

Audience Research  
and  
Economic Impact Study

2009 Albuquerque International  
Balloon Fiesta®

October 3-11

## Highlights of the Study

The Albuquerque International Balloon Fiesta is a tremendous asset that enriches the quality of life in Albuquerque and New Mexico. Balloon enthusiasts gather year after year to enjoy the magnificent sight of the hundreds of balloons floating through the blue skies. It draws national and international attention to Albuquerque triggering a positive economic impact for the region. Since the inaugural Balloon Fiesta in 1972, the festival has grown in scale and appeal. From an economic vantage, the size and appeal of the event generates a significant financial inflow.

- In 2009, Balloon Fiesta attracted 761,864 guests. Eighty percent (an estimated 609,491 guests) visited from outside of Albuquerque. Approximately 522,638 guests traveled from outside of the State of New Mexico to attend Balloon Fiesta. Survey respondents represent 45 states and over a dozen countries.
- Balloon Fiesta 2009 had a direct economic impact on the Albuquerque's business volume of \$106.1 million. In addition to this direct impact there is a further \$149.5 million in indirect impact.
- Out of area guests spend an estimated \$144.25 per day when visiting Albuquerque for Balloon Fiesta and they stayed an average of 3.7 nights.
- Direct spending by out-of-area Balloon Fiesta guests generated \$8,565,797 in total taxes, including \$4.4 million in sales tax revenues for the State of New Mexico; \$714,771 for Bernalillo County, and \$933,687 for the City of Albuquerque.
- The top attractions at Balloon Fiesta (as indicated by survey respondents) are balloon mass ascensions, balloon glows, and fireworks. Fifty percent of guests attend three or more sessions at Balloon Fiesta. And if that's not enough, Balloon Fiesta guests come back year after year. Thirty percent of guests have attended Balloon Fiesta for four or more years!
- Balloon Fiesta guests have extraordinary awareness of the event's corporate sponsors. Survey research demonstrates that unaided sponsorship awareness is high. Attendees are asked, "When you think of Balloon Fiesta sponsors, which companies or brands come to mind?" An overwhelming 57.8% of guests can identify three or more Balloon Fiesta sponsors.
- While 57.9% of guests attended Balloon Fiesta with family, 22.9% attended with friends. Twenty percent of guests came with *both* friends and family.
- Seventy percent of survey respondents are married and 26.5% of guests came to Balloon Fiesta with children.
- Fifty-seven percent of all survey respondents earned an undergraduate degree or higher. This includes 26.6% of respondents who have earned a post-graduate degree. Accordingly, 44.8% of respondents (not including students) indicate their household income to be \$80,000 and above. A large number of guests (46.5%) are employed full-time. Thirty percent are retirees.

## **Purpose of Study and Methodology**

Forward Analytics, Inc. was hired by Albuquerque International Balloon Fiesta, Inc. to conduct audience research with attendees of the 2009 Balloon Fiesta, October 3<sup>rd</sup>-11<sup>th</sup>. The primary goal of the research was to measure the economic impact of the Balloon Fiesta on the City of Albuquerque, Bernalillo County, and the State of New Mexico. Such information is crucial to analyze the return on investment (ROI) for sponsors and the business community.

In addition to the economic impact, audience research was designed to measure the following:

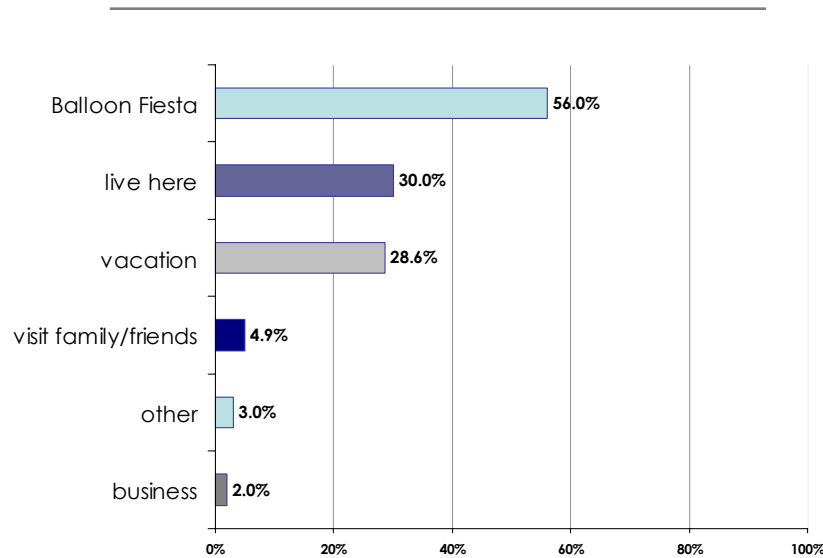
- overall event satisfaction
- socio-graphics and psychographics of attendees
- attendance motivators
- sponsorship awareness
- effectiveness of advertising/communications.
- additional amenities or activities that would enhance audience appeal.

The study utilized a customized survey to collect data from a random sample of Balloon Fiesta attendees. Prior to the event, Forward Analytics collaborated with Balloon Fiesta planners to create a 4-page questionnaire. During the nine-day event, in-person interviews were administered by Forward Analytics staff to 1,076 adult attendees (ages 18+). In order to gather representative data, the staff conducted surveys during 12 out of the 14 ballooning sessions. Please note that five ballooning events were cancelled due to the weather, yet crowds still gathered during three of these events. The sample size represents a statistical significance of +/-3.5% margin at the 95% confidence interval. This means that the results reflect the answers between 91.4% and 98.5% of the total population. Generally, a +/-5% margin of error at a 95% confidence level is considered significant for making business decisions.

## **The Economic Impact Assessment**

Survey research demonstrates that Balloon Fiesta does in fact draw tourists to Albuquerque and the region. When asked, "What is your main reason for being in the Albuquerque area?", the majority of guests (56.0%) indicated 'Balloon Fiesta'. Another 30.6% of guests indicated that their main reason for being in the Albuquerque area for 'vacation' or 'business'. Yet, 78.0% of these respondents indicated that Balloon Fiesta has *much influence* on when and where they travel for vacation or business. And another 17.3% consider Balloon Fiesta to have *some influence* on when and where they travel.

What is your main reason for being in the Albuquerque area?



This section explains the direct and indirect business volume and government revenues generated because of Balloon Fiesta 2009. Economic impact generally measures *new money* brought into the economy by out-of-area visitors. Spending by local residents is not included. Local spending merely represents a redistribution of existing money in the community and as such is not considered new money.

This economic impact study employs a linear cash flow methodology first developed by Cafferty & Isaacs for the American Council on Education. The Cafferty & Isaacs methodology is the most widely used impact study tool and has been used throughout the United States in impact analyses for both for-profit and not-for-profit organizations, corporations, institutions, and events.

The linear cash flow model also takes into account the re-spending of money within the economy as a result of what professional economists term "the multiplier effect". The multiplier effect measures the circulation of dollars originally attributable to the 2009 Balloon Fiesta, and tracks their spending by successive recipients until the funds eventually leak out of the economy.

The following report focuses on these impact categories:

- Business Volume Impacts; direct and indirect, *and*
- Government Revenues Impacts.

**Business Volume Impact**  
**Direct and Indirect Expansion of the Albuquerque**  
**Economy Attributable to 2009 Balloon Fiesta**

The annual ballooning event proves to be a major contributor to the success of Albuquerque's hotels, motels, eating and drinking establishments, retail operators and other area businesses. The total economic impact of an event is largely a function of the spending made by the attendees. This study measures the economic impact of the 609,491 guests (80% of all attendees) who reside outside of Albuquerque traveling to Balloon Fiesta grounds to attend the 2009 event.

***In 2009, the Albuquerque International Balloon Fiesta had a total direct economic impact on Albuquerque's business volume of \$106,150,735.***

Visitors to the Albuquerque region (outside of Balloon Fiesta Park) had a direct impact on the economy of \$87.9 million *attributable to Balloon Fiesta*. Each guests spent an estimated \$144.25 per day outside of Balloon Fiesta grounds. The following chart breaks down the visitor dollars spent at local restaurants, entertainment, retail, gasoline, ground transportation, lodging, etc. in the Albuquerque region.

<b>Balloon Fiesta Guests spending outside of Balloon Fiesta grounds</b>	<b>Impact Dollars</b>
Food and drinks at restaurants, bars, etc.	\$13,928,379
Non-festival entertainment	\$9,393,816
Retail purchases	\$14,088,383
Parking outside of grounds	\$1,086,418
Gasoline	\$4,697,339
Car Rental	\$5,962,039
Misc. items and services	\$2,082,327
Overnight accommodations	\$36,679,120
<b>Direct Impact</b>	<b>\$87,917,821</b>

According to survey data, 2009 Balloon Fiesta guests (non-local) spent \$18.2 million with Balloon Fiesta vendors. Guests spend an average of \$29.91 per day on Balloon Fiesta grounds (not including admission fees and parking).

<b>Non-local Spending on Balloon Fiesta Grounds</b>	<b>Impact Dollars</b>
Food & drinks	\$9,344,458
Retail Purchases	\$7,643,560
Misc. Items & services <i>(Balloon rides &amp; other activities)</i>	\$1,244,896
<b>Total Spending on Balloon Fiesta Grounds</b>	<b>\$18,232,914</b>

Spending outside of Balloon Fiesta Park generated an additional \$149,460,296 in indirect impact for the Albuquerque economy. The indirect impact takes into account the re-spending of direct economic impact within the economy as a result of what professional economists term "the multiplier effect". The multiplier effect measures the circulation of dollars originally attributable to Balloon Fiesta (direct impact spent outside of Balloon Fiesta Park), and tracks the spending by successive recipients until the funds eventually leak out of the economy. The sum of these direct and indirect expenditures represents the total impact of the 2009 Balloon Fiesta on the local business volume of \$255,611,031.

### **Government Revenue Impact**

When an event such as Balloon Fiesta brings people and money into the area, tax revenues are generated for local and state governments. Tax revenues are paid directly by the festival-goers, event management, and festival vendors on purchases such as food and drinks, overnight lodging, advertising, products and services, etc.

The total tax impact of spending in local hotels, restaurants, and retail outlets, etc. by guests during 2009 Balloon Fiesta is \$8,565,797. The government revenue impacts comprise the following:

#### **Gross Receipts Sales Tax**

As detailed in this report, Balloon Fiesta generates substantial revenue for businesses in the Albuquerque area. Balloon Fiesta-related direct spending generated \$4,395,891 for the State of New Mexico; \$714,771 for Bernalillo County, and \$933,687 for the City of Albuquerque.

#### **Hotel Tax**

As noted earlier, Balloon Fiesta draws a significant percentage (80%) of their attendees from outside of Albuquerque. These 'tourists' generate income for the hotel community and also generate hotel room tax revenues for the local and state governments.

According the survey data, 44% of Balloon Fiesta guests spent the night in a hotel or motel during the nine day festival. Measured by the average cost of hotel

accommodations and group size, hotel fees generate a direct impact of \$36.7 million in the local economy.

In addition to sales tax (calculated above), \$2,200,747 is generated in local lodging taxes.

### **State Gasoline Excise Tax**

Travel attributable to Balloon Fiesta increased gas expenditures in the Albuquerque area by \$4.7 million. A gasoline excise tax of \$.17 per gallon generated \$320,701 for the State of New Mexico

### **Impact on Region's Credit Base**

The Balloon Fiesta organization, employees and local vendors/partners make significant deposits in regional financial institutions. These deposits benefit the local economy in that they expand the local credit base, providing funds required by financial institutions to make commercial and personal loans, thus stimulating increased economic activity and growth in the region. These economic benefits were not measured by the study, however, the magnitude of Balloon Fiesta's direct and indirect impact suggest significant contributions to Albuquerque's credit base.

### **Volunteers**

Volunteers were an integral part of Balloon Fiesta, as they are in many special events *and* facets of the community. Their involvement enhances the scale of the event and enables more activities to be undertaken. This in turn benefits the local businesses by helping draw visitors and dollars to the region.

An estimated 3,000 volunteers, including chase crew members, helped make the 2009 Balloon Fiesta a success! Estimating the exact dollar amount is less critical than the notion that those who volunteered their time could have spent it in many ways, but decided this event was of key importance and worth donating their time.

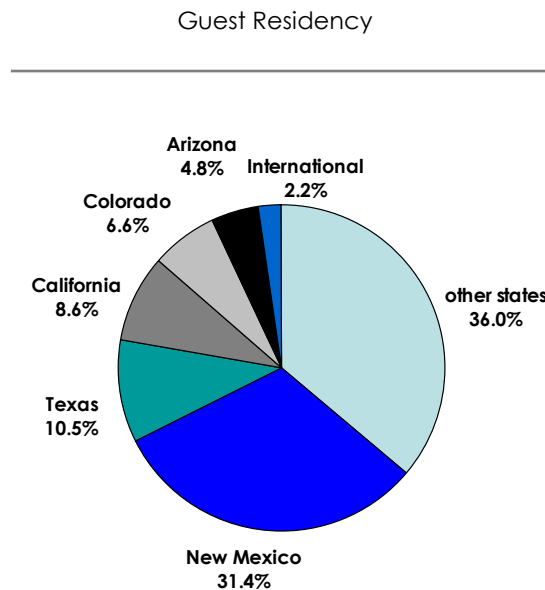
The following report provides actionable insight and direction Balloon Fiesta desires for event planning in the years to follow. In effect, the research and reporting are tools that can help enhance the event and expand the economic impact of successive festivals.

### Guest Demographics and “Visit Characteristics”

Balloon Fiesta guests are drawn from a wide spectrum of society, representing all economic, social, ethnic, cultural, and age groups. This broad cross-section of society makes Balloon Fiesta an important shared experience that knits together diverse cultures.

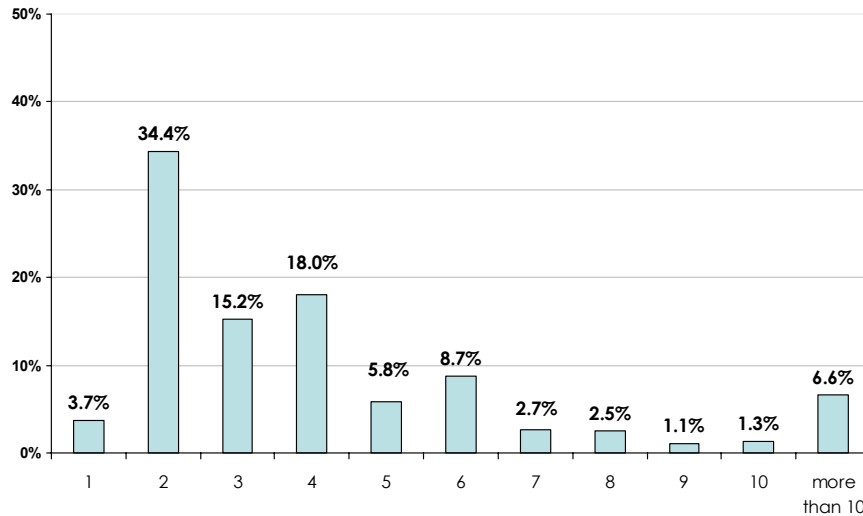
*Who attends Balloon Fiesta?* Calculating the answers to this question reveals not only the make-up of current Balloon Fiesta-goers, but also indicates future opportunities to widen the appeal of the event. In order to continue creating a first-class event that reflects such a diverse patron base, it is imperative that Balloon Fiesta organizers have access to all possible relevant audience information. This section aims to provide quantifiable information that can help form, support, or benchmark the direction of the Balloon Fiesta.

As previously indicated, 31.4% percent of the survey respondents reside in New Mexico. However, survey respondents represent 45 states, Washington D.C., and also comprise international guests from Germany, England, Israel, Canada, *to name but a few countries*.



Guest party size ranges from just one visitor to tour groups of 100+. The average party size is 4.96. The mode for attendee party size, or the more frequently encountered party size, is two persons. Pairs rank the highest proportionally (34.4%), followed by groups of four persons (18.0%).

Including yourself, how many people did you attend Balloon Fiesta with today?

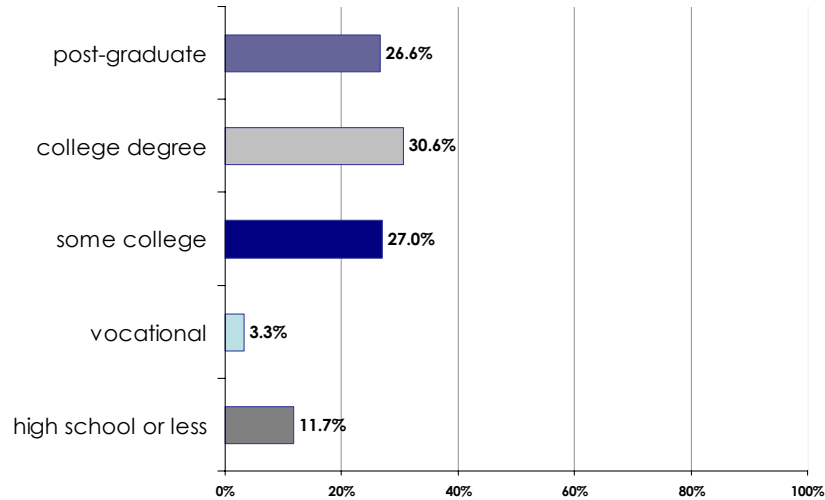


Over half of guests visit Balloon Fiesta with family (57.9%). 22.9% came with friends. Nearly 20 percent of survey respondents visit with both friends and family. The majority of attendees are married (69.9%). Survey data indicates that 26.5% of attendees brought children to Balloon Fiesta.

The population surveyed consists of 69.1% females and 30.9% males. The ethnic background of survey respondents is 79.6% Caucasian/White; 11.8% Hispanic, and 3.6% Native American.

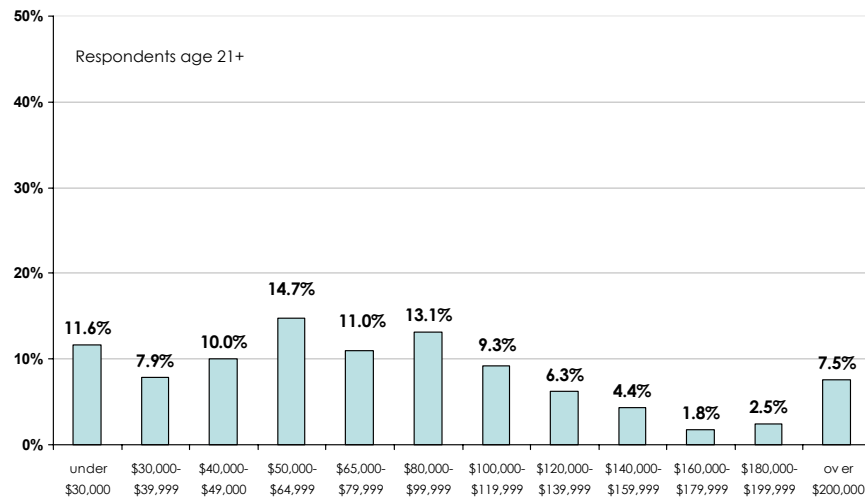
Balloon Fiesta attendees are well-educated and skew towards above average household income levels. Fifty-seven percent of adult attendees have a four-year degree or higher. Another 30.3% have some college, technical, or vocational schooling.

### Education Level of Balloon Fiesta Attendees

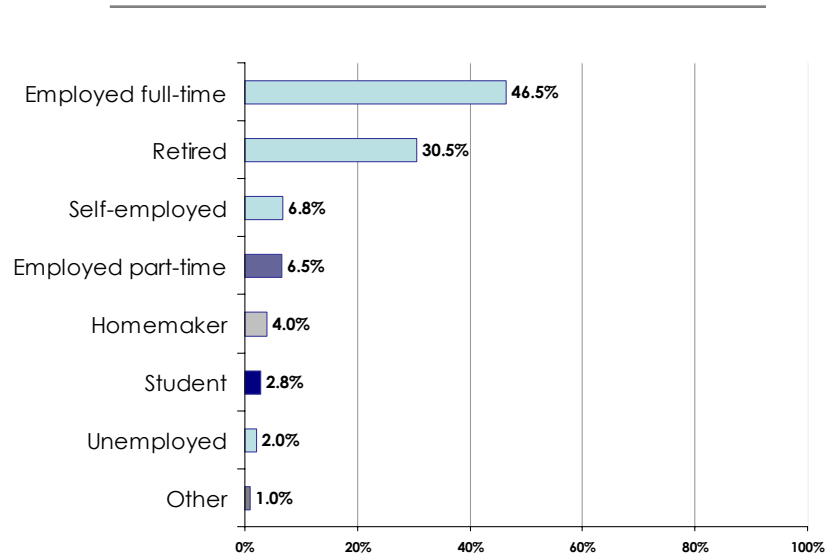


Balloon Fiesta guests have above average incomes. Nearly 44.8% of respondents (ages 21+) indicate their household income to be \$80,000 and above. Another 25.7% have household incomes in the range of \$50,000-\$79,999. While 46.5% of guests are employed full-time, 30% are retirees.

### Household Income of Balloon Fiesta Attendees



### Working Status of Balloon Fiesta Attendees

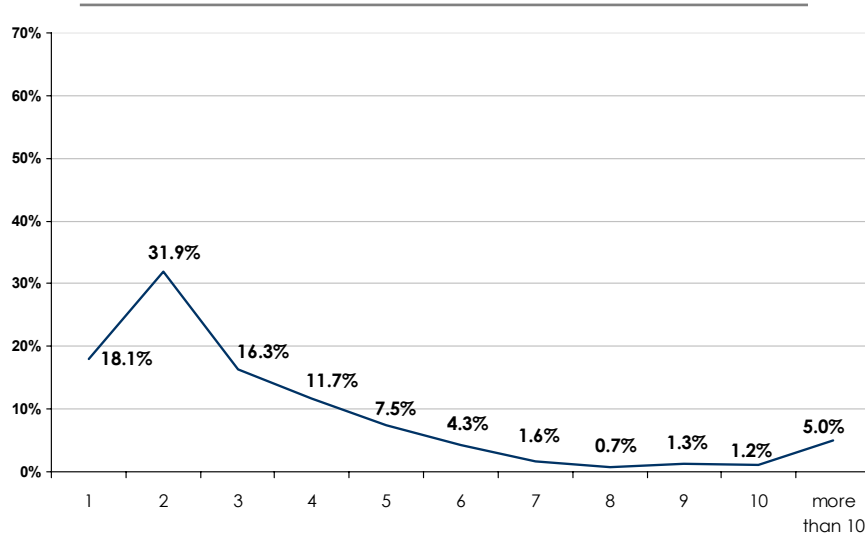


*Why do people attend Balloon Fiesta and how often do they visit?* While the nine days of Balloon Fiesta is filled with a variety of ballooning events, there's also a smorgasbord of food vendors, shopping, children's activities, and more. Survey respondents were asked the rate the importance of these various attractions on a scale of 1-10, where 1=very important and 10=not important. Balloon mass ascensions and balloon glows were rated top attractions. The following graph lists each attraction in order of importance.

Balloon Fiesta attraction	Importance rating (1-10)
Balloon mass ascensions	1.37
Balloon glows	1.89
Fireworks	3.69
Food	3.92
Balloon flying competitions	3.94
Main Street shopping	4.59
Exhibits	4.99
Balloon Discovery Center	5.51
Concerts	6.20
Memorial Brick Walkway	6.46

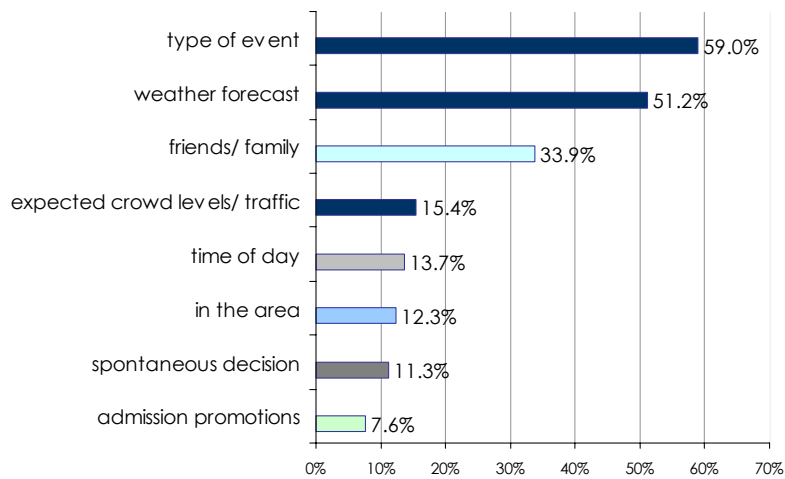
With such an array of entertainment, most guests (81.9%) visit Balloon Fiesta Park for multiple ballooning events. The mean number of events attended by survey respondents is two. The average number of events attended by survey respondents is 3.5.

How many sessions do you plan to attend during your visit to Balloon Fiesta this year?



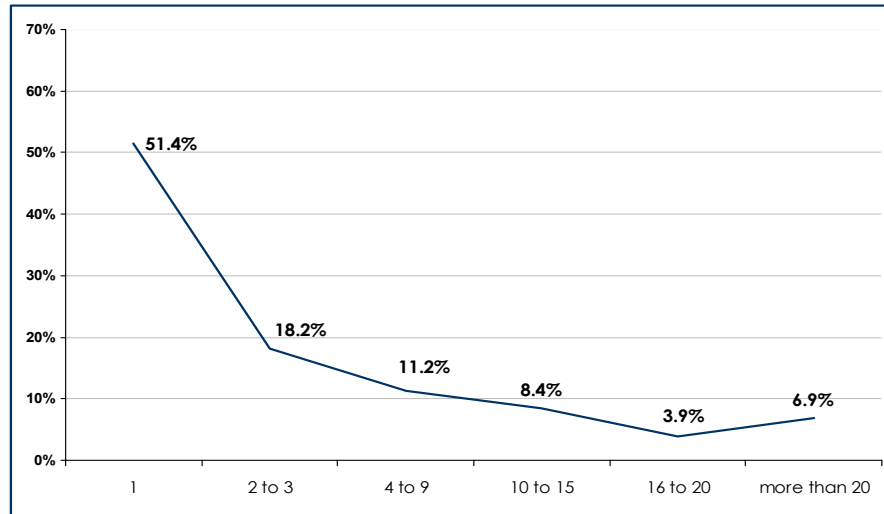
How do guests choose which day(s) to attend Balloon Fiesta? Type of event (59.0%) and weather forecast (51.2%) have the greatest impact on which days to attend. Friends and family (33.9%) can also influence a decision.

What impacts your decision on which day(s) you choose to attend Balloon Fiesta?



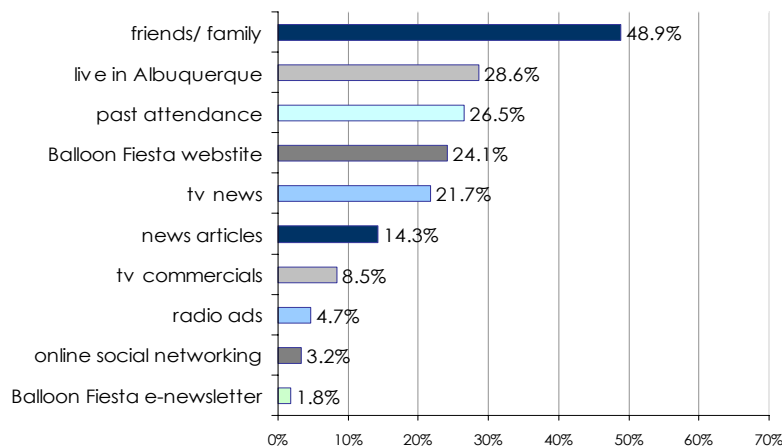
Slightly more than half (51.4%) of survey respondents experienced Balloon Fiesta for the first time. But others come year after year. In fact, nineteen percent of guests experienced Balloon Fiesta ten or more years.

How many years have you attended Balloon Fiesta (including this year)?



Balloon Fiesta is a unique in that a significant number of guests hear about the various events through unpaid media sources. Almost fifty percent of guests hear about Balloon Fiesta and its events through friends and family. Only 24.1% of guests rely on the Balloon Fiesta website for information. Social networking and electronic newsletters have yet to catch on with this unique audience.

How did you hear about Balloon Fiesta and its events?



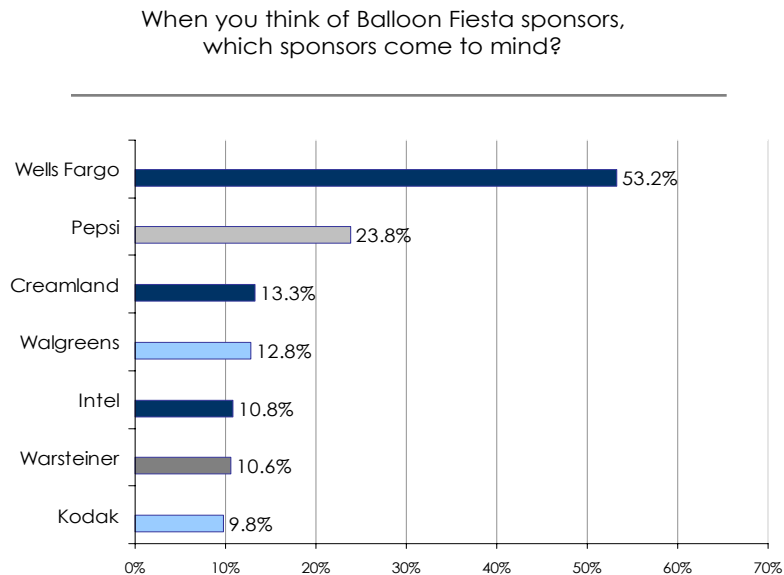
## Sponsorship Awareness

*Sponsorship support is paramount to the event.* Survey research demonstrates the combination of awareness, favorability, and effectiveness is unparalleled for Balloon Fiesta sponsors.

- **Guests recognize and appreciate sponsors' contributions.** The majority of attendees (97.49%) agree that corporate sponsorship makes Balloon Fiesta possible.
- **Balloon Fiesta sponsorship touches the soul.** 92.12% of attendees indicate having a positive attitude toward Balloon Fiesta sponsors because of their association.
- **Balloon Fiesta sponsorship is a “good buy” in marketing.** 69.96% of attendees feel that sponsorship of Balloon Fiesta is a better way for companies/ brands to influence their purchase decision than through traditional advertising.
- **Attendees “like” corporate sponsors.** And, 63.94% of attendees agree that they are more likely to purchase brands from Balloon Fiesta sponsors because of their association.

Balloon Fiesta guests have extraordinary awareness of the event's corporate sponsors. Survey research demonstrates that unaided sponsorship awareness is high. Guests were asked, “When you think of Balloon Fiesta sponsors, which companies or brands come to mind?” An overwhelming 57.8% of Balloon Fiesta guests can identify three or more Balloon Fiesta sponsors. Another 15.5% of respondents can recall at least two corporate sponsors, and 14.4% can recall one sponsor.

Did any of the sponsors stand out? There is no doubt that Wells Fargo receives publicity and brand recognition with 53.2% of guests demonstrating unaided awareness of the company's sponsorship. Pepsi is listed as a Balloon Fiesta sponsor by 23.8% of guests.



Balloon Fiesta provides bottom line benefits to all of its sponsors. The Balloon Fiesta is associated with a positive experience and provides a strong opportunity for co-branding and cause related marketing. *The 2009 Balloon Fiesta satisfaction rating is high.*

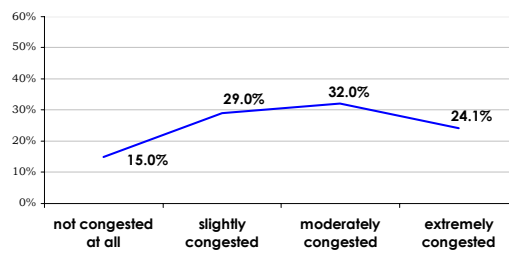
Survey respondents were asked to rate various attributes of Balloon Fiesta as *excellent*, *very good*, *average*, or *below average*. The following chart illustrates the percentage of respondents who rated each attribute as *excellent* or *very good*.

<b>Balloon Fiesta attribute</b>	<b>rated excellent or very good</b>
<b>Balloon Fiesta grounds</b>	<b>96.65%</b>
<b>attitude and helpfulness of staff</b>	<b>90.68%</b>
<b>balloon shows</b>	<b>90.51%</b>
<b>family attractions</b>	<b>80.27%</b>
<b>quality and selection of food</b>	<b>72.71%</b>
<b>interesting/fun exhibits</b>	<b>64.80%</b>
<b>live entertainment/concerts</b>	<b>54.01%</b>

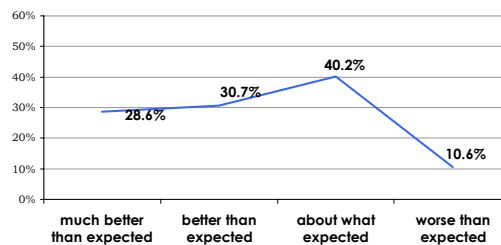
In conclusion, Balloon Fiesta is an extraordinary opportunity for companies and brands to raise awareness and increase the image of their products or services. Balloon Fiesta sponsors are associated with a positive experience and provide a strong opportunity for co-branding and cause related marketing. But, Balloon Fiesta sponsorship is more than a marketing tool. It is providing for the community, generating awareness for the Albuquerque, and enhancing economic impact for the region's businesses.

Special events and communities may enhance their image by providing a safe, efficient, and convenient environment for those who may be traveling to and from the event (while at the same time, minimizing any congestion the event may have on commuters). The guest survey was intentionally designed to determine levels of satisfaction with travel to and from Balloon Fiesta grounds.

Do you consider the traffic to and from Balloon Fiesta Park to be.....



How did the traffic match your expectations?



While 56.1% of survey respondents rate traffic to and from Balloon Fiesta park as 'moderately congested' or 'extremely congested', only 10.6% of respondents indicated that traffic was 'worse than expected'.

Balloon Fiesta organizers take a proactive role in traffic management by promoting mass transportation, or Park 'N Ride. Thirty percent of survey respondents took advantage of the Park 'N Ride. Of this sample, 70.6% indicated they would do so again. And 12.5% indicated they would *maybe* do so again.

Of the seventy percent who did not ride Park 'N Ride, 49.5% indicated that it is *no more convenient than driving*. Another 19.8% *don't like taking buses/ shuttle/public transportation*. Sixteen percent of the sample indicated that *there is no Park 'N Ride pick up location near where they live/stay* and 14.6% believe it is *too expensive*.