



Splash South Padre

Event Economic Impact Report
April 26-29, 2018

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
Oscar Ramos Chacon, Project Manager

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 Splash South Padre held from Thursday, April 26th through Sunday, April 29th. Promoted by Globalgroove Events with \$25,000 funding support from the SPI Convention and Visitors Bureau (CVB), organizers originally (November 14, 2016) expected to attract 4,000 people with 2,000 staying on SPI over four days. To examine the spending of the SPI Splash South Padre 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 onsite with a total of 222 contacts but 31 surveys were from duplicate households or people not on the Island for the event. This yielded 191 responses from unique households on the Island specifically for Splash South Padre.

Demographically, the Splash South Padre study sample had an average age of 34 years, was predominately male (65.1%), single (70.9%), with at least some college education (81.9%), works full-time (81.4%) and was primarily Hispanic (78.4%). Only about 39% of the sample reported having a household income above \$50,000. Survey respondents were primarily from the US (87.9%) although 11.1% were from Mexico. On average, survey participants traveled 201 miles, accompanied by an average of 2.33 people, and spent 2.48 nights on SPI during the 4-day event. A large percentage (85%) of survey respondents are considered promoters of the Island to others, resulting in a net promoter score of 82.8 and are likely to return to SPI for a future vacation (93.7%). Most respondents were satisfied with their SPI stay experience (96.3%) and with the event (93.5%).

Importantly, the survey analysis found that 269 household groups attended the 2018 Splash South Padre event and spent an estimated average of \$679 per household while on the Island for a total of \$182,772. This total spending resulted in \$18,528 in total sales tax revenue with the City's share of taxes amounting to \$8,121, which gives a 67.5% loss to the City (-\$16,879) on the \$25,000 cash invested by the CVB in the event. Considering only the 10.5% City's share of the Hotel Occupancy Tax (HOT), the loss is 76.1% on the investment.

Separately, lodging is the highest per household expenditure category with 88% of study respondents spending at least one night of paid lodging on the Island and staying an average of 2.48 nights. This resulted in about 591 total room nights, most of which were in hotels (75.7%). With the average weighted lodging expenditure of \$247 per household that spent the night on the Island, revenue from lodging was a total of \$66,562. Of the total lodging expenditure, 17% or \$9,671 was for the HOT, and 10.5% of that, or about \$5,973, goes toward the City (HOT). This amount accrued from the HOT represents a negative return of 76.1% on the \$25,000 investment. However, the estimated total spending on food and beverage of \$39,416 resulted in about \$3,004 in taxes at the 8.25% rate or \$728 at the City 2% tax rate. The combined City's share of all the HOT, food and beverage taxes and taxes on all other expenditures is \$8,121, which represents a deficit of \$16,879 or a 67.5% loss on the \$25,000 cash investment provided to the SPI Splash South Padre organizer.

Table of Contents

Executive Summary and Survey Highlights.....	ii
Table of Tables.....	v
Introduction.....	1
Method.....	2
Interviews	3
Estimated attendance	5
Results	6
Survey participants and SPI stay characteristics	6
Miles traveled, group size and stay characteristics	6
Estimated spending.....	9
Spending on food & beverage and lodging	10
The SPI Experience	12
Respondent Demographics	14
Lodging manager’s report	17
STR Report	19
Concluding remarks	23
Appendix A: Survey	25
Appendix B: Survey respondents’ zip codes	26
Appendix C: Splash South Padre registrants’ zip or postal codes	27

Table of Figures

Figure 1. Online note cards	2
Figure 2. Drone picture at Upper Deck.....	4
Figure 3. Drone photos of parade	4
Figure 4. Average miles traveled, group size, and nights spent on SPI	6
Figure 5. Percentage spending the night on SPI	7
Figure 6. Lodging type used	7
Figure 7. Net promoter score.....	12
Figure 8. Likelihood of returning to SPI in the future	12
Figure 9. Satisfaction with event.....	13
Figure 10. Satisfaction with the SPI experience.....	13
Figure 11. Gender	14
Figure 12. Marital status	14
Figure 13. Educational attainment.....	14
Figure 14. Employment status	15
Figure 15. Household income	15
Figure 16. Ethnicity	16
Figure 17. Home country	16
Figure 18. STR occupancy rates by day and year.....	19
Figure 19. ADR trends by day and year	20
Figure 20. RevPar by day and year	20
Figure 21. Demand trends by day and year.....	21
Figure 22. Revenue trends by day and year	21
Figure 23. STR hotel trend data 3-day comparison	22

Table of Tables

Table 1. Number of people purchasing by number of tickets bought	5
Table 2. Stay location.....	8
Table 3. Total average weighted spending.....	9
Table 4. SPI Lodging owner/manager responses.....	17

Splash South Padre: Economic Impact

Introduction

The Splash South Padre event consisted of four days of scheduled events held at the host hotel, Upper Deck Hotel & Event Venue and other venues:

- Thursday, April 26th – Welcome party
 - 5:00pm to 2:00am at the Upper Deck Hotel & Event Venue
- Friday, April 27th – Wet n Wild Pool Party
 - 12noon to 6:00pm at the Upper Deck Hotel & Event Venue
 - 9:00pm to 2:00am Carnival at Clayton's Beach Bar
- Saturday, April 28th
 - 12noon to 6:00pm Wet n Wild Pool Party at the Upper Deck Hotel & Event Venue
 - 6:00pm to 8:00pm – Splash Party Cruise
 - 9:00pm to 2:00am A Night in White at Louie's Backyard
- Sunday, April 29th – Parade and Farewell Party
 - 12noon – A Splash of color Pride Beach Parade, commencing at 2:30pm. From Clayton's Beach Bar to Upper Deck Hotel & Event Venue
 - 12noon to 2:00am Farewell Party at the Upper Deck Hotel & Event Venue.

The Splash South Padre was organized by Globalgroove Events and Paul Magee which received \$25,000 from the SPI Convention and Visitors Bureau (CVB) to help fund the event. The organizers expected to spend funds on newspaper, radio, TV, website, social media and other paid advertising. These marketing efforts were expected to reach prospective attendees in the U.S. and Mexico. The organizer expected that 65% of the total event costs would be covered by Hotel Occupancy Tax (HOT). The last report of Splash event results was in 2016 and indicated that 813 hotel rooms were rented for event attendees.

Method

To estimate the economic impact of the 2018 Splash South Padre (Splash Padre), UTRGV researchers administered surveys (see Appendix A) among Splash Padre attendees on SPI on Saturday, April 28th and Sunday, April 29th at four different venues. As an incentive, survey respondents were offered a chance to win two nights at Schlitterbahn Beach Resort and were also offered other promotional products provided by the CVB which substantially helped to recruit respondents. Respondents were asked to complete the survey by paper although some event participants were given note cards (see Figure 1) inviting online survey participation.



FIGURE 1. ONLINE NOTE CARDS

Interviews

A total of 21 trained interviewers, a project manager, a supervisor and a drone operator attended Splash Padre during events on Saturday, April 28th and Sunday, April 29th. On Saturday, 17 interviewers, the project manager and a supervisor were at the Upper Deck Hotel venue from 1:00pm to 4:30pm. Three interviewers and the supervisor also sought survey respondents at the launch of the



Splash Cruise event on Saturday from about 5:30pm until 6:15pm. On Sunday, five interviewers were at Clayton's Beach Bar from noon until 2:00pm for the beginning of the Splash parade and five proceeded on to the Upper Deck Hotel venue for the parade's conclusion and the closing pool party from 2:00pm to 4:00pm. All interviewers were highly visible by wearing bright orange t-shirts and

visors. Interviewers approached potential respondents in a professional manner and distributed hard copies of the questionnaire on



clipboards to facilitate survey administration or were given a note card with a link to the online survey.

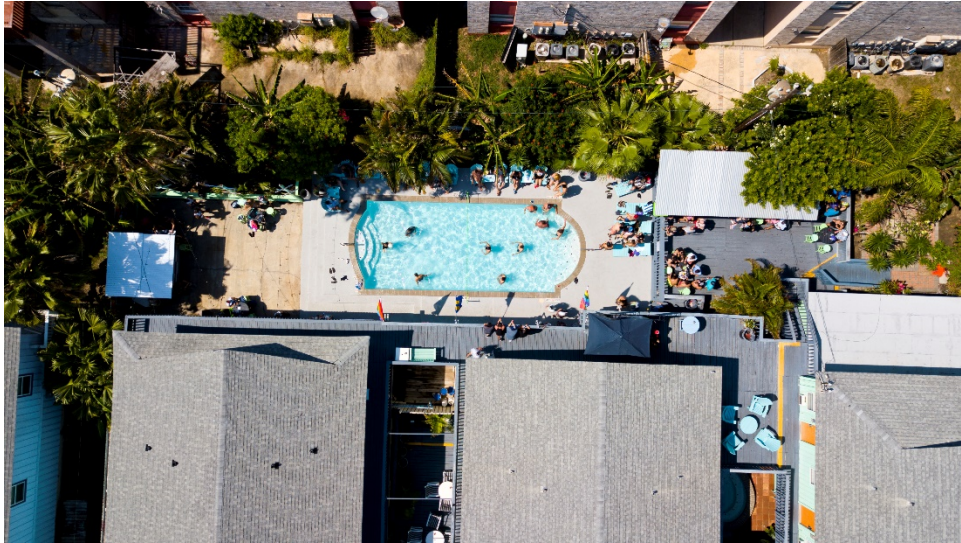


FIGURE 2. DRONE PICTURE AT UPPER DECK

Altogether, this methodology yielded 222 surveys although 18 were deleted as from duplicate households and 13 were omitted given that those respondents were not on the Island for Splash Padre event. This left **191** useable responses. No responses were submitted online.



FIG

Estimated attendance

Knowing the number of people attending any event is crucial to estimating the economic impact of the event. Accordingly, the event organizer provided a listing of the names, zip codes and ticket types of event registrants. A total of 269 registered to purchase 467 tickets with 154 or 57.2% tickets for weekend events and 115 or 42.8% tickets for events over the four-day event period. Because the main events at which the interviews were conducted were private, ticketed events, the number of households attending Splash South Padre is assumed to be 269, the number of people purchasing tickets for the event. As Table 1 shows, most registrants purchased two tickets, with most purchasing either one ticket (43.5%) or two (47.2%).

TABLE 1. NUMBER OF PEOPLE PURCHASING BY NUMBER OF TICKETS BOUGHT

Number of tickets per person	Number of people purchasing	% purchasing by tickets purchased
1	117	43.5%
2	127	47.2%
3	12	4.5%
4	10	3.7%
6	2	0.7%
8	1	0.4%
Total	467	

Results

The onsite interviewers attempted to interview almost every different household encountered during the Splash South Padre event over two days in three different venues. In all, they interviewed 222 individuals but 31 surveys were omitted as being from the same household as another interviewee or as not having come to the Island for Splash. Given the estimate in this study of 269 households attending Splash, only 72 households were not interviewed. Thus, the interview response rate was 75.5%, which is sufficient to be at least 95% confident that the results vary by plus or minus 3.26%.

Survey participants and SPI stay characteristics

The following results are for all 191 unduplicated survey respondents who came to SPI specifically to attend Splash South Padre.

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 Splash South Padre. Data featured in Figure 4 shows that, on average, study participants traveled 201 miles to attend the event, although distances traveled ranged

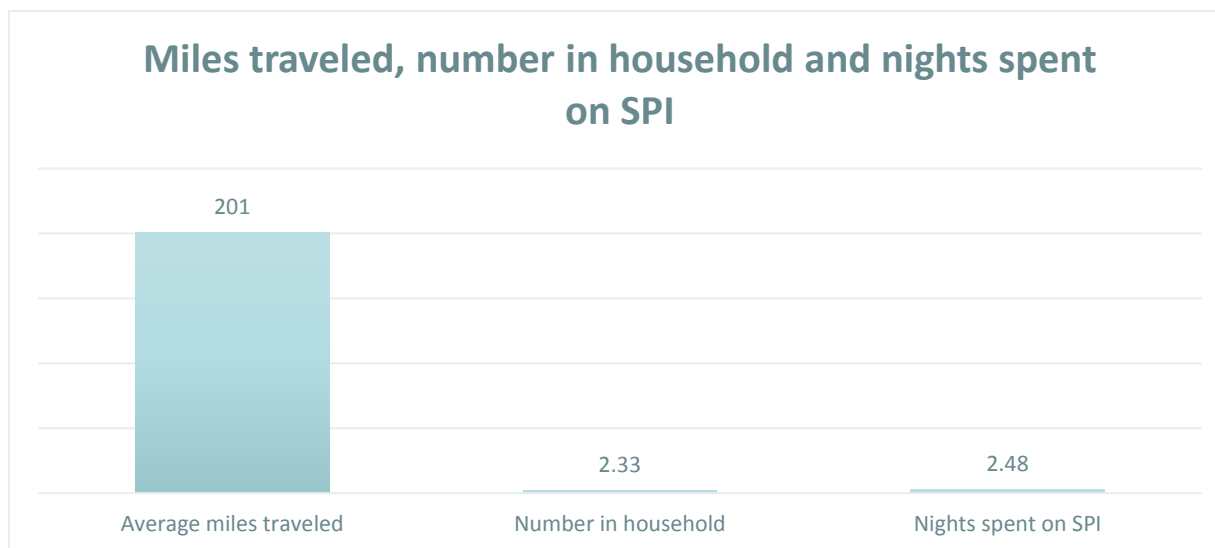


FIGURE 4. AVERAGE MILES TRAVELED, GROUP SIZE, AND NIGHTS SPENT ON SPI

from 0 to 2,000 miles. Figure 4 also shows that an average of 2.33 people were in each household although the number per household ranged from 1 to 15. The average number of nights spent on SPI for Splash South Padre is 2.48 nights with a range of 0 to 6 nights.

Figure 5 breaks down the number of nights spent on SPI and shows that almost all respondents spent the night on the Island, perhaps because the event was over four days and because some major events involved evening and nightlife performances. As shown in Figure 5, most respondents spent two (34.8%) or three nights (26.2%) on the Island.

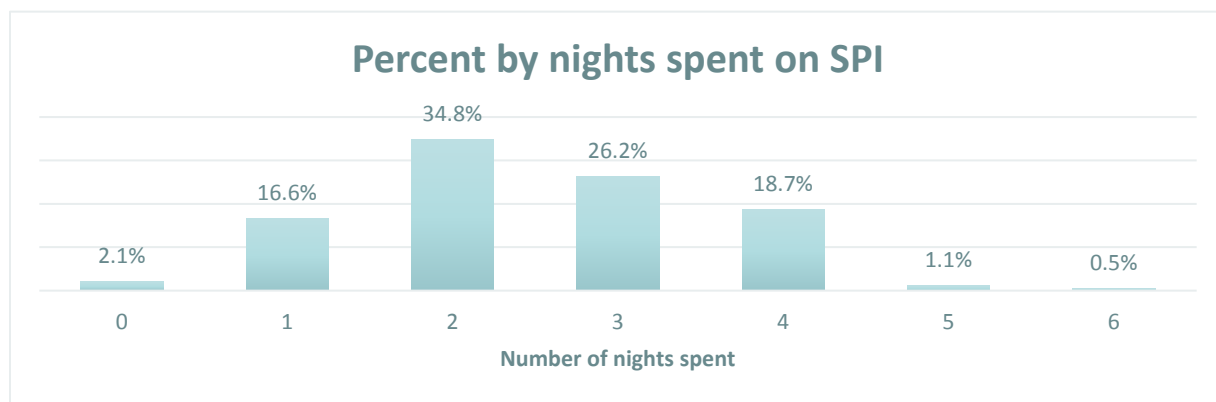


FIGURE 5. PERCENTAGE SPENDING THE NIGHT ON SPI

Figure 6 shows the types of lodging used by Splash South Padre attendees while on the Island. All but four respondents indicated spending a night on the Island. Most (75.7%) stayed in a

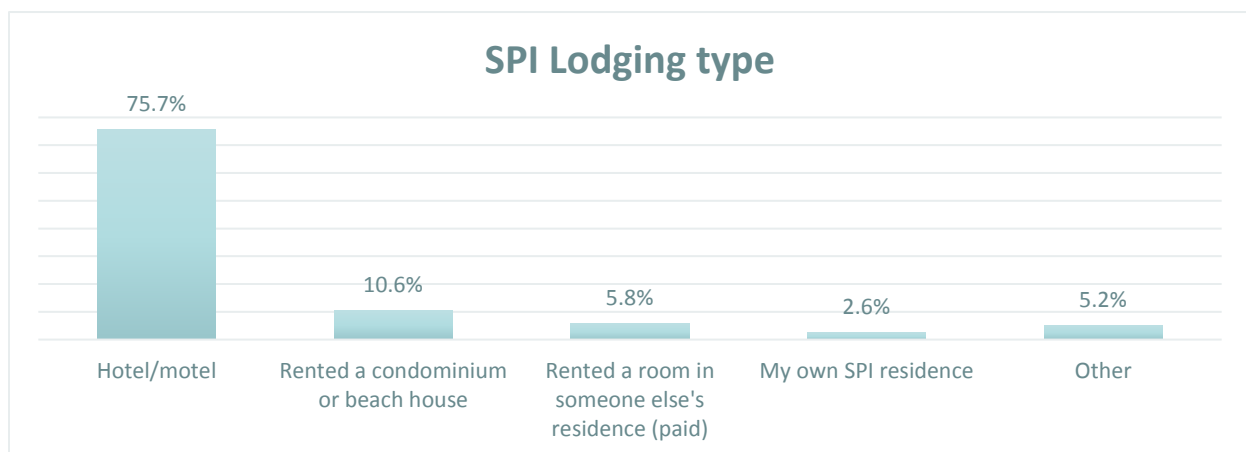


FIGURE 6. LODGING TYPE USED

hotel/motel room, while 10.6% rented a condominium or beach house, a room (5.8%), or

stayed at their own SPI residents (2.6%) or some other accommodation, including sleeping in their car (5.2%).

At the request of the event sponsor, respondents were asked to name the place they spent the night while on the Island. Results, shown below in Table 2, indicate that the Inn at South Padre was the most popular single hotel identified, with 30.2% of respondents indicating this chosen location.

TABLE 2. STAY LOCATION

Hotel location	% respondents staying at hotel
The Inn at South Padre	30.2%
Upper Deck	17.2%
Rented a condominium or beach house	17.2%
Rented a room	9.5%
Own SPI residence	4.3%
Flamingo	4.3%
Ramada	2.6%
Sun Chase Suites	2.6%
Super 8	1.7%
Casa Bella	1.7%
Hilton Garden Inn	1.7%
Holiday Inn Express	1.7%
La Copa	1.7%
La Quinta	1.7%
Coral	0.9%
Executive Inn	0.9%

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 3, indicate that the average amount spent on lodging for the stay duration was \$280 with a weighted average of \$247 when considering that 88% of respondent households spent money on lodging on the Island. Average spending on food and beverages was \$147 with a weighted average of \$147, assuming that 100% purchased food while on the Island for the multi-day event. In total, Splash South Padre attendees spent a total average of \$182,772 with the sum of the weighted average of spending at **\$679 per household** for the time they were on South Padre Island for the 2018 Splash South Padre.

TABLE 3. TOTAL AVERAGE WEIGHTED SPENDING

Expenditure category	Total average	% spending in category	Weighted spending	Spending per household
Food & Beverages	\$ 147	1.00	\$147	\$ 39,416
Night life	\$ 159	0.79	\$126	\$ 33,855
Lodging	\$ 280	0.88	\$247	\$ 66,562
Attraction entertainment	\$ 88	0.22	\$ 19	\$ 5,205
Retail	\$ 72	0.31	\$ 22	\$ 6,048
Transportation	\$ 58	0.63	\$ 36	\$ 9,799
Parking	\$ 32	0.08	\$ 3	\$ 682
Admission fees	\$ 52	0.27	\$ 14	\$ 3,842
Clothing	\$ 81	0.31	\$ 25	\$ 6,690
Groceries	\$ 62	0.38	\$ 24	\$ 6,329
Other	\$ 206	0.08	\$ 16	\$ 4,345
Total	\$1,235		\$ 679	\$ 182,772

Total spending on South Padre Island that is specifically attributable to Splash South Padre is determined by multiplying the 269 event attendee households (see p5) by the total weighted \$679 per household spent while on South Padre (see Table 3, p9). The result is a total, direct spending by Splash South Padre attendees of **\$182,772** on South Padre Island.

The estimated direct spending on South Padre Island as attributed to the 2018 Splash South Padre is \$182,772 within a confidence interval of plus or minus \$5,958 given the assumptions of a random sample selection. This spending resulted in total tax revenue of about \$18,528; with \$8,121 as the City's share. This represents a 67.5% loss on the \$25,000 investment made by the CVB to the event organizer when considering all of the City's share of taxes.

Spending on food & beverage and lodging

The survey results indicated 88% of respondents spent an average of \$147 per household for food and beverages (F&B) (see Table 3, p9). This means that Splash South Padre attendees spent a total weighted average of \$39,416 on F&B. With an 8.25% tax rate, this amount resulted in about \$3,004 in total sales tax collected from F&B spending, of which \$728 is the City's 2% tax rate share.

The survey results found that 88% of respondents spent an average of \$280 for a weighted average spending of \$247 per household on lodging over an average of 2.48 nights (see Figure 4, p6) spent on SPI for Splash South Padre. These statistics indicate that the event generated about 591 room nights for a total of about \$66,562 spent on lodging (see Table 3, p9). This amount of spending results in HOT revenues of about \$9,671 at a 17% HOT tax rate or \$5,973 to the City of South Padre Island for their 10.5% share of the HOT taxes collected.

Splash South Padre attendees accounted for 591 room nights and spent \$182,772 ± \$5,960 while on the Island for the event.

The CVB provided \$25,000 cash to the Splash South Padre organizer. For this investment, the city of South Padre Island should recover 10.5% of the HOT tax or \$5,973, a 76.1% loss on the investment. However, total other spending by event attendee households on the Island generated a total tax revenue of \$8,857 with the City's share return from taxes of \$2,147. Thus, the total return in taxes to the City as a result of the Splash South Padre is estimated at \$8,121, as shown in Table 2, which is \$16,879 below the \$25,000 invested in the event; a loss on investment of 67.5%.

Spending category	Amount spent	Tax rate	Total sales tax	City's % share	City's \$ share	ROI on \$25,000
Lodging	\$ 66,562	17%	\$ 9,671	10.5%	\$ 5,973	-76.1%
Food & Beverage	\$ 39,416	8.25%	\$ 3,004	2%	\$ 728	
All other	\$ 76,795	8.25%	\$ 5,853	2%	\$ 1,419	
Totals	\$ 182,772		\$ 18,528		\$ 8,121	-67.5%

In summary, the taxes accrued to the City of South Padre Island as a result of the 2018 Splash South Padre is estimated at \$8,121 ± 3.26% for a net loss on the \$25,000 investment of \$16,879 or -67.5%.

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 7, indicate that most study respondents (85%)

are promoters of SPI while only 2.2% are detractors. This yields a net promoter score (NPS) of 82.8, which is very good. For example, the hotel industry has a NPS of 39 (www.netpromoter.com/compare).

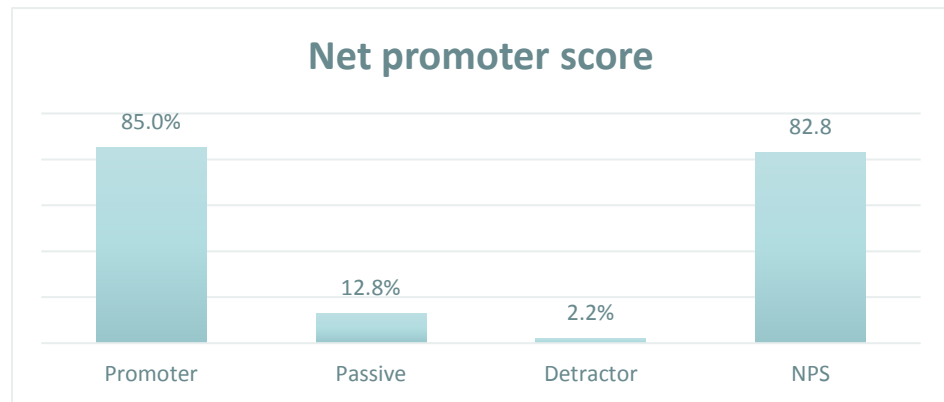


FIGURE 7. NET PROMOTER SCORE

Respondents also indicated how likely they are to return to SPI for a future vacation (Figure 8)

and how satisfied overall they were with their SPI experience (Figure 9) and with the event (Figure 10).

Most respondents

were somewhat or extremely likely to

return to the Island (93.7%) in the future, were somewhat or extremely satisfied (96.3%) with their SPI experience, and most were satisfied with the Splash South Padre event (93.5%).

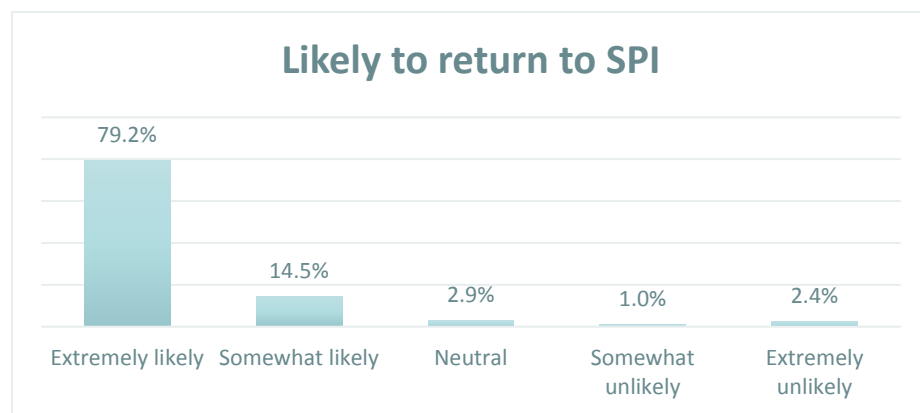


FIGURE 8. LIKELIHOOD OF RETURNING TO SPI IN THE FUTURE

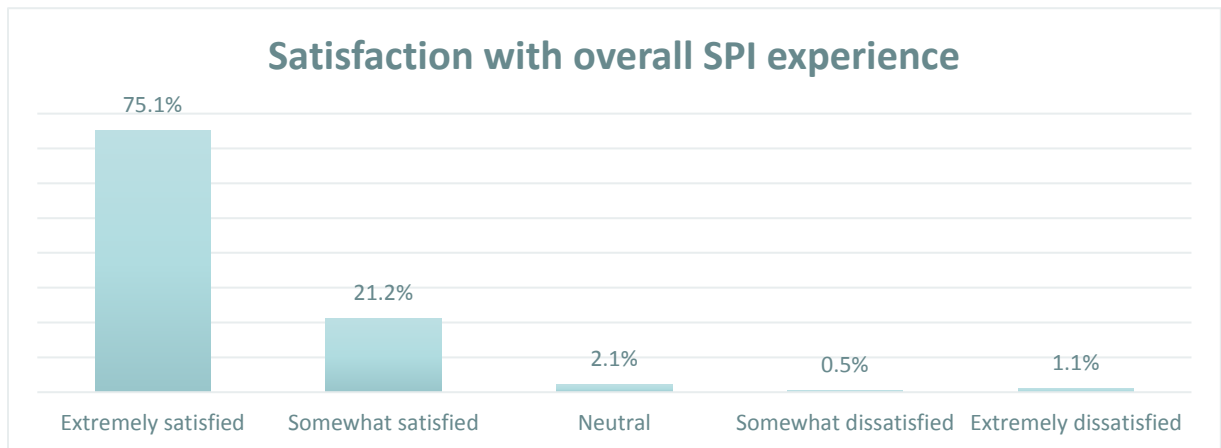


FIGURE 10. SATISFACTION WITH THE SPI EXPERIENCE

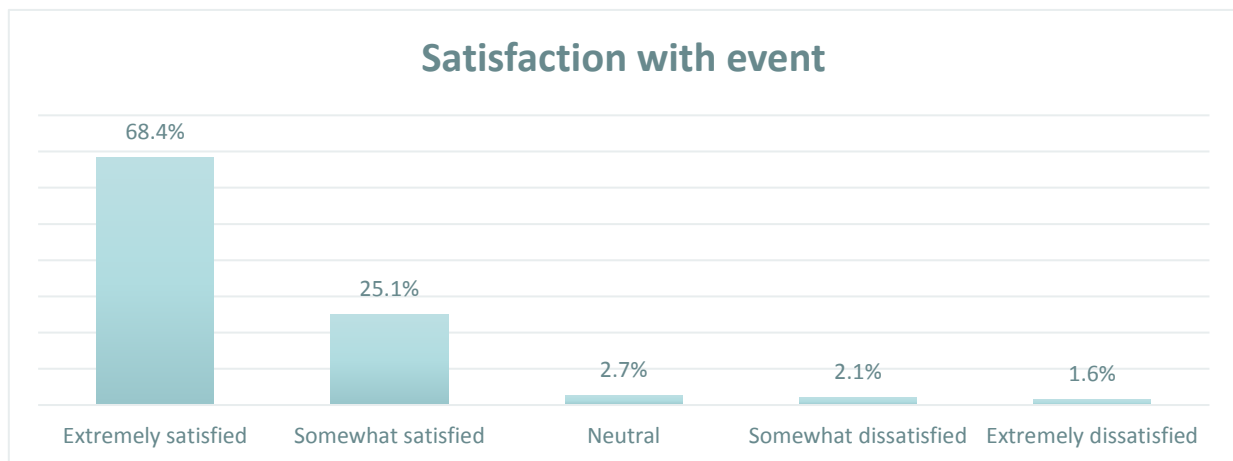


FIGURE 9. SATISFACTION WITH EVENT

NOTE: Some respondents suggested improving their stay on SPI as follows:

- #13 different events Better ML Louder music (city ord)
- Bring uber services to the island
- Did not contact anyone that headliner was not attending. False advertising. Blocked review section online. Wants refund
- Drag Queen did not come
- Glass bottles, no tickets
- More latin music please
- More parking
- If an entertainer cannot make it, let the public know in advance. Especially if it is a famous one. People pay to see them.
- Need more entertainers to motivate people to participate.
- Parking and traffic
- Uber never showed up, better transportation, shuffles to and from events

Respondent Demographics

The remainder of the study assessed respondent demographic characteristics.

The average age of all respondents was 34 years-of-age although ages ranged from 19 to 78.

Most respondents self-identified as male (65.1%) and single (70.9%), and had at least some college (81.9%) as shown in Figures 11, 12, and 13, respectively.

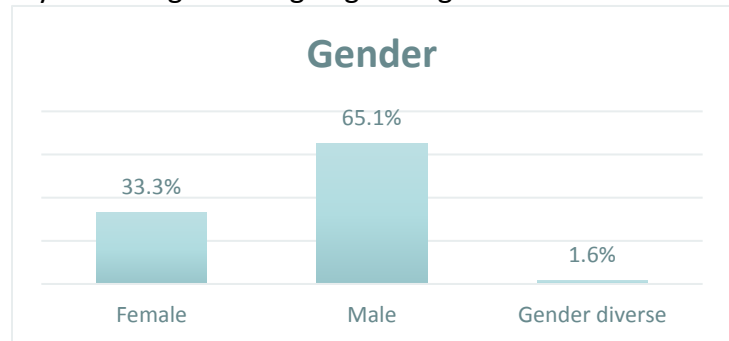


FIGURE 11. GENDER

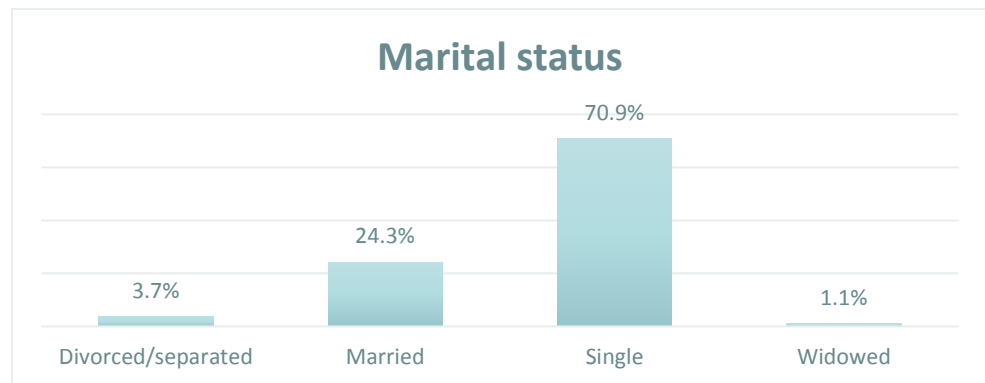


FIGURE 12. MARITAL STATUS

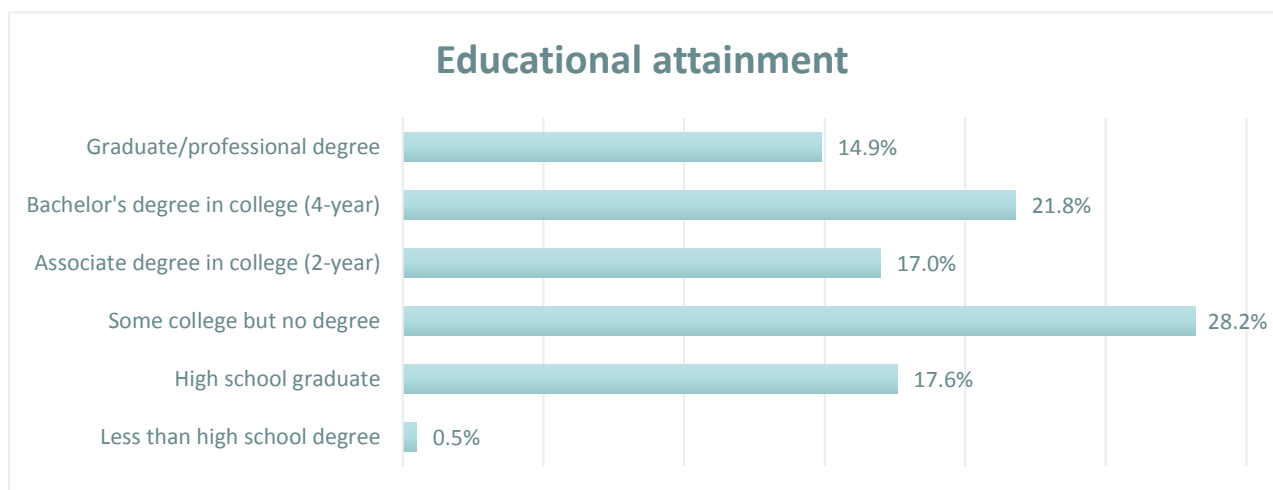


FIGURE 13. EDUCATIONAL ATTAINMENT

Most study respondents had a full-time job (81.4%), although 10.1% worked part-time and 4.3% were retired as seen in Figure 14.

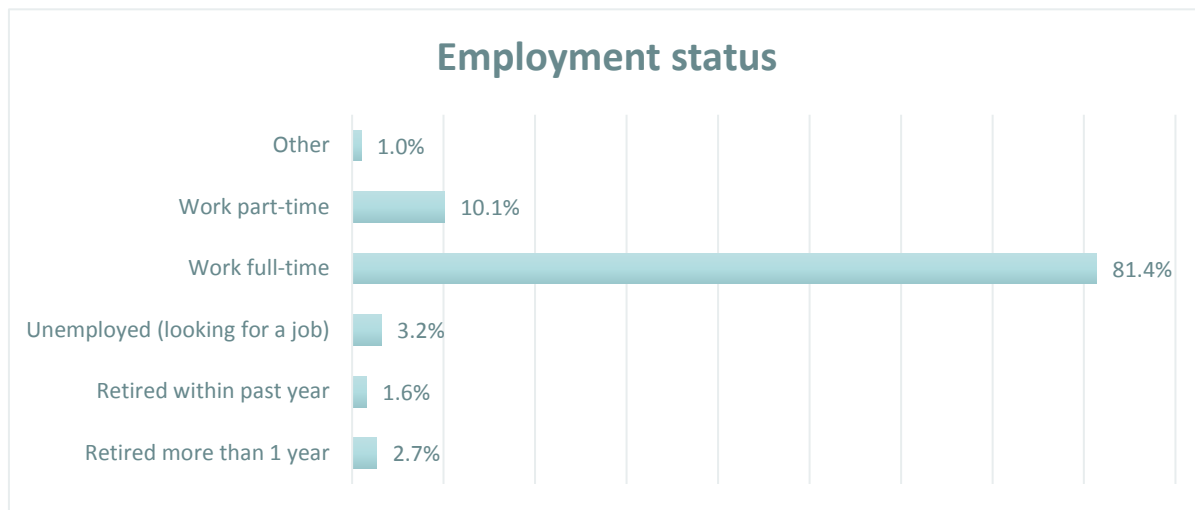


FIGURE 14. EMPLOYMENT STATUS

Study participants in the SPI Splash South Padre, in general, have an average-to-somewhat lower household income levels than the general US population. Only (39.0%) reported having a household income above \$50,000 (Figure 15).

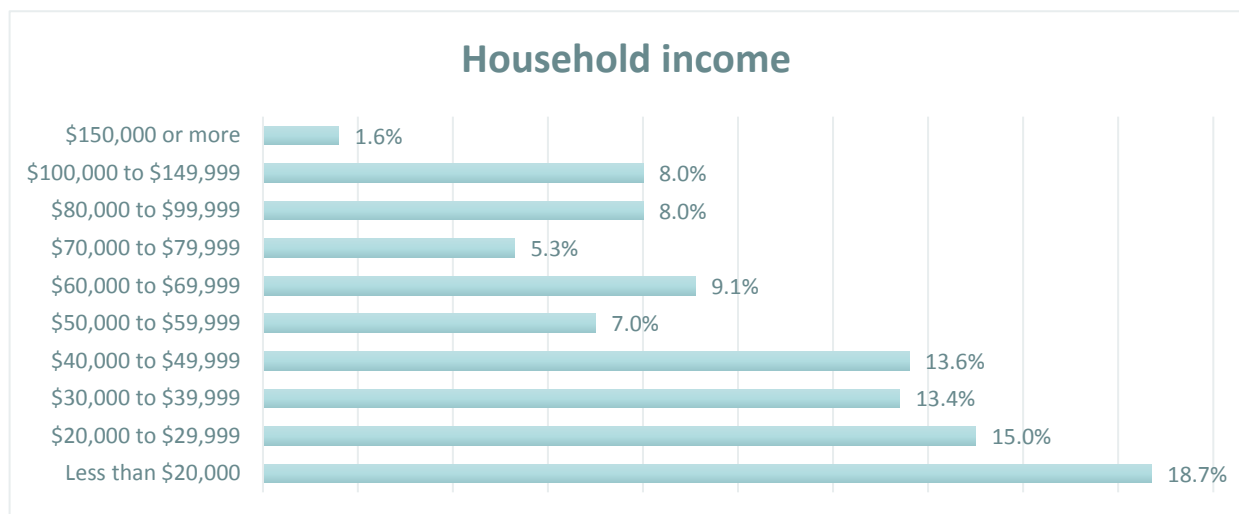


FIGURE 15. HOUSEHOLD INCOME

Respondents were also asked to indicate their ethnicity, but could select as many ethnicities as appropriate. Results in Figure 20 show that most respondents considered themselves Hispanic (78.4%), while 16.2% indicated being white.

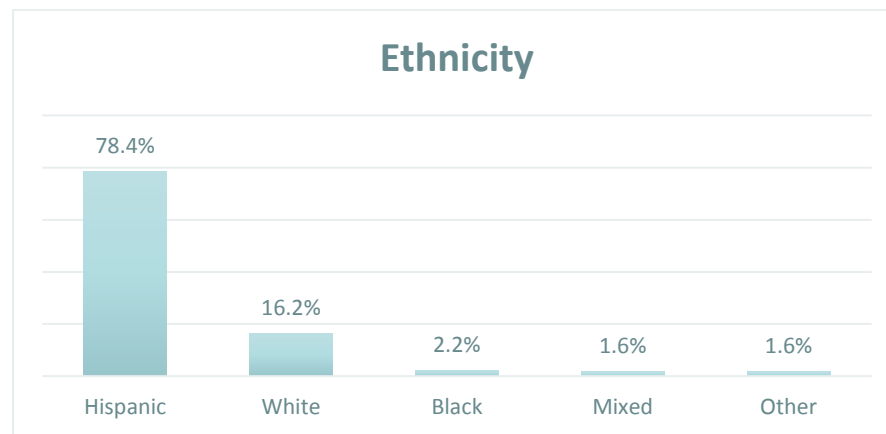


FIGURE 16. ETHNICITY

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 (87.9%) and 11.1% indicated being from Mexico as shown in Figure 17. One respondent surveyed was from El Salvador and one from Romania.

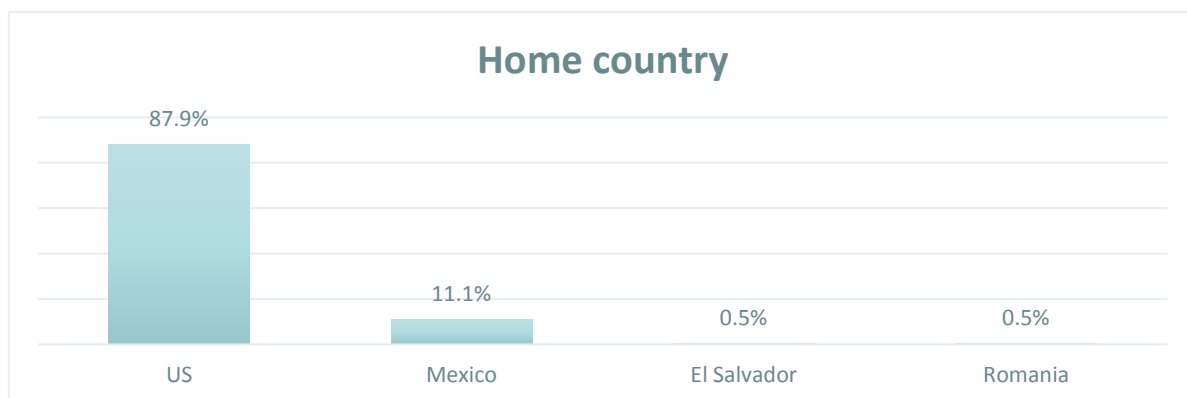


FIGURE 17. HOME COUNTRY

The specific zip or postal codes of study respondents are listed in Appendix B and the zip codes of Splash participants as provided by the event organizer are shown in Appendix C.

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 Splash South Padre guests at their facility. In total, five owner/managers responded to the survey and the results and averages of those reporting statistics are shown in the Table.

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 Splash South Padre attendees?	6	0 to 15	5
On average, how many people attending the Splash South Padre stayed in one room?	3.3	2 to 4	3
To the best of your knowledge, about how many nights did most Splash South Padre attendees stay at your lodging facility?	1.67	0 to 10	3
Please estimate the amount of dollars the average person attending the Splash South Padre spent per day at your lodging facility on the following (round to the nearest dollar): - Average room rate per night	\$168	\$120 to \$260	3
Please estimate the amount of dollars the average person attending the Splash South Padre t spent per day at your lodging facility on the following (round to the nearest dollar): - Food per day	\$26.67	\$10 to \$50	3
Please estimate the amount of dollars the average person attending the Splash South Padre spent per day at your lodging facility on the following (round to the nearest dollar): - Beverages	\$35	\$10 to \$75	3
In total, how many rooms does your facility have to rent?	72.33	10 to 256	5

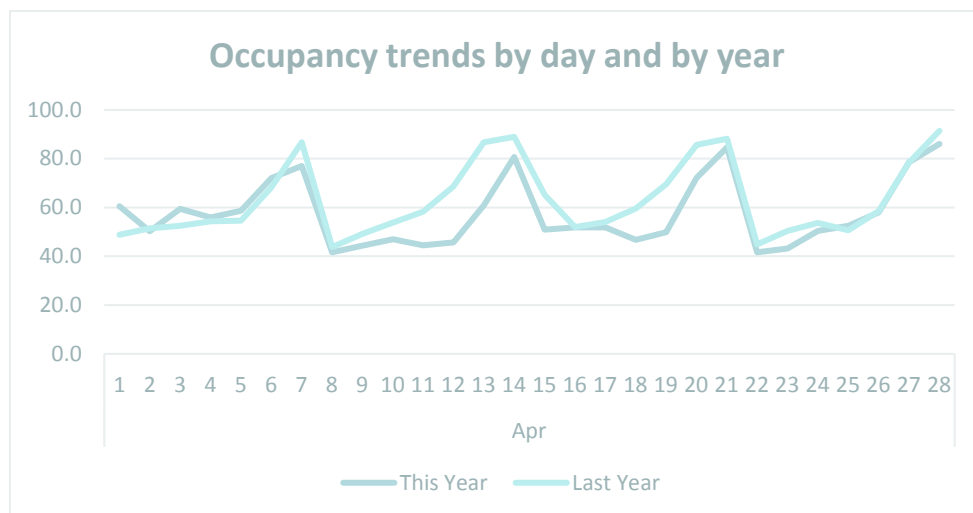
The results indicate that only three of the five responding hotels rented a room to a Splash attendee with the number of rooms ranging from 5 to 15. On average, lodging managers reported that Splash attendees spent 1.67 nights with an average of 3.33 people per room. The average cost per room was \$168 and guests spent an average of \$26.67 on food and \$35 on beverages. However, the responding lodging managers do not appear to be representative of SPI lodging units. For example, three of the two of the responses came from facilities that reported having a 30 or fewer rooms for rent and two had more than 200 rooms for rent. Thus, given the small number and uniqueness of responses, no conclusions can be made from the lodging managers' survey results.

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 Splash South Padre 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 April 1 through 28th (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 Splash weekend from Thursday, April 26th through Saturday, April 28th are 58%, 78.7% and 86.1%, respectively, for an average rate of 74.2%. This rate is lower than last year’s rate of 76.1% for the same day period but is much higher than the month-long



occupancy rate of 57.7% for this year and 63.2% for last year as seen in the trends Figure 18.

FIGURE 18. STR OCCUPANCY RATES BY DAY AND YEAR

Overall, the average daily rate (ADR) of rooms during the Splash South Padre period are higher than rates for most days in the month-long period for both this year and last year as shown in

Figure 19. The ADR for the days of Splash in 2018 averages \$115.20, slightly higher than the ADR of \$113.63 for the same day period last year, but much higher than

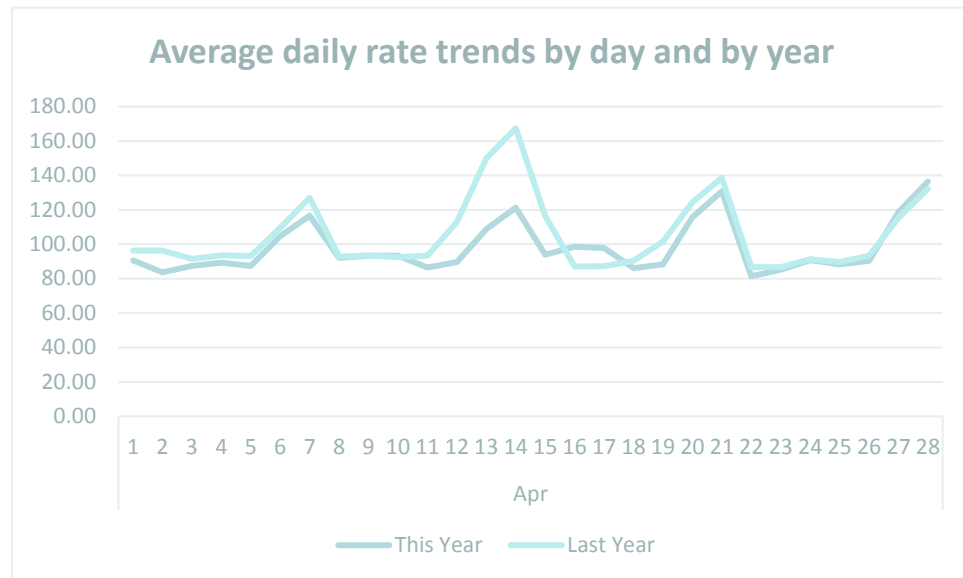


FIGURE 19. ADR TRENDS BY DAY AND YEAR

the month-long average ADR of \$101.23 this year and of last years' month-long ADR of \$109.89.

Next, Figure 20 shows the revenue per available room (RevPAR) for the same month-long time period. The average RevPAR for the three days of Splash is \$87.76, which is slightly below the month average of \$88.67 experienced during the same day-period last year. However, the Splash RevPAR is also substantially above the month-to-date rate of \$58.45 for this year.

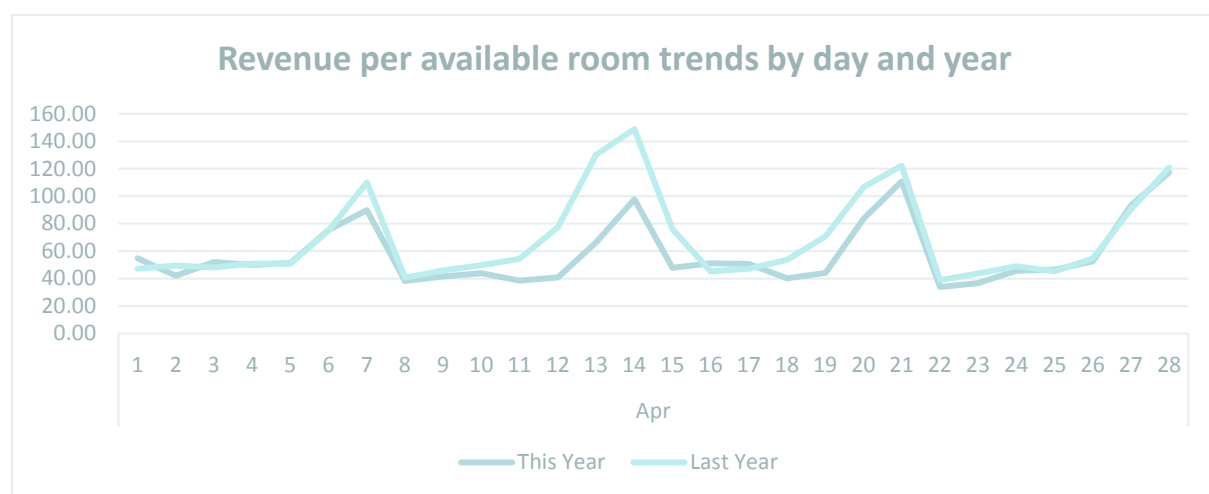


FIGURE 20. REVPAR BY DAY AND YEAR

For the time period examined, Figure 21 shows the room demand trend. The average room demand for the three nights of Splash is 2,017, which is 2.1% less than the demand during the same three-day

period last year. However, the room demand for each day of Splash exceeded the month-long average daily room demand of 1,569 and last year's average daily demand rate of 1,715 room.

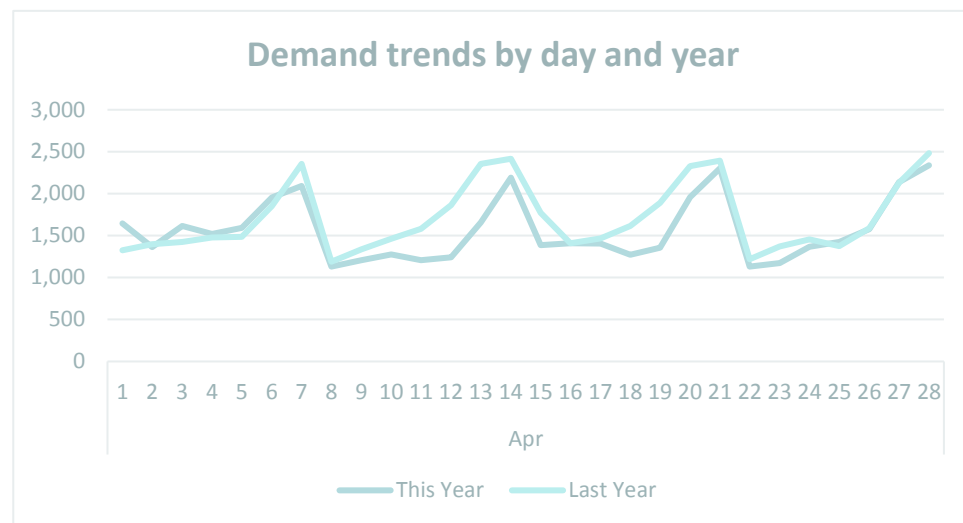


FIGURE 21. DEMAND TRENDS BY DAY AND YEAR

The average lodging revenue during the three days of Splash was \$238,442, about 1.2% below the same three-day total revenue of \$240,832 last year. Nevertheless, the revenue for the peak day of Splash, Saturday, was \$319,052 was also this year's peak revenue for the month as seen in Figure 22.

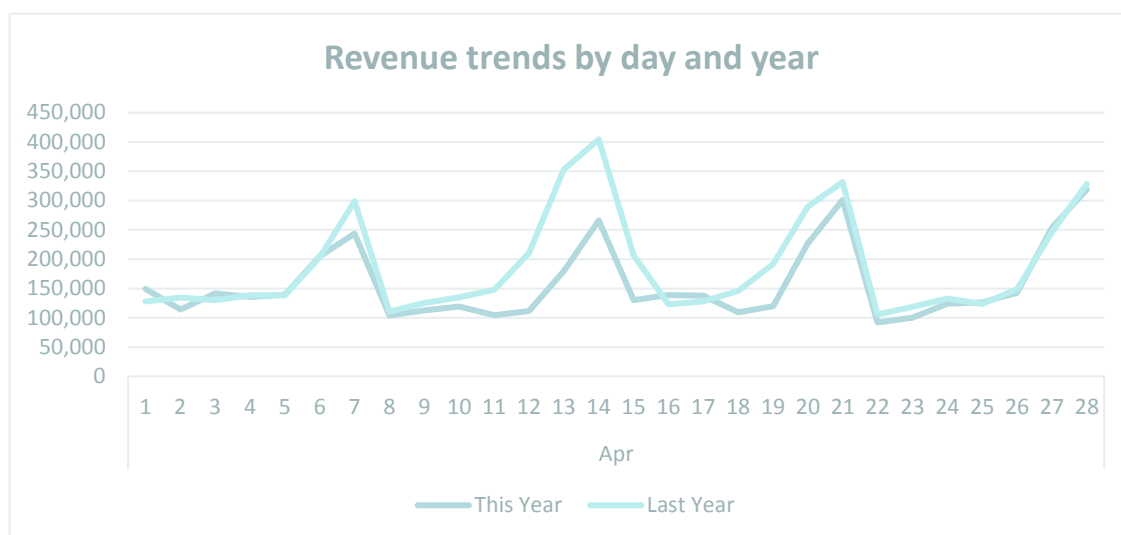


FIGURE 22. REVENUE TRENDS BY DAY AND YEAR

Figure 23 summarizes the percent change in hotel occupancy, ADR, RevPAR, demand and revenue for the three-day period when Splash South Padre participants would have been spending the night on the Island.

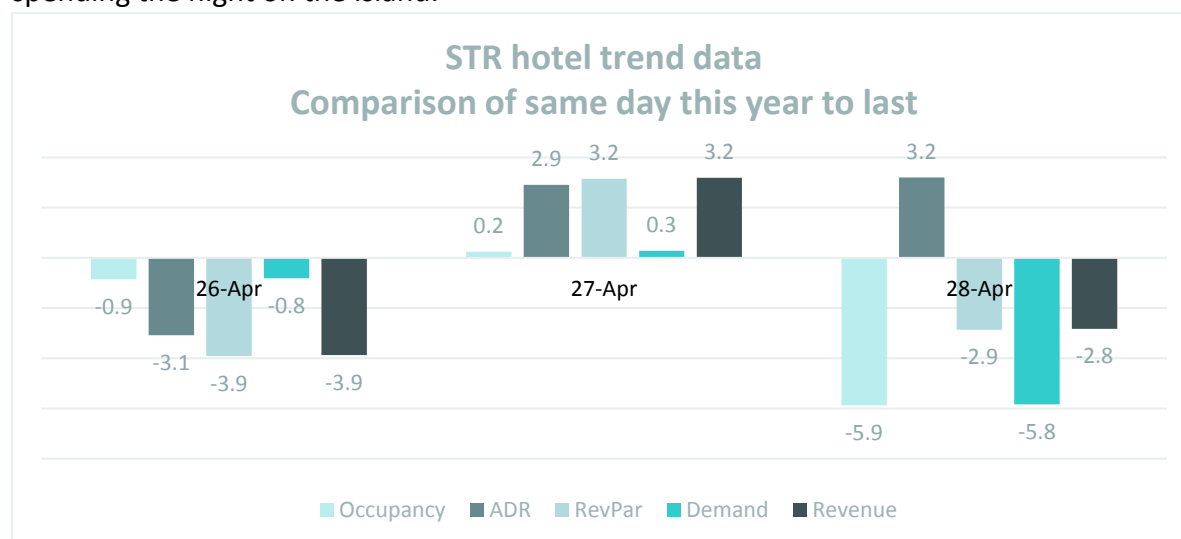


FIGURE 23. STR HOTEL TREND DATA 3-DAY COMPARISON

In summary, all metrics on Thursday, April 26th of 2018 Splash South Padre were below the same time in the prior year but were significantly above last year's numbers only for Friday, April 27th and for ADR on Saturday, April 28th. While two events—Splash South Padre and the Sand Crab Beach Run—were both held during the same time period last year, other factors may have accounted for the better 2017 performance on the metrics examined. For example, in 2017 there were Bands On the Beach performances with live music and fireworks and on Saturday, April 28th 2017, an American Red Cross Centennial Gala was held on the Island.

To summarize the STR data, all results indicate a significant increase in occupancy, RevPar, demand, and revenue only for Friday, April 27th, the second day of 2018 Splash South Padre.

Note: The STR data is derived from 11 hotel owner/operator reporting data for this year and last year. This represents 35.5 % of the census of 31 open hotels listed in the STR Census and 48.4% of the hotel rooms listed, thus all results should be interpreted accordingly without a high degree of assurances of generalizability.

Concluding remarks

This report details the amount of money spent on South Padre Island by attendees of Splash South Padre held from Thursday, April 26th through Sunday, April 29th, 2018. The results of the study were obtained by administering a short onsite survey, which offered respondents an incentive to enter a drawing to win two nights at Schlitterbahn Beach Resort. A total of 222 surveys were completed but 31 responses were eliminated because of household duplication as were responses from people who were not specifically on the Island for Splash South Padre, resulting in 191 viable survey responses from about 71% of all estimated event attendee households.

Demographically, the study sample was comprised of predominately single males who were an average of 34 years-of-age, had at least some college education, were employed full-time, had a household income below \$50,000, and identify ethnically as Hispanic. Geographically, almost all respondents were from the US (87.9%) although about 11.1% were from Mexico. The average number of miles traveled by survey participants to attend the event was 201 miles, with 88% spending an average of 2.48 nights on SPI.

By combining the actual number of people registered to participate in the Splash South Padre with survey results, Splash South Padre generated about 591 SPI room nights. With an average total weighted lodging expenditure per household of \$247, event attendees spent about \$66,562 for lodging in total, resulting in about \$9,671 in total Hotel Tax with 10.5%, or \$5,973, the City's 10.5% share of the Hotel Occupancy Taxes. Considering only the HOT revenue, the event resulted in a net loss of 76.1% on the CVB's investment of \$25,000. However, spending on food and beverage also contributed significantly to the taxes generated by the event attendees. The F&B spending estimates of \$39,416 should have yielded \$3,004 in sales tax at the 8.25% rate or \$728 for the City at a City tax rate of 2%. Considering all spending, the City of SPI should have received \$8,121 in taxes for a total deficit \$16,879 or -67.5% return on the \$25,000 cash investment provided to the event organizer.

While it is impossible to know the actual number of lodging rooms booked as a result of the SPI Splash South Padre, the lodging manager's survey and the STR Destination Report data for the period supports the study's finding that the event, as well as other events on the same weekend, had an effect on lodging occupancy rates. However, as compared to last year, the lodging metrics of this year's Splash days exceeded the metrics of the same day-period only on Friday, April 27th.

Gladly, most Splash South Padre 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 the event. While the spending of Splash South Padre attendees did not generate sufficient tax revenue to cover the CVB-provided funding, the overall SPI experience of the event attendees will likely result in many event attendees returning to the Island for future vacations.

Appendix A: Survey

Splash South Padre, April 26 - 29, 2018

This survey is to understand your household experience and spending during the SPLASH South Padre. *The one person, older than 18, best able to report on spending for all people in your household at SPLASH should complete this survey.* Responses are very important to planning future events. As a thank you, you may enter a drawing for a 2-night stay at the Schlitterbahn Beach Resort. Responses are confidential and individual information will not be included in survey results or shared with others. Contact the Business and Tourism Research Center at UTRGV at businessresearch@utrgv.edu or call 956.663.2829 for questions.

- Have you or someone else in your household already completed this survey? ☐ Yes ☐ No
If yes, please return this survey. We thank you!
- Did you come to South Padre Island specifically for SPLASH South Padre? ☐ Yes ☐ No: If no, return this survey. Thanks!
- About how many miles did you travel to attend the SPLASH South Padre? _____ miles
- Which of the following best describes your participation in SPLASH South Padre (Check all that apply)?
☐ Registered participant ☐ Event volunteer/staff
☐ Spectator ☐ Did not attend
☐ Other _____
- Including yourself, how many people from your household attended SPLASH South Padre? _____ Number in household
- How many nights did you (or will you) spend on South Padre Island while attending SPLASH? _____ nights
- Where are you staying (or did stay) while on South Padre Island for the SPLASH South Padre?
☐ Hotel/motel—Name? _____
☐ Rented condo/beach house ☐ Campground/RV park
☐ My own SPI residence ☐ Rented a room
☐ Other (please specify) _____

8. For each of the following types of expenses, please give your best estimate of the total amount you and your household spent (or will spend) during your entire time on South Padre Island for SPLASH. (List only the total dollar amounts spent on SPI)

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	\$

- 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

- How likely are you to return to South Padre Island for a vacation at some time in the future?
☐ Extremely likely ☐ Somewhat likely ☐ Neutral
☐ Somewhat unlikely ☐ Extremely unlikely
- How satisfied are you with your overall South Padre Island experience?
☐ Extremely satisfied ☐ Somewhat satisfied ☐ Neutral
☐ Somewhat dissatisfied ☐ Extremely dissatisfied
- How satisfied are you with the SPLASH South Padre?
☐ Extremely satisfied ☐ Somewhat satisfied ☐ Neutral
☐ Somewhat dissatisfied ☐ Extremely dissatisfied
- What suggestions do you have for improving SPLASH South Padre or your stay on South Padre Island? (write on back)
- What is your home zip or postal code? _____ code
- What is your home country?
☐ US ☐ Mexico ☐ Canada ☐ Other
- What is your age? _____ (years of age)
- What is your gender? ☐ Male ☐ Female ☐ Gender diverse
- What is your marital status?
☐ Married ☐ Single ☐ Widowed ☐ Divorced/separated
- What is your highest educational attainment?
☐ Less than high school ☐ Associate's degree
☐ High school graduate ☐ Bachelor's degree
☐ Some college, no degree ☐ Graduate/professional degree
- What is your current employment status?
☐ Work full-time ☐ Retired within past year
☐ Work part-time ☐ Retired more than 1 year
☐ Unemployed (looking for a job) ☐ Other (Please specify)
- What is your combined annual household income?
☐ Less than \$20,000 ☐ \$60K-\$69,999
☐ \$20K-\$29,999 ☐ \$70K-\$79,999
☐ \$30K-\$39,999 ☐ \$80K-\$99,999
☐ \$40K-\$49,999 ☐ \$100K-\$149,999
☐ \$50K-\$59,999 ☐ \$150,000 or more
- What is your ethnicity? (Select all that apply)
☐ White ☐ Hispanic ☐ Mixed
☐ Black ☐ Asian ☐ Other _____

Enter the drawing for a 2-night stay at the Schlitterbahn Beach Resort!
Contact information is confidential and will be deleted after the drawing.

Name _____
Phone number: _____
Email: _____
Winners will be notified no later than 2 weeks after event.

THANK YOU VERY MUCH!!!

Appendix B: Survey respondents' zip codes

11249	77034	78209	78522	78562	78669
38855	77044	78212	78526	78566	78729
49833	77056	78218	78529	78569	78744
60506	77057	78229	78536	78572	78751
66354	77076	78245	78537	78573	78840
66377	77077	78259	78538	78574	78978
66422	77459	78415	78539	78577	79705
67189	77503	78418	78541	78579	79707
70816	78006	78501	78542	78582	85012
75023	78040	78502	78543	78586	87390
75068	78041	78503	78550	78589	87456
75201	78043	78504	78552	78594	88710
75211	78046	78505	78555	78595	91911
75461	78076	78520	78557	78596	93426
75820	78119	78521	78560	78599	



Appendix C: Splash South Padre registrants' zip or postal codes

03677	77042	78154	78520	78550	78577	78664
10950	77056	78209	78520	78550	78577	78669
11225	77057	78212	78520	78550	78577	78681
14750	77060	78212	78520	78550	78577	78726
20171	77064	78229	78520	78550	78578	78727
21218	77064	78238	78520	78550	78578	78727
32806	77068	78247	78520	78552	78578	78728
39116	77093	78247	78520	78552	78578	78741
48134	77401	78247	78520	78552	78578	78744
49287	77414	78259	78520	78552	78578	78744
49855	77437	78336	78520	78552	78580	78744
60506	77459	78336	78521	78552	78582	78745
64270	77550	78336	78521	78560	78582	78745
66354	77581	78336	78521	78562	78582	78748
66358	78025	78336	78521	78566	78582	78748
67118	78025	78336	78521	78566	78582	78751
67218	78040	78355	78526	78569	78582	78751
73401	78041	78412	78526	78570	78582	78801
74501	78041	78418	78536	78570	78584	78840
75042	78041	78501	78537	78572	78586	78840
75044	78041	78501	78537	78572	78586	78840
75052	78041	78501	78537	78572	78589	78840
75068	78041	78501	78539	78572	78595	78840
75204	78041	78501	78539	78572	78596	78840
75219	78041	78501	78539	78573	78596	78945
75662	78041	78501	78539	78573	78596	79707
76088	78041	78501	78539	78573	78596	80534
76110	78043	78501	78540	78574	78596	80817
76248	78043	78501	78541	78574	78596	85012
76248	78043	78501	78541	78574	78597	88680
76308	78045	78503	78542	78574	78599	88715
76504	78045	78504	78542	78574	78621	88715
76548	78045	78504	78542	78577	78621	94945
77011	78046	78504	78542	78577	78644	
77017	78046	78504	78542	78577	78650	
77022	78046	78504	78545	78577	78664	
77032	78076	78504	78550	78577	78664	
77036	78104	78520	78550	78577	78664	

SPLASH Sponsor's list

