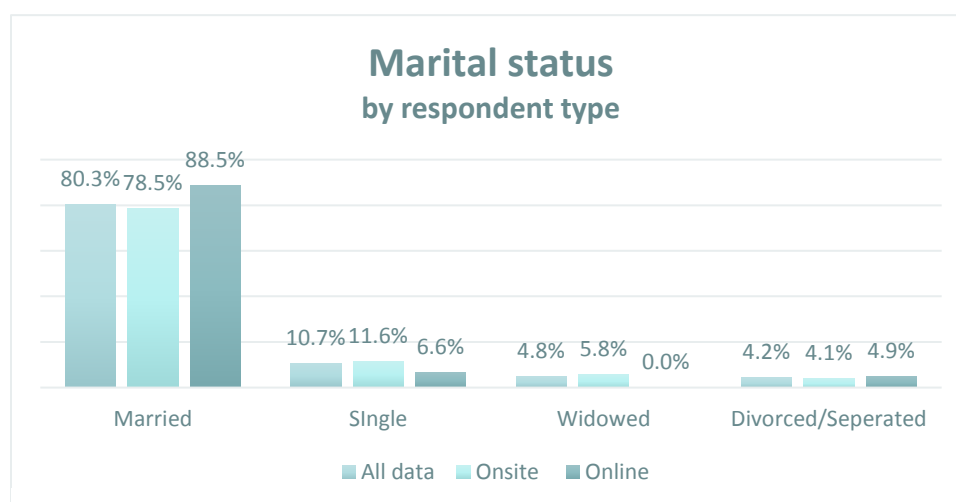
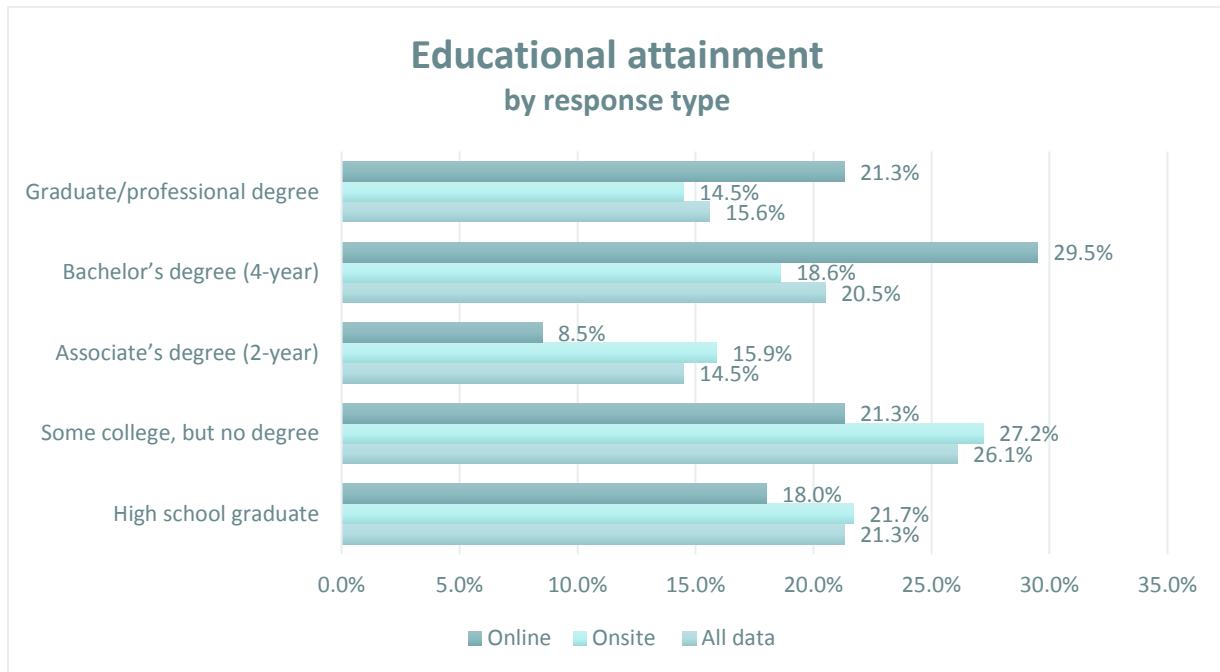
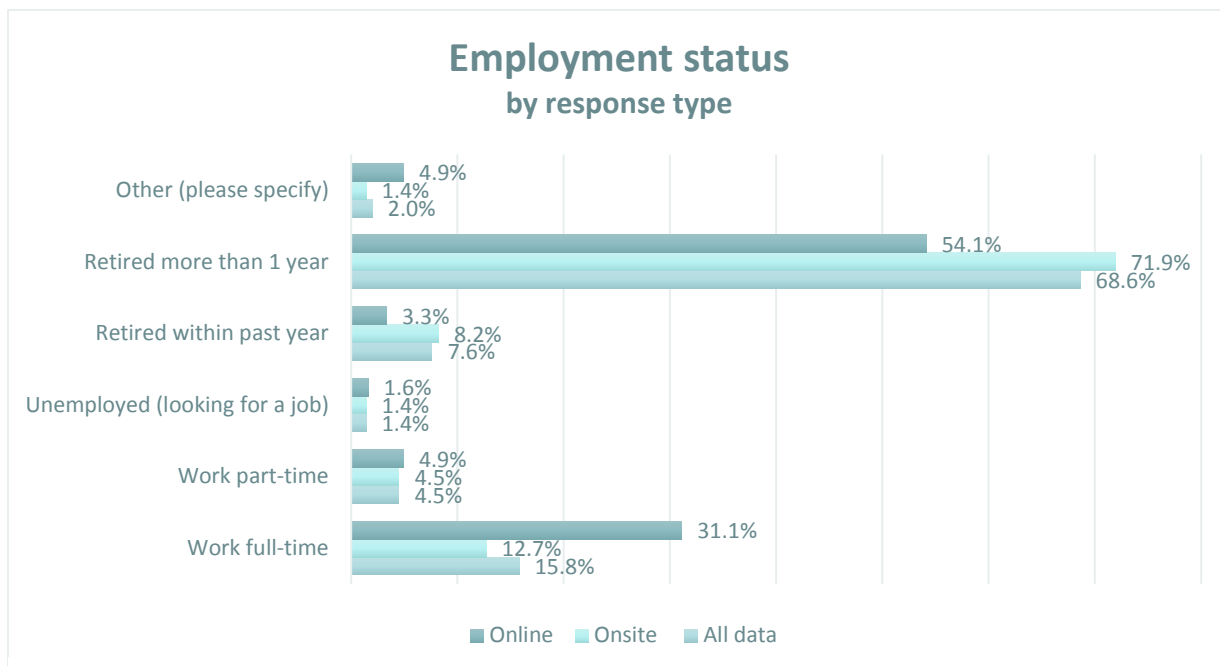


FIGURE 23. MARITAL STATUS



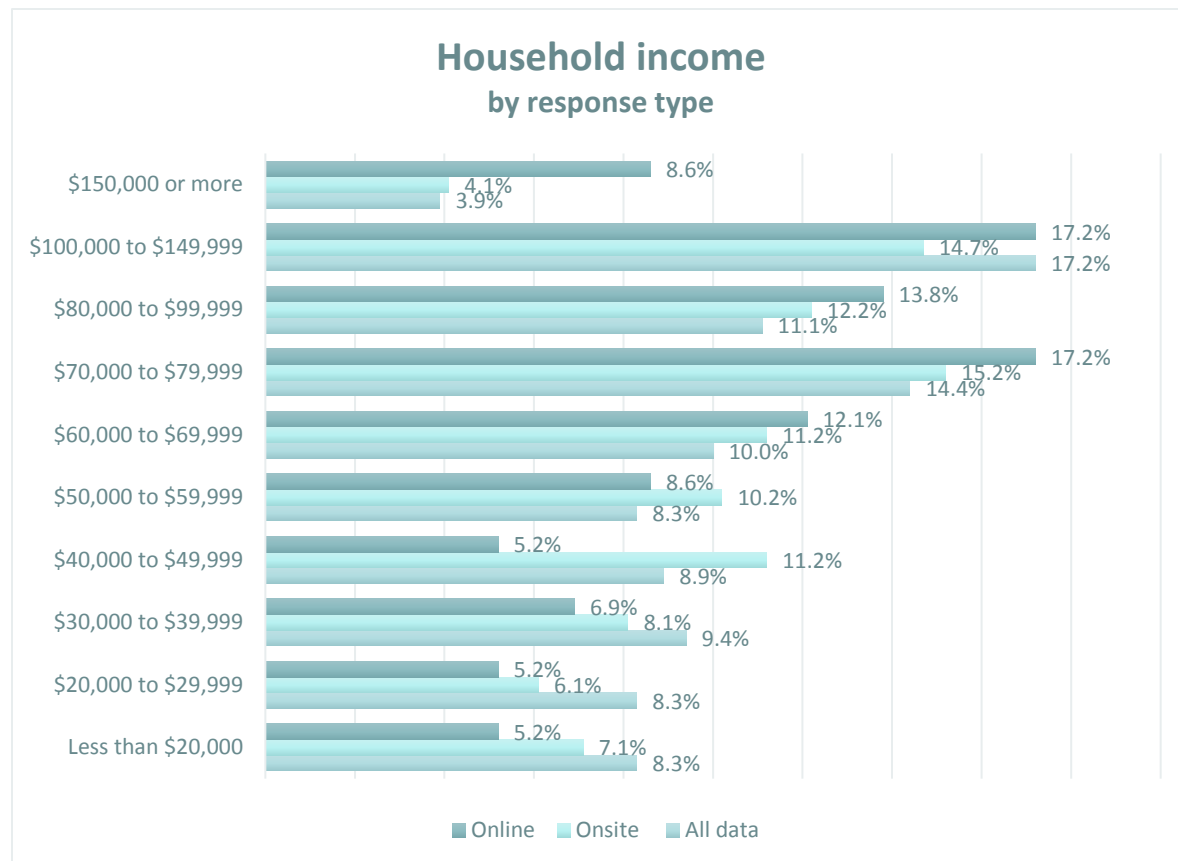
**FIGURE 24. EDUCATIONAL ATTAINMENT**

In all, most study respondents were retired (76.2%) although 15.8% had full-time employment and 4.5 worked part-time as indicated in Figure 23. Onsite versus online respondents were statistically significantly more likely to be retired.



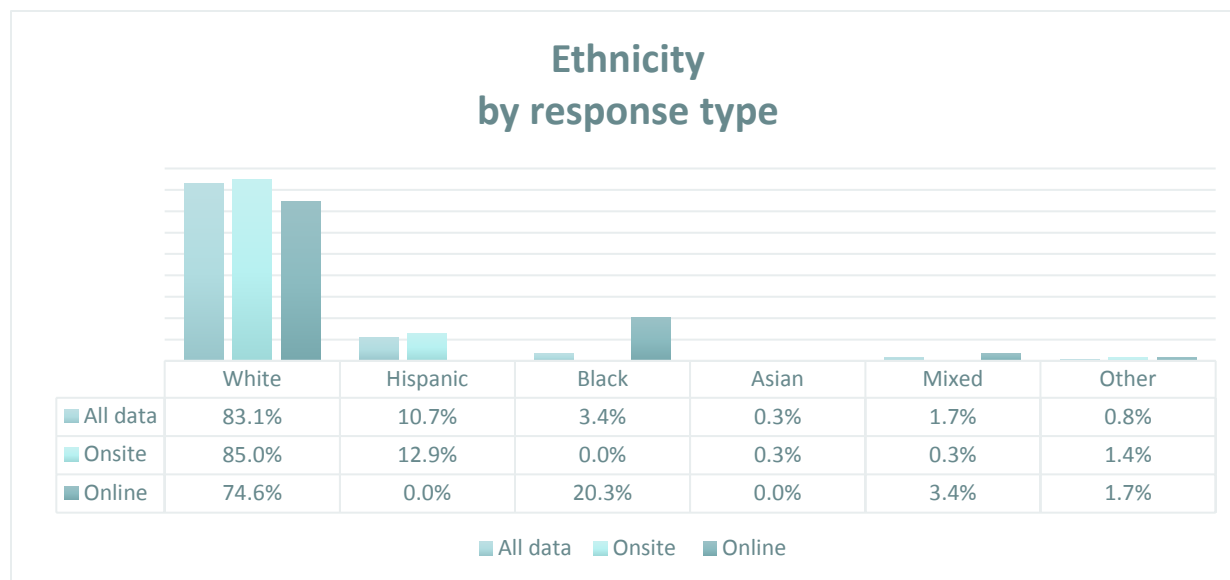
**FIGURE 25. EMPLOYMENT STATUS**

Study participants in the SPI Kite Fest, in general, have higher household income levels than the general US population. Most (65%) had a reported household income above \$50,000 (Figure 24). While online respondents tended to have a higher household income, differences by respondent type are not statistically significant.



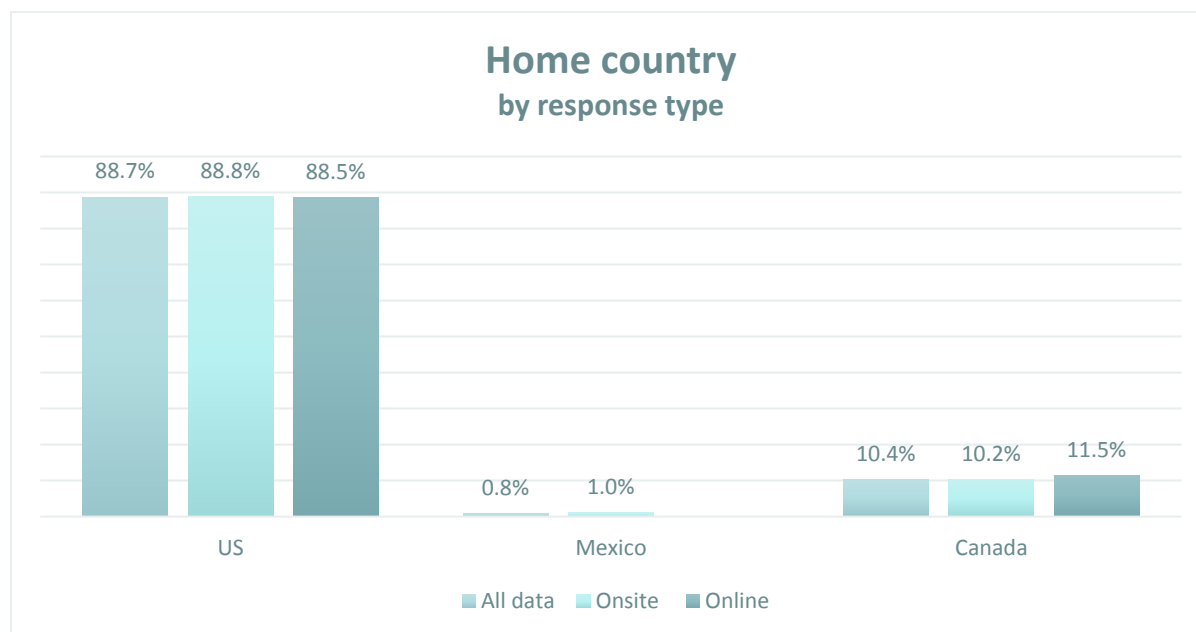
**FIGURE 26. HOUSEHOLD INCOME**

Respondents were asked to indicate their ethnicity, but could select as many ethnicities as appropriate. Most respondents considered themselves to be White (83.1%), with 10.7% indicating an Hispanic ethnicity, and 3.4% black as seen in Figure 25. Online respondents were more likely to be self-classified as white than were onsite respondents.



**FIGURE 27. ETHNICITY**

Finally, respondents were asked to indicate their home country and current residence zip/postal code. Most respondents reported the United States as their home country (88.7%). About 10.4% of the respondents reported being from Canada and 0.8% indicated being from Mexico as shown in Figure 26.



**FIGURE 28. HOME COUNTRY**



The specific zip or postal codes of study respondents are listed in Appendix C, however, a map with the zip codes are plotted Figure 27.

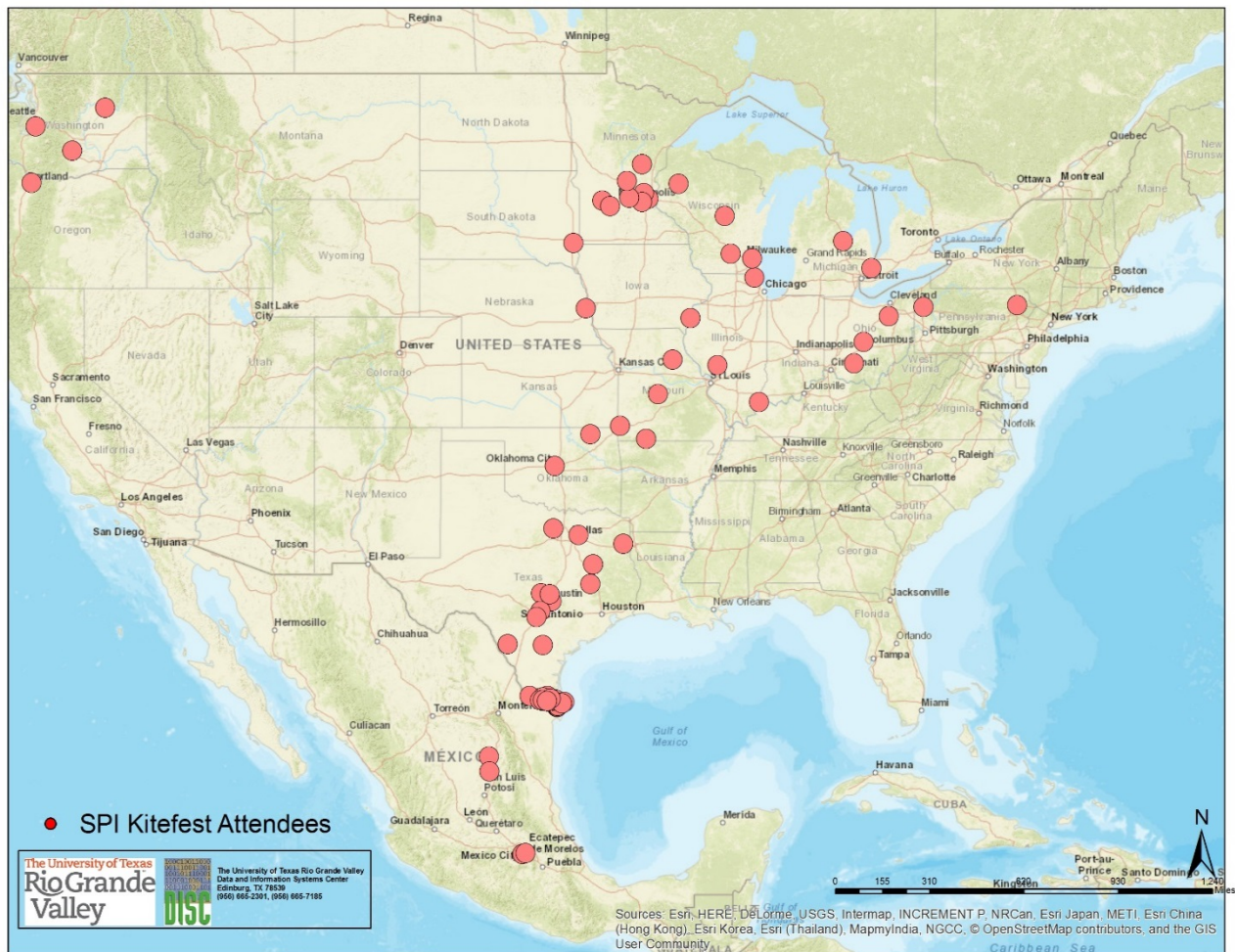


FIGURE 29. ZIP/POSTAL CODES OF KITE FEST ATTENDEES

## Lodging manager's report

An email was sent to a listing of SPI lodging owner/managers, as provided by the SPI CVB. This email requested a response to the questions shown in Table 4 about SPI Kite Fest guests at their facility. In total, six owner/managers responded to the survey and the results and averages of those reporting statistics are shown in Table 4.

**TABLE 4. SPI LODGING OWNER/MANAGER RESPONSES**

QUESTION	AVERAGE	RANGE	COUNT
To the best of your knowledge, about how many different rooms did you rent to SPI Kite Fest attendees?	5.5	0 to 15	6
On average, how many people attending the SPI Kite Fest stayed in one room?	2.67	0 to 10	6
To the best of your knowledge, about how many nights did most SPI Kite Fest attendees stay at your lodging facility?	2.67	0 to 10	6
Please estimate the amount of dollars the average person attending the SPI Kite Fest spent per day at your lodging facility on the following (round to the nearest dollar): - Average room rate per night	\$62.00	0 to \$69	6
Please estimate the amount of dollars the average person attending the SPI Kite Fest spent per day at your lodging facility on the following (round to the nearest dollar): - Food per day	\$8.00	0 to \$30	5
Please estimate the amount of dollars the average person attending the SPI Kite Fest spent per day at your lodging facility on the following (round to the nearest dollar): - Beverages	\$3.83	0 to \$10	6
In total, how many rooms does your facility have to rent?	72.33	10 to 150	6

The results indicate that an average of 5.5 rooms were rented per lodging facility, that Kite Fest attendees spent 2.67 nights with an average of 2.67 people per room. The average cost per room was \$62 and guests spent an average of \$11.83 on food and beverages. However, the responding lodging managers do not appear to be representative of SPI lodging units. For example, three of the six response came from facilities that reporting having a total of 19 or fewer rooms for rent. Thus, given the small number and uniqueness of responses, no conclusions can be made from the lodging managers’ survey results.

Three lodging managers provided comments about the event for SPI officials, which are shown in Table 5.

**TABLE 5. SPI LODGING OWNER/MANAGERS**

PLEASE PROVIDE MORE INFORMATION TO HOTELS FOR THE EVENT
We don't receive many reservation specifically for kitefest but I'm sure majority of our winter texans enjoy the Kite Fest
Kite Fest is a wonderful event for Winter Visitors too!
Weather was not the greatest

## STR Report

Additional data to provide evidence about impact of an event on the SPI economy comes from the STR Destination Report provided to the SPI CVB. STR is a “global data benchmarking, analytics and marketplace insights” firm that gathers, analyzes and reports data from hotel owners/operators for benchmarking purposes. The Report includes data regarding hotel occupancy, average daily rate (ADR), revenue per available room (RevPAR), supply, demand, and revenue as provided by reporting SPI hotel owner/operators for last year as compared to this year. This data may be viewed in two ways. One way is to examine the trends over the past month to determine whether the hotel metrics changed during the Kite Fest event as compared to the rest of the month and the other way is to compare the metrics during the event time period to those of the same time period in the previous year.

The following figures show the hotel metrics for each day from January 7 to February 3 (the month trend) for this year as well as for the same time period as last year (the year trend).

The occupancy rates for the Kite Fest weekend from Thursday, February 1 through Saturday, February 3 are 69.7%, 68.9% and 74.3%, respectively, for an average rate of 71.0%. This rate is

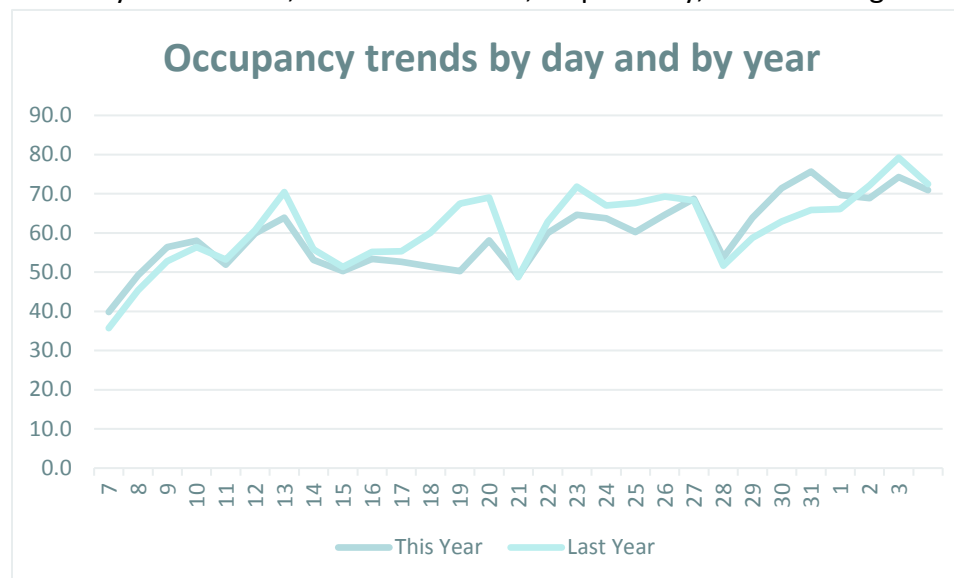


FIGURE 30. STR OCCUPANCY RATES BY DAY AND YEAR

lower than last year's rate of 72.5% for the same day period but is much higher than the month-long occupancy rate of 54.3% for this year and 55.5% for last year as seen in the trends Figure 28.

Overall, the average daily rate (ADR) of rooms during the Kite Fest period are higher than rates for most days in the month-long period for both this year and last year as shown in Figure 29. The ADR for the days of Kite Fest in 2018 averages \$77.10, lower than the ADR of \$78.20 for the same day period last year, but much higher than the month-long average ADR of \$71.61 this year and of last years' month-long ADR of \$70.43.

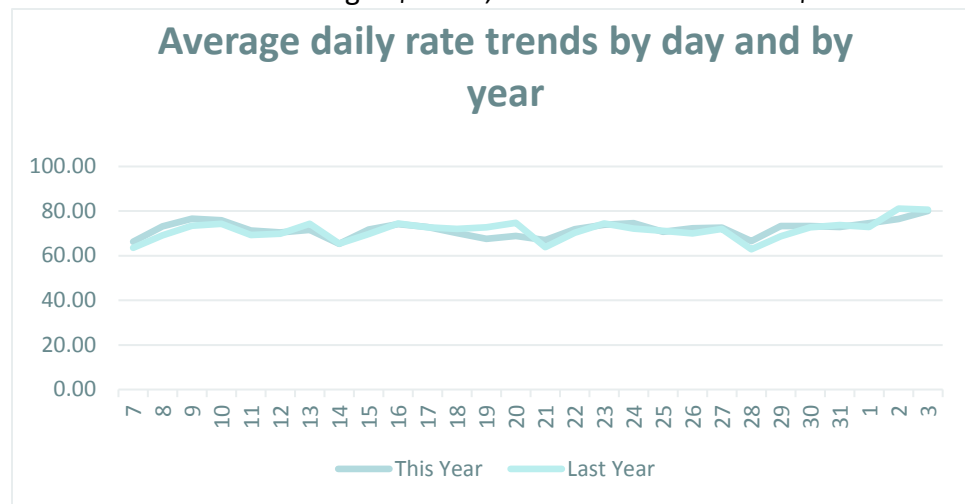


FIGURE 31. ADR TRENDS BY DAY AND YEAR

Next, Figure 30 shows the revenue per available room (RevPAR) for the same month-long time period. The average RevPAR for the three days of Kite Fest is \$50.61, which is higher than the month average of \$48.20 experienced during the same day-period last year. The Kite Fest

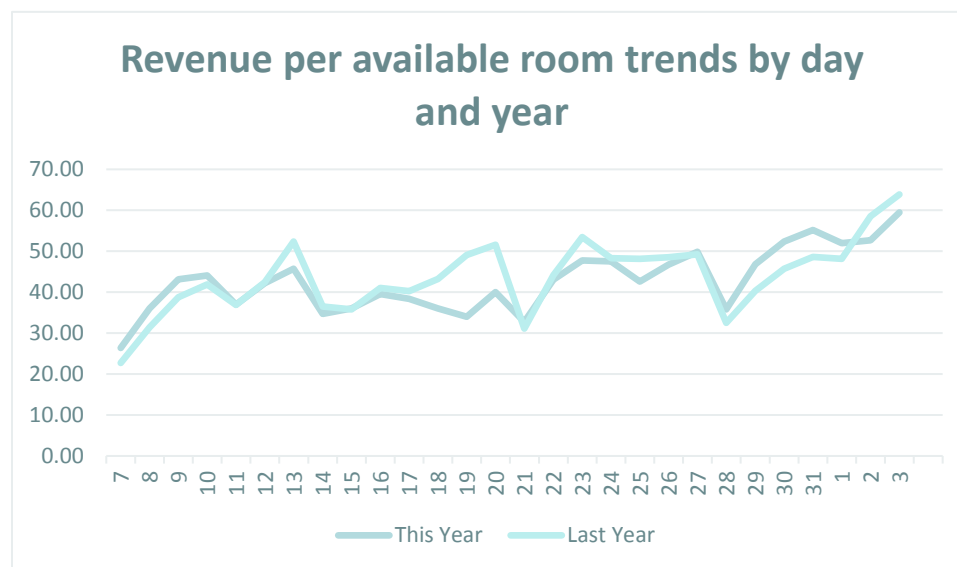
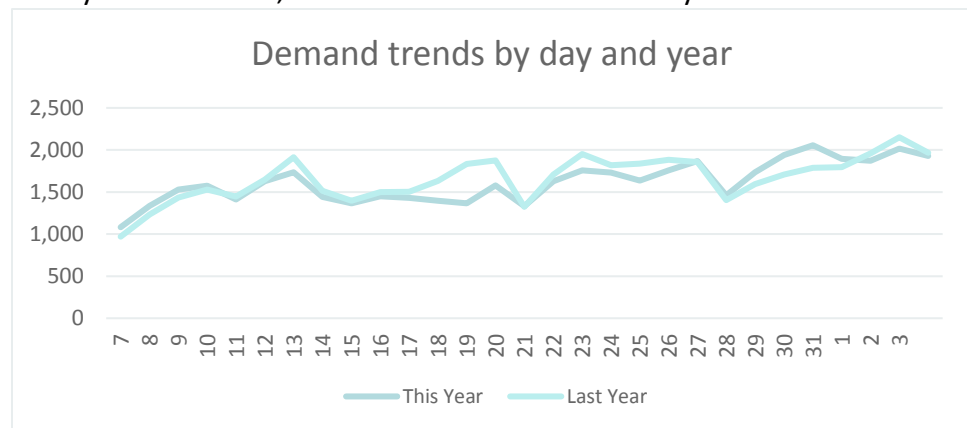


FIGURE 32. REVPAR BY DAY AND YEAR

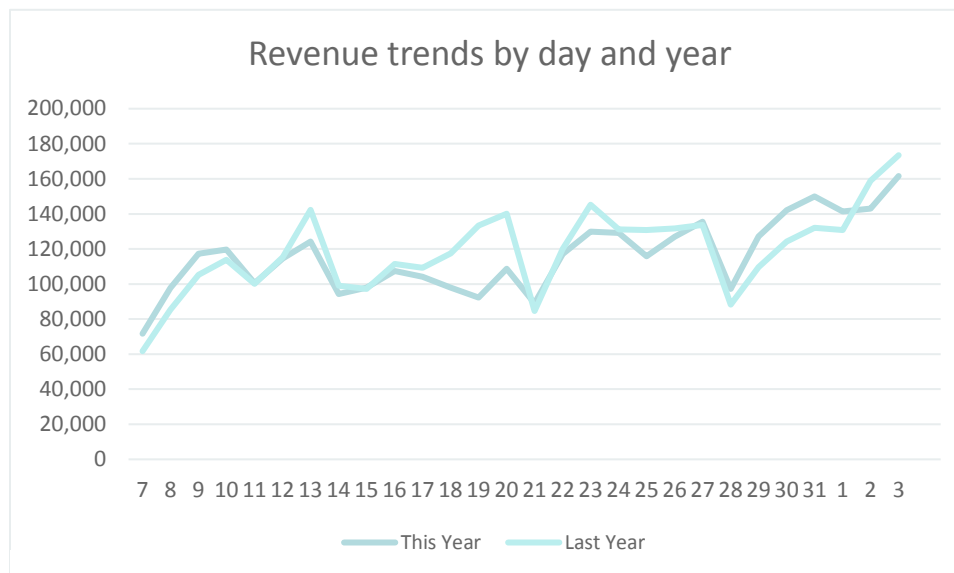
RevPAR is also substantially above the month-to-date rate of \$38.89.

For the time period examined, Figure 31 shows the room demand trend. The average room demand for the three nights of Kite Fest is 5,783, which is 5.2% less than demand during the same three-day period last year. However, the room demand for each day of Kite Fest exceeded the month-long average daily room demand of 1,608 and last year's average daily demand rate of 1,650 room.



**FIGURE 33. DEMAND TRENDS**

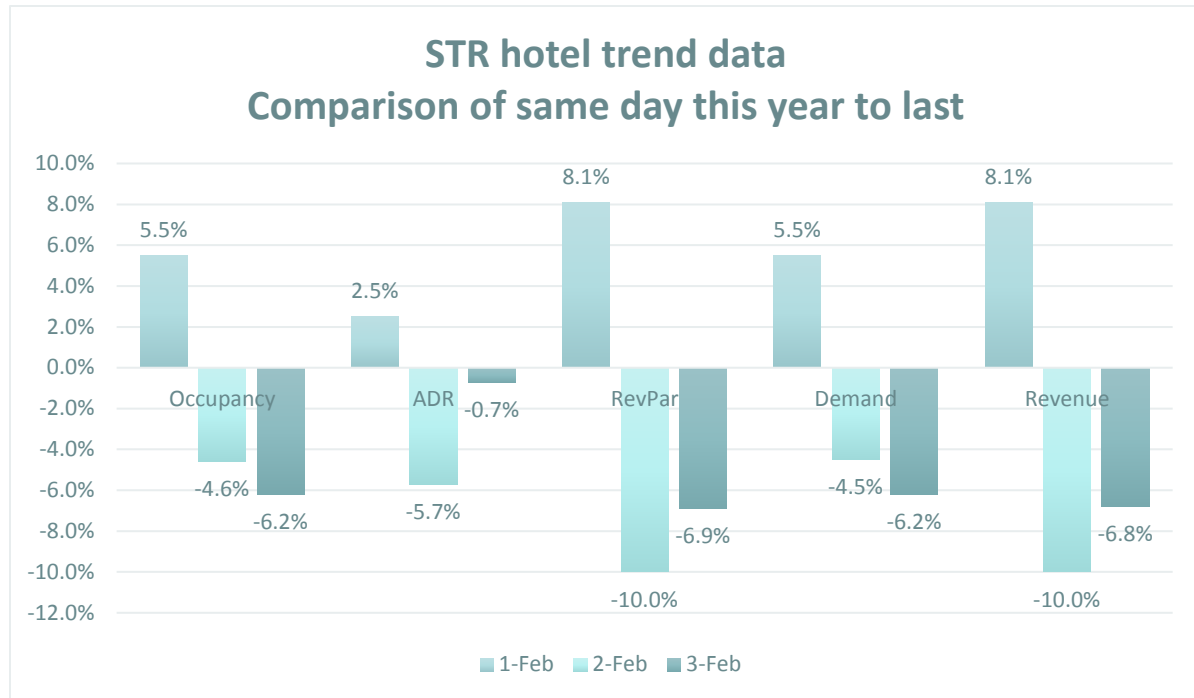
The lodging revenue during the three days of Kite Fest was \$445,969, about 3.4% below the same 3-day total revenue of \$463,159 for the same period last year. Nevertheless, the average revenue for the Kite Fest days was higher than all but one other day for the month-long period and for all days in the prior year except For February 2<sup>nd</sup> and 3<sup>rd</sup>.



**FIGURE 36. REVENUE TRENDS BY DAY AND YEAR**



Figure 33 summarizes the percent change in hotel occupancy, ADR, RevPAR, demand and revenue for the three-day period when SPI Kite Fest participants would have been spending the night on the Island.



**FIGURE 37. STR HOTEL TREND DATA 3-DAY COMPARISON**

In summary, all metrics on Thursday, February 1st of the 2018 SPI Kite Fest were much improved over February 1<sup>st</sup> of the prior year but were down for Friday and Saturday lodging comparisons. Kite Fest began on Thursday, February 2<sup>nd</sup> in 2017 and all the STR results suggest that the 2017 event generated higher metrics than did the 2018 event, although other factors may have accounting for the spike in 2017. For example, in 2017 there was a groundbreaking for the Sea Turtle Education Center and other events on the Island that may have accounted for the differences.

*To summarize the STR data, all results indicate a significant increase in occupancy, RevPar, demand and revenue only for Thursday, February 1<sup>st</sup>, the first day of 2018 SPI Kite Fest.*

**Note:** The STR data is derived from hotel owner/operator reporting from 10 SPI hotels for this year and 11 for last year. This represents 32.2 % of the census of 31 open hotels listed in the STR Census and 45% of the hotel rooms listed, thus all results should be interpreted accordingly without a high degree of assurances of generalizability.

## Concluding remarks

This report has detailed the amount of money spent on South Padre Island by people associated with the 2018 South Padre Island (SPI) Kite Fest held on February 1<sup>st</sup> through February 3rd. The results of the study were obtained by administering a short survey, both online and onsite, which offered respondents an incentive to enter a drawing to win two nights at Schlitterbahn Beach Resort. A total of 489 surveys were attempted but 18 responses were eliminated because of household duplication as were responses for people who were not specifically on the Island for Kite Fest, resulting in 355 viable survey respondents.

A majority (77.5%) of survey completions came from people interviewed onsite at the Kite Fest outdoor performances on Friday, February 2nd and Saturday, February 3rd. The remaining 100 responses came from online survey takers. Demographically, the study sample was comprised of predominately married females who were an average of 62 years of age, had at least some college education, were retired, had a household income above \$50,000, and identify ethnically as white. Geographically, a large majority of respondents were from the US (88.7%) although about 10.4% were from Canada. The average number of miles traveled by survey participants to attend the event was 271 miles, with 28.7% spending an average of 1.15 nights on SPI.

By combining the actual number of people observed to attend the combined 3-day Kite Fest events with survey results, the SPI Kite Fest likely generated about 620 SPI room nights. With an average total lodging expenditure per household of \$350, the Kite Fest attendees who spent the night on the Island, spent about \$188,860 for lodging in total, resulting in about \$27,441 in total Hotel Tax with 10.5%, or \$16,949, the City's share of the Hotel Occupancy Taxes. While it is impossible to know the actual number of lodging rooms booked as a result of the SPI Kite Fest, the lodging manager's survey and the STR Destination Report data for the period supports the study's finding that the event did significantly affect rooms booked during the event weekend.

Moreover, spending on food and beverage also contributed significantly to the taxes generated by the event attendees. The F&B spending estimates of \$434,680 should have yielded \$33,128 in sales tax at the 8.25% rate or \$8,031 for the City at a City tax rate of 2%. Combining the City's share of HOT, the F&B tax and tax revenue from other spending means that the City of SPI should have received a total of \$33,435 in tax revenue, a 32.9% return on the \$22,150 cash investment provided to the event organizer.

Gladly, most SPI Kite Fest survey participants are “promoters” in recommending SPI to others, are likely or extremely likely to return to SPI for a future vacation, and are satisfied with their overall SPI experience during Kite Fest. This suggests that while the SPI Kite Fest resulted in significant direct spending during the event weekend, the overall SPI experience of the event attendees will likely result in many returning to the Island for future vacations.

## Appendix A: Survey

SPI Kite Fest Survey, February 1– 3, 2018																									
<p>This survey is designed to understand your household experience and spending during the South Padre Island Kite Fest. Only the <i>one person, older than 18, best able to report on spending for all people in your household who are at the Kite Fest</i> should complete this survey. The responses are very important to planning events in the future. As a thank you for your cooperation, you will have a chance to enter a drawing for a 2-night stay at the Schlitterbahn Beach Resort. Only one entry per household. All responses are confidential and individual information will not be included in survey results or shared with others. For questions about this survey, contact The Business and Tourism Research Center at The University of Texas Rio Grande Valley at <a href="mailto:businessresearch@utrgv.edu">businessresearch@utrgv.edu</a> or call 956.665.2829.</p>																									
<p>1. Have you or someone else in your household already completed this survey? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please return this survey. We thank you!</p> <p>2. Did you come to South Padre Island specifically for the SPI Kite Fest? <input type="checkbox"/> Yes <input type="checkbox"/> No: if not, why did you come to the Island? _____ If no, please return this survey. We thank you!</p> <p>3. About how many miles did you travel just to attend the SPI Kite Fest? <input type="text"/> miles</p> <p>4-5. Which of the following best describes your participation in the SPI Kite Fest (Check all that apply)?  <input type="checkbox"/> Attended indoor performance <input type="checkbox"/> Attended banquet  <input type="checkbox"/> Outdoor spectator <input type="checkbox"/> Kite Fest volunteer/staff  <input type="checkbox"/> Did not attend Kite Fest <input type="checkbox"/> Other (Specify) _____</p> <p>6. Including yourself, how many people from your household attended the SPI Kite Fest? <input type="text"/> Number in household</p> <p>7. How many nights did you (or will you) spend on South Padre Island while attending the SPI Kite Fest? <input type="text"/> nights</p> <p>8. Where are you staying (or did stay) while on South Padre Island for the SPI Kite Fest?  <input type="checkbox"/> Hotel/motel (1) <input type="checkbox"/> Rented condo/beach house (2)  <input type="checkbox"/> Campground/RV park (3) <input type="checkbox"/> Rented a room (4)  <input type="checkbox"/> Friend/family's home (5) <input type="checkbox"/> My own SPI residence (7)  <input type="checkbox"/> Other (please specify) _____ (6)</p> <p>9. For each of the following categories of expenses, please give your best estimate of the total amount you and your household have (or will) spend during your entire time on South Padre Island for the Kite Fest. (List only the total dollar amounts spent while on SPI)</p> <table border="1"> <tbody> <tr> <td>Food &amp; beverages (restaurants, concessions, snacks, etc.)</td> <td>\$</td> </tr> <tr> <td>Night clubs, lounges &amp; bars (cover charges, drinks, etc.)</td> <td>\$</td> </tr> <tr> <td>Lodging expenses (hotel, motel, condo, room)</td> <td>\$</td> </tr> <tr> <td>Local attractions &amp; entertainment (fishing, snorkeling, kayaking, etc.)</td> <td>\$</td> </tr> <tr> <td>Retail shopping (souvenirs, gifts, film, etc.)</td> <td>\$</td> </tr> <tr> <td>Transportation (gas, oil, taxi, etc.)</td> <td>\$</td> </tr> <tr> <td>Parking fees</td> <td>\$</td> </tr> <tr> <td>SPI Admission fees</td> <td>\$</td> </tr> <tr> <td>Clothing or accessories</td> <td>\$</td> </tr> <tr> <td>Groceries</td> <td>\$</td> </tr> <tr> <td>Other (please specify)</td> <td>\$</td> </tr> <tr> <td>Total</td> <td>\$</td> </tr> </tbody> </table> <p>10. On a scale from 0-10, how likely are you to recommend South Padre Island as a place to visit to a friend or colleague?  Not at all likely 0 1 2 3 4 5 6 7 8 9 10 Extremely likely</p>	Food & beverages (restaurants, concessions, snacks, etc.)	\$	Night clubs, lounges & bars (cover charges, drinks, etc.)	\$	Lodging expenses (hotel, motel, condo, room)	\$	Local attractions & entertainment (fishing, snorkeling, kayaking, etc.)	\$	Retail shopping (souvenirs, gifts, film, etc.)	\$	Transportation (gas, oil, taxi, etc.)	\$	Parking fees	\$	SPI Admission fees	\$	Clothing or accessories	\$	Groceries	\$	Other (please specify)	\$	Total	\$	<p>11. How likely are you to return to South Padre Island for a vacation at some time in the future?  <input type="checkbox"/> Extremely likely <input type="checkbox"/> Somewhat likely <input type="checkbox"/> Neutral  <input type="checkbox"/> Somewhat unlikely <input type="checkbox"/> Extremely unlikely</p> <p>12. How satisfied are you with your overall South Padre Island experience?  <input type="checkbox"/> Extremely satisfied <input type="checkbox"/> Somewhat satisfied <input type="checkbox"/> Neutral  <input type="checkbox"/> Somewhat dissatisfied <input type="checkbox"/> Extremely dissatisfied</p> <p>13. How satisfied are you with the Kite Fest event?  <input type="checkbox"/> Extremely satisfied <input type="checkbox"/> Somewhat satisfied <input type="checkbox"/> Neutral  <input type="checkbox"/> Somewhat dissatisfied <input type="checkbox"/> Extremely dissatisfied</p> <p>14. What suggestions do you have for improving either the Kite Fest or your stay on South Padre Island? (write on back page)</p> <p>15. What is your home zip or postal code? _____ code</p> <p>16. What is your home country?  <input type="checkbox"/> US <input type="checkbox"/> Mexico <input type="checkbox"/> Canada <input type="checkbox"/> Other _____</p> <p>17. What is your age? _____ (years of age)</p> <p>18. What is your gender? <input type="checkbox"/> Male <input type="checkbox"/> Female</p> <p>19. What is your marital status?  <input type="checkbox"/> Married <input type="checkbox"/> Single <input type="checkbox"/> Widowed <input type="checkbox"/> Divorced/separated</p> <p>20. What is your highest educational attainment?  <input type="checkbox"/> Less than high school <input type="checkbox"/> Associate's degree  <input type="checkbox"/> High school graduate <input type="checkbox"/> Bachelor's degree  <input type="checkbox"/> Some college, no degree <input type="checkbox"/> Graduate/professional degree</p> <p>21. What is your current employment status?  <input type="checkbox"/> Work full-time <input type="checkbox"/> Retired within past year  <input type="checkbox"/> Work part-time <input type="checkbox"/> Retired more than 1 year  <input type="checkbox"/> Unemployed (looking for a job)  <input type="checkbox"/> Other (Please specify) _____</p> <p>22. What is your combined annual household income?  <input type="checkbox"/> less than \$20,000 <input type="checkbox"/> \$60K-\$69,999  <input type="checkbox"/> \$20K-\$29,999 <input type="checkbox"/> \$70K-\$79,999  <input type="checkbox"/> \$30K-\$39,999 <input type="checkbox"/> \$80K-\$99,999  <input type="checkbox"/> \$40K-\$49,999 <input type="checkbox"/> \$100K-\$149,999  <input type="checkbox"/> \$50K-\$59,999 <input type="checkbox"/> \$150,000 or more</p> <p>23. What is your ethnicity? (Select all that apply)  <input type="checkbox"/> White <input type="checkbox"/> Hispanic <input type="checkbox"/> Mixed  <input type="checkbox"/> Black <input type="checkbox"/> Asian <input type="checkbox"/> Other _____</p>
Food & beverages (restaurants, concessions, snacks, etc.)	\$																								
Night clubs, lounges & bars (cover charges, drinks, etc.)	\$																								
Lodging expenses (hotel, motel, condo, room)	\$																								
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Parking fees	\$																								
SPI Admission fees	\$																								
Clothing or accessories	\$																								
Groceries	\$																								
Other (please specify)	\$																								
Total	\$																								
<p>To enter the prize drawing for a 2-night stay at the Schlitterbahn Beach Resort, please provide contact information. This contact information is confidential, will not be shared, and will be deleted after the prize drawing.</p> <p>Name _____</p> <p>Phone number: _____</p> <p>Email: _____</p> <p>Winners will be notified no later than 2 weeks after event.</p> <p style="text-align: right;"><b>THANK YOU VERY MUCH!!!</b></p>																									

## Appendix B: Respondent suggestions for improving stay on SPI

Another bridge	Helicopter rides	More music events
Arts and crafts vendors	Horseback riding too expensive	More nightly entertainment
Awesome as is	Improvements on shuttle, taxi, etc. transportation. Logging updates.	More organized parking
Bad weather	it's good now	More parking options for RV
Bayside bike lanes	Keep the beach houses.	More places to stay
Beach access	Keep the flats at better conditions	More RV rental space
Beer vendors	Keeping these flats nice.	More sun
Beer vendors	Kite workshops to learn how to fly 2 & 4 string kites	More sunshine
Better parking	Limit the development on beaches	More vendors and organized parking
Better parking for beach access.	Love SPI!!	More wheel chair accessible to the beaches
Better parking options for the festival	Make kite fest bigger	More wildlife protection
Better sanitary in restrooms	maybe set up a few rows of handicap parking at the outdoor kite festival	N/a
Better Staff	More advertising throughout valley.	N/a
Bleachers for kite fest	There wasn't anything in The Monitor or local news stations.	N/a
Calendar of all events on spi	Usually weatherman will mention how weather will affect events and it was not mentioned. I was looking for it on South Padre site.	N/a
Can't say now	More bathrooms	Na
Casino	More beach access roads.	Na
Chairs for rent	More big kites-very few kites 2nd day	Na
Cheaper food prices	More coffee places & more organic store.	Na
Circulating vendors	More coffee shops	Na
Clean out more of the seaweed	More coupons	Needs better organization as where to sit and where to park
Construction	More events	No
Construction	More events	No
Difficult to hear announcer from where we were seated.	More Events such as sailing and kite fest	No
Doesn't like paying for beach access	More family events	No
Easier access to the visitor center	More food	No
Easier beach access	More Food trucks	No
Fix roads	More food vendors	No
Fix roads	More free giveaways	No
Free Stuff	More horseback riding	No
Good so far	More interaction for public who wants to fly their kites	No
Good weather		No
Hand sanitizer		No
Hand sanitizer on toilets		No
Have a more accessible website so we can know what night clubs are doing.		No
Have more food vending tents		No
Have signs to help navigate		No

No	None	Purse hangers at bars
No	None	Rent kayaks.
No	None	Sanitizers in porta potties
No	None	Shorter surveys. More alcohol, food trucks
No	None	Snorkeling
No	None	Some water
No	None	Stop having the police pull people over for the slightest offense and the speed limits are just an excuse to pull people over and make money off the tourist. Nothing says we are just trying to fleece money from you like being pulled over by the police and issued tickets for such minor offenses....
No	None	Super amazing
No wind	None	The fee to enter the beach
None	None	They can use better signs to locate the kite fest
None	None	Warmer
None	None	Warmer weather
None	None	Warmer weather
None	None	Weather
None	none it was great to have directed parking	Weather
None	Nonr	
None	Parking by condo	
None	Parking could be better organized.	
None	Parking fee	

## Appendix C: Kite Fest respondents' current zip or postal codes

16145	54868	62626	75826	78516	78578	98908
18512	54942	64803	75872	78520	78579	99133
19975	55057	65072	75882	78521	78582	
38017	55069	65275	76073	78523	78583	
43081	55113	65625	76634	78525	78586	
44281	55303	65658	77077	78526	78589	
45123	55345	65672	77541	78527	78593	
45331	55349	65775	77620	78537	78596	
47620	55447	67209	77864	78538	78597	
48039	56031	68116	78071	78539	78599	
48071	56222	68154	78083	78541	78641	
48359	56277	70600	78133	78542	78654	
48706	56342	72719	78237	78550	78704	
49913	56379	73130	78258	78552	78758	
50036	57014	73132	78382	78553	78834	
50112	57104	74006	78404	78559	78859	
50671	57719	74017	78418	78561	79005	
52650	59718	74019	78501	78570	80516	
53066	60073	74330	78502	78572	81005	
53188	60404	75032	78503	78573	87104	
53590	61013	75248	78504	78574	97230	
54467	61356	75671	78507	78577	98003	