

Final Report Prepared for the Des Moines Register for RAGBRAI

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Report Title: The Economic Impact & Spectator Characteristics of RAGBRAI

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Non-Technical Summary

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Research suggests tangible positive outcomes of sports tourism and outdoor recreation (events like RAGBRAI) on a community level. Sport tourism has the potential to generate economic, social, and personal benefits and contribute to enhanced community identity.

RAGBRAI is an event unique to Iowa. This ride is the longest, largest and oldest touring bicycle ride in the world, beginning in 1973. This study examines biker profiles, travel patterns, motivations, as well as economic impact of visitors to Iowa communities while participating in The Registers Annual Great Bicycle Ride Across Iowa (RAGBRAI). This study presents:

- Profile of the visitors to local communities (party and trip characteristics, visitor's demographic profile and socio-economic status);
- Visitor's travel motivations and satisfaction;
- Spending patterns, and
- Economic impact of RAGBRAI in the participating communities

The data for the study was collected using a questionnaire based survey that was distributed to visitors at the participating communities along the RAGBRAI route during the last week of July, 2008. All of the participating overnight communities were used as data collection points for this study.

Over the past 36 years, RAGBRAI has attracted both first time and repeat visitors to this famous bicycle ride across the state. It is documented that these visitors not only come from all over the country but literally from all over the world for the purpose to participate, provide riders support, and watch this spectacular event. More than half of the visitors surveyed have been to Iowa for RAGBRAI previously. The main sources of information used for gathering information in regards to RAGBRAI were word of mouth, websites, and the newspaper.

The main motives for traveling to Iowa for RAGBRAI was to ride (78%) and to support riders (14%) while less than 3% mentioned they visited for the purpose of either visiting the area, a side trip, business trip, or just visiting friends/family. Over 90% of respondents were either satisfied or very satisfied with their overall experience with RAGBRAI, and repeat visitors expressed higher levels of satisfaction as compared to the first-time visitors.

Nearly 99% of visitors were on an overnight trip, with more than 63% of the respondents completing the whole ride which consists of 8 days, 7 nights most often at the established campgrounds for RAGBRAI riders and supporters. Roughly 33% of the visitors surveyed were Iowa residents while the other 67% of the respondents were from 37 other states throughout the country, as well as Canada. Visitor's age ranged from 12 years of age to 83 years of age with the average age being 41. Of the visitors surveyed 60% were female while the other 40% were male.

The numbers below have been calculated for an average travel party size of 1.93. For the participants which required travel to Iowa for this event it's important to note that buying a bike (M=\$1143.45) and buying bike clothing and accessories (M=\$223.53) were by far the largest expenses recorded for these participants. Next transportation expenses and gas was recorded as the highest spending category (M=\$169.38), closely followed by lodging (M=\$149.96), transporting a bike (M=\$141.21) recreation and entertainment (M=\$120.38), restaurant and bar meals and drinks (M=\$89.23), shopping for souvenirs and clothes (M=\$85.13), buying locally produced foods (M=\$81.61), repairing a bike (M=\$80.88), and last of all grocery/convenience store food and drink (M=\$64.07).

Once in Iowa participants again mentioned that buying a bike was by far the largest of their expenditures (M=\$686.36), followed by restaurants and bar meals and drinks (M=\$252.13), transportation expenses and gas (M=\$215.28), lodging (M=\$135.06), buying bike clothing and accessories (M=122.10), buying locally produced foods (M=\$111.79), transporting a bike (M=\$109.11), grocery/convenience store food and drink (M=\$106.54), shopping for souvenirs (M=\$83.90), admissions recreation and entertainment (\$57.90) and last of all repairing a bike at a shop (M=40.37). Again these expenditures were based upon an average travel party size of 1.93.

Total direct spending (dollars paid for services by travel parties for the event) while in Iowa for the event was estimated at \$16,908,642 (8802 travel parties paying an average of \$1,921) in Iowa. To arrive in Iowa, the participants total DIRECT spending (dollars paid for services by travel parties traveling to Iowa for the event) were estimated to be \$20,684,700 (8802 travel parties paying on average \$2350 per travel party).

Multipliers were calculated for the event. The table below provides two estimates of impact: Model 1 consists only of the counties along the route; while Model 3 utilizes the standard to calculate adjacent counties in addition to the counties along the route. Model 2 includes adjacent counties with the exception of Black Hawk, Linn, and Polk counties – homes to metropolitan areas of Cedar Falls/ Waterloo, Cedar Rapids, and Des Moines – in order to avoid overinflating economic impacts and multipliers. It can be noted that the total direct, indirect and induced spending for RAGBRAI in 2008 is somewhere in between \$24.5 and \$25.7mln.

The economic impact of RAGBRAI: comparison of three models*

	Model 1	Model 2	Model 3
Total output	\$24,446,652	\$24,726,856	\$25,655,701
Output multiplier	1.49	1.5	1.56
Total value added/ Income	\$14,955,202	\$14,893,662	\$15,602,303
Income multiplier	1.43	1.43	1.49
Total employment/ Jobs	444	468	460
Employment multiplier	1.23	1.21	1.23

* Model results have been deflated and aggregated, and are provided in 2007 dollars.

All of these expenditures boost the local economy for each host community. This report focuses on those communities which hosted overnight stays but it is evident that every community along the route receives an important economic boost from this established mega event. As long as this event exists there will be competition amongst communities to host an overnight stay or be included on the route. As a comparison of spending patterns, RAGBRAI travel parties out spend all other tourism events/venues that have been researched by the University of Northern Iowa's Sustainable Tourism and Environment Program (STEP), see www.uni.edu/step.

The Economic Impact & Participant Characteristics of RAGBRAI

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Introduction

The tourism and travel industry is widely recognized today as one of the most important and fastest growing economic sectors, generating 8.3% of total employment (214.7 million jobs), and contributing over 10.4% of global GDP (WTTC, 2005). It has also emerged as a new “sunrise” industry for many rural destinations that wish to adjust themselves economically, socially, and politically to the new global environment (Hall & Mitchell, 2000). More and more rural areas seek to innovate and diversify their agricultural bases through tourism-related consumption and production (Hall, 2005). In this context the relationship between sports and tourism presents significant opportunities for rural diversification.

Research suggests tangible positive outcomes of sport tourism on a community level as well as a national or even international level. Other than positively influencing its communities, sports tourism also enables the development of a “sense of place,” as well a potential to generate economic benefits and support sustainable community and tourism development. The actual events are a major component of sport tourism and perhaps the most significant in terms of tourist numbers and economic impact (Hudson, 2002, p.49). Sport tourism is recognized internationally as a substantial and highly desirable niche market. Due to this recognition there are a number of areas throughout the country that are beginning to identify sport tourism as an effective way to more efficiently market their offerings. Some cities/communities are beginning to form sport commissions to facilitate this form of travel and to take advantage of all its opportunities.

Due to the maturity of sports marketing, destinations around the world are competing vigorously for opportunities to host sporting events. “In recent year’s large scale, high-profile sporting events have increasingly been critically positioned in the marketing, decision-making and strategy development of tourism destinations” (Gibson, 1998). These “mega-events,” events which are of unusually large size and impact (Hudson, 2002) are becoming more and more successful due to this competition. For example sporting events all over the world are being bid on by communities for a chance to host. These communities are bidding on an opportunity to host the event in which they expect a much larger financial return. Due to this competition the events themselves are maturing in both quality and popularity.

Sports tourism can be identified from a variety of different angles, one being no more important than the other. “From the destinations perspective, sport event tourism is the development and marketing of sport events to obtain economic and community benefits. To the consumer, it is travel for the purpose of participating in, or viewing, a sport event” (Hudson, 2002).

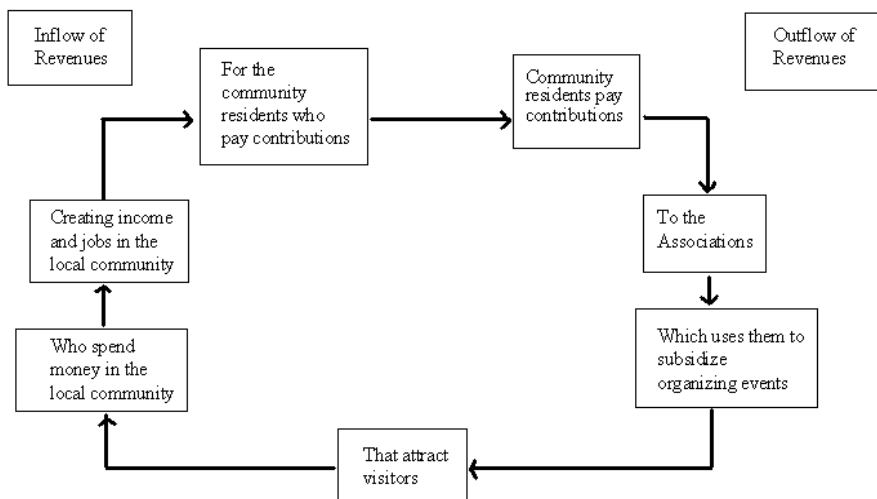
The economic impact of special events and tournaments is well documented in the literature. As is the case in most communities in the U.S., economic impacts of events are reported to garner support for the events. Unfortunately, the estimates are sometimes misleading in that they did not rely on primary data collected at that event. Events do differ with regard to the type of attendee, the spending pattern and traveler characteristics (www.uni.edu/step). This proposal presents a means to collect accurate primary data on RAGBRAI for use in describing the total economic profile of the event, as well as the impacts made within the counties along the route.

The growing attractiveness of bicycling events in the United States has been documented by a number of states, including but not limited to Colorado, Wisconsin, Georgia, and North Carolina.

Bicycling events are attractive for communities to host. The number of major events are increasing, along with a growing interest by travelers to participate. The marriage of bicycling events, trails and tourism offers states and communities a unique opportunity of economic growth and development.

The purpose of this study is to research the economic impact of the Registers Annual Great Bicycle Ride Across Iowa or RAGBRAI. Economic impact studies are needed to demonstrate the economic contribution to the community (Crompton, Lee, & Shuster, 2001; Wang, 1997; McHone and Rungeling 2000). The economic impact is estimated from the expenditures made by spectators, riders, and support personnel, either directly or indirectly associated with the given event (Murphy and Carmichael, 1991). They supplement the traditional financial balance sheets provided to the government (Crompton, Lee, & Shuster, 2001), since they address the broader issue of what community residents receive in return of their investment of tax funds.

Figure 1. The conceptual rationale for undertaking economic impact studies.



As illustrated above in Figure 1 (adopted from Crompton, Lee and Schuster 2001), the process begins with the residents of the community paying different funds to a variety of organizations or associations in the form of contributions. Then these associations use these funds to subsidize production of an event or the development of a facility. These types of actions attract nonresident visitors who visit and spend money in the local community. This money which is brought in from other surrounding areas creates income and jobs for the residents in the local community. This cycle is then completed once the community residents invest contribution funds and they receive the return on their investment in the form of new jobs and more household incomes.

Based on above, the task of this economic impact analysis is to 1) estimate the magnitude of the return to Iowa and 2) to provide a tool for the RAGBRAI officials to further support and develop

future events. This particular study was conducted to measure the economic impact of RAGBRAI, which takes place annually on the last week of July. This bike ride across Iowa has been growing in size for the last three decades.

The Register's bicycling tradition began as just an idea of a good challenge, and on August 26th, 1973 about 300 people showed up for the start of "The Great Six-Day Bicycle Ride," across Iowa beginning in Sioux City. Throughout the race the number of riders grew until eventually the number increased to 500 riders on the stretch between Ames and Des Moines. When all was said and done there were only 114 riders who completely finished what was soon to be named the largest and oldest touring bicycle ride in the world.

RAGBRAI has been growing rapidly since its introduction in 1973. One year later the race was called SAGBRAI or (Second Annual Bicycle Ride Across Iowa) because they knew what to expect they had much more time to plan out this race. This ride was planned much better with use of the Iowa State Patrol and other services which provided a much better experience for the riders. Within one year the race had grown from 300 riders to approximately 2,700 riders. As the years went on this event continued to flourish eventually leading up to RAGBRAI XXXIV, which was in 2006. This event brought in approximately 20,000 riders, but it doesn't stop there. RAGBRAI XXXIV attracted international celebrities such as Lance Armstrong and local celebrities such as Kirk Ferentz who alone attracted thousands of more riders and spectators.

Due to the fact that RAGBRAI seems to become more popular every year they had to try to control the crowds to ensure people's safety. Every year RAGBRAI officials limit the number of week-long riders to 8,500 in order to maintain a sense of control and insure fewer injuries. A week-long rider fee is \$125, a week-long non-rider fee is \$35, and a vehicle permit is \$35 also. Participants may also enter for daily wristbands which run \$25 a day, but there is a limit of three days per person for the daily wristbands. Unfortunately because of the size of this race and physical geography it is nearly impossible to limit the riders. Every year thousands of riders just hop on their bikes and join the ride.

RAGBRAI attracts different types of people, all looking to participate in some kind of leisure and recreation. Of the thousands of people that enjoy this event every year, a smaller percentage of people are actually there for the sole purpose of riding their bike across Iowa. People are involved in sport tourism for a wide variety of purposes. It is important to understand some people are expecting a certain type of experience and in order to make your event attractive you must market to all of their needs, wants, and desires. This research is being done in hopes to create a profile for the different types of sport tourists, which will provide tourism planners with a better idea on how to market their communities and events.

No matter what type of experience these individuals are pursuing one thing is relatively consistent, the fact that nearly all of these tourist's are spending money in the communities along the way. Every year there are eight cities chosen along the route across Iowa. All of these cities are extremely fortunate to have thousands of visitors spending a night in their community. Many of these communities have an opportunity to host more people in one night than they will attract all year. In order to assist communities along the RAGBRAI trail to successfully segment their visitor market, this study profiles existing visitors to the State of Iowa and along the RAGBRAI trail and examines the economic impact of sport tourism development in Iowa Communities. The following aspect of sport tourism development will be addressed:

- Profile of the visitors to local communities (party and trip characteristics, visitor's demographic profile and socio-economic status).
- Visitor's travel motivations and satisfaction
- Spending patterns, and
- Economic impact of sports tourism in the participating communities

Organization of this report is as follows. After a brief discussion of study design and methodology, Section A describes visitor party and trip characteristics, Section B reports visitor spending patterns, followed by Section C reports visitor travel motivation and satisfaction, while section D presents demographic and socio-economic profile of visitors. Discussion of finding and recommendations will be provided.

Study Design and Methodology

The data for this study were collected using a questionnaire based survey (see Appendix 2), consisting of four parts:

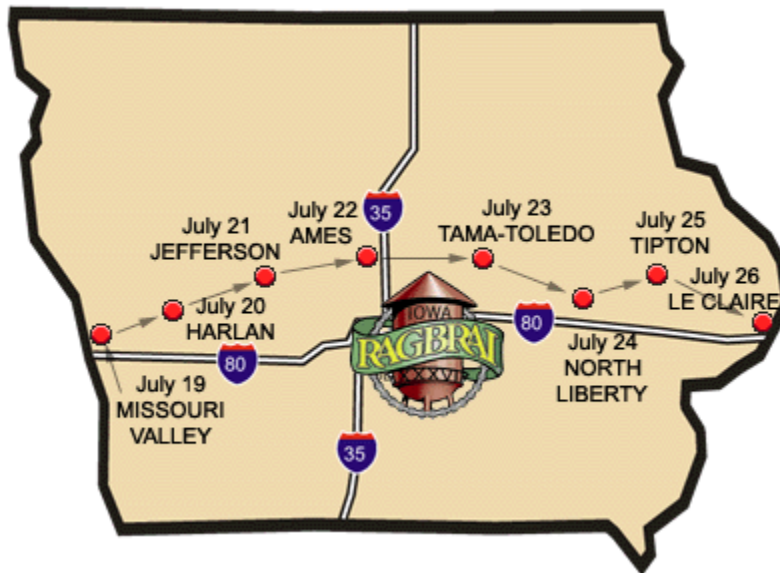
- The first part of the questionnaire included questions about party and trip characteristics (e.g. primary purpose of trip, number of previous trips to the regions, length of stay, travel party size, etc.)
- The second part of the questionnaire included questions on spending patterns for lodging, restaurants, groceries, transportation, admissions, shopping, and buying gifts along the route.
- The third part of the questionnaire included questions on travel motivations and satisfaction with the visit.
- The fourth part of the questionnaire included questions on visitor's demographic profile and socio-economic status (e.g. age, gender, residence, income, and education level).

Prior to the beginning of the project, a pilot survey was distributed by students from the University of Northern Iowa, Sustainable Tourism and Environment Program, in Cedar Falls during the 2007 RAGBRAI route. Pilot testing allowed examination of the survey's limitations, hence minor modifications were made.

Questionnaire surveys were distributed by students from the University of Northern Iowa, Sustainable Tourism and Environment Program throughout the overnight communities at campgrounds, restaurants, bars, and nearby neighborhoods, as the RAGBRAI visitors were spread throughout the communities. A memo on administering surveys was provided to the students with the information on how to intercept visitors (students were asked to intercept every tenth travel party in the case of large visitor numbers, and every third travel party in case of small visitor numbers).

The communities that were selected for the 2008 RAGBRAI trail are as listed: Harlan, Jefferson, Ames, Tama, North Liberty, Tipton, and Le Claire Iowa. All seven of the communities participated in the study, by the end of the route over 340 valid surveys were collected. According

to RAGBRAI officials there were nearly 17,000 different individuals that registered for this event as either week long riders, daily riders or non-riders. It was estimated that any given day there were 20,000 riders on the roads (registered and non-registered). Of the visitors/participants that were surveyed, respondents came from 37 different states as well as a couple provinces from Canada. Data were analyzed using Microsoft Excel, SPSS, and IMPLAN software.



Study Results

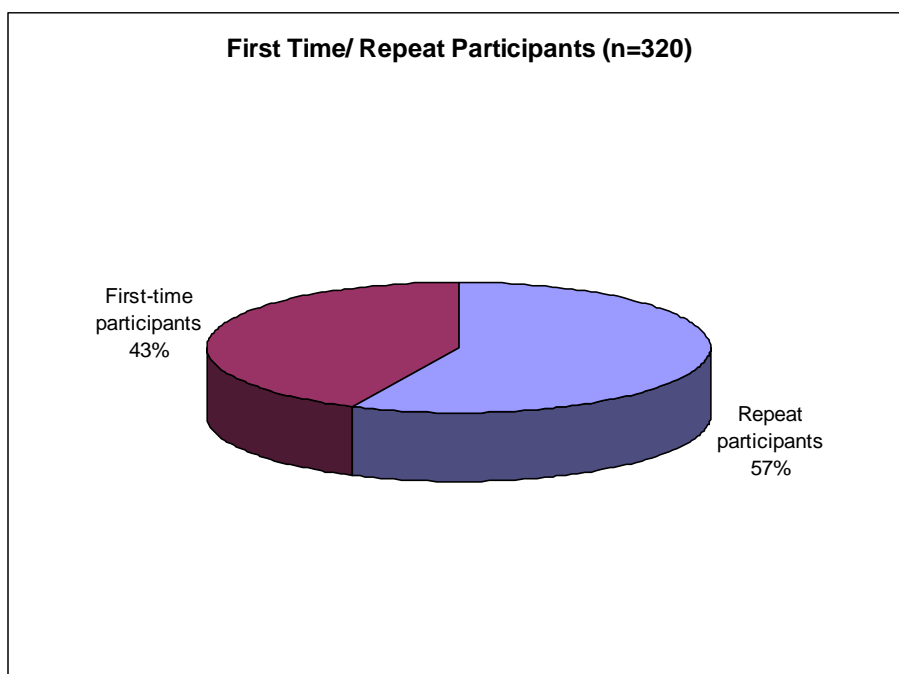
A. Party and Trip Characteristics

For the purposes of this study, visitors are defined as either riders, tourists, participants or support staff. Several party and trip characteristics were identified:

- First/repeat visit to RAGBRAI
- Number of previous visits within the last 5 years
- Primary purpose of the trip
- Length of stay and accommodation used
- Travel party characteristic and size
- Main sources of information used to find out information about RAGBRAI

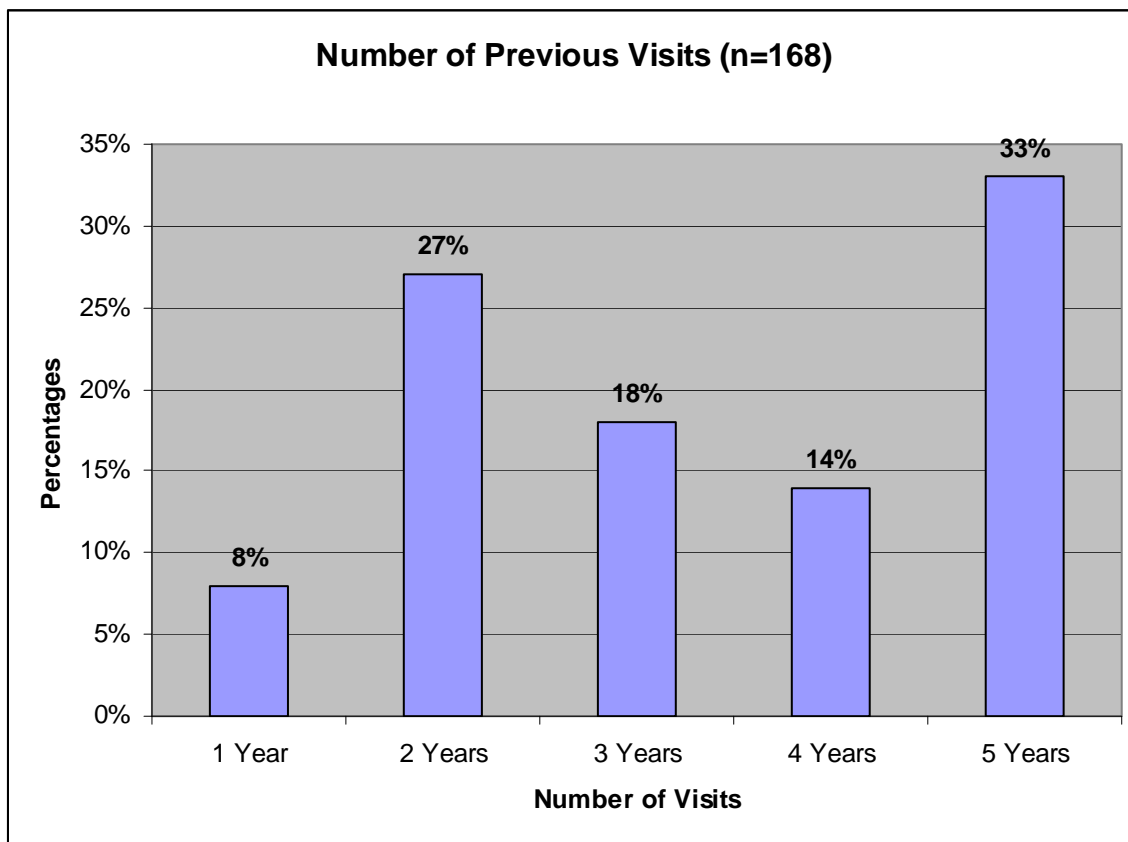
Fifty-seven percent (n=182) of visitors identified themselves as repeat visitors to RAGBRAI, as compared with forty-three percent (n=138) being first-time visitors (see figure 1).

Figure 1 First time and repeat participants (percentages)



Repeat visitors were asked how many times they have traveled for RAGBRAI in the last five years. Of the 182 respondents who identified themselves as repeat visitors to RAGBRAI, a total of 168 recorded the number of times they have participated over the last 5 years as shown below in Figure 2.

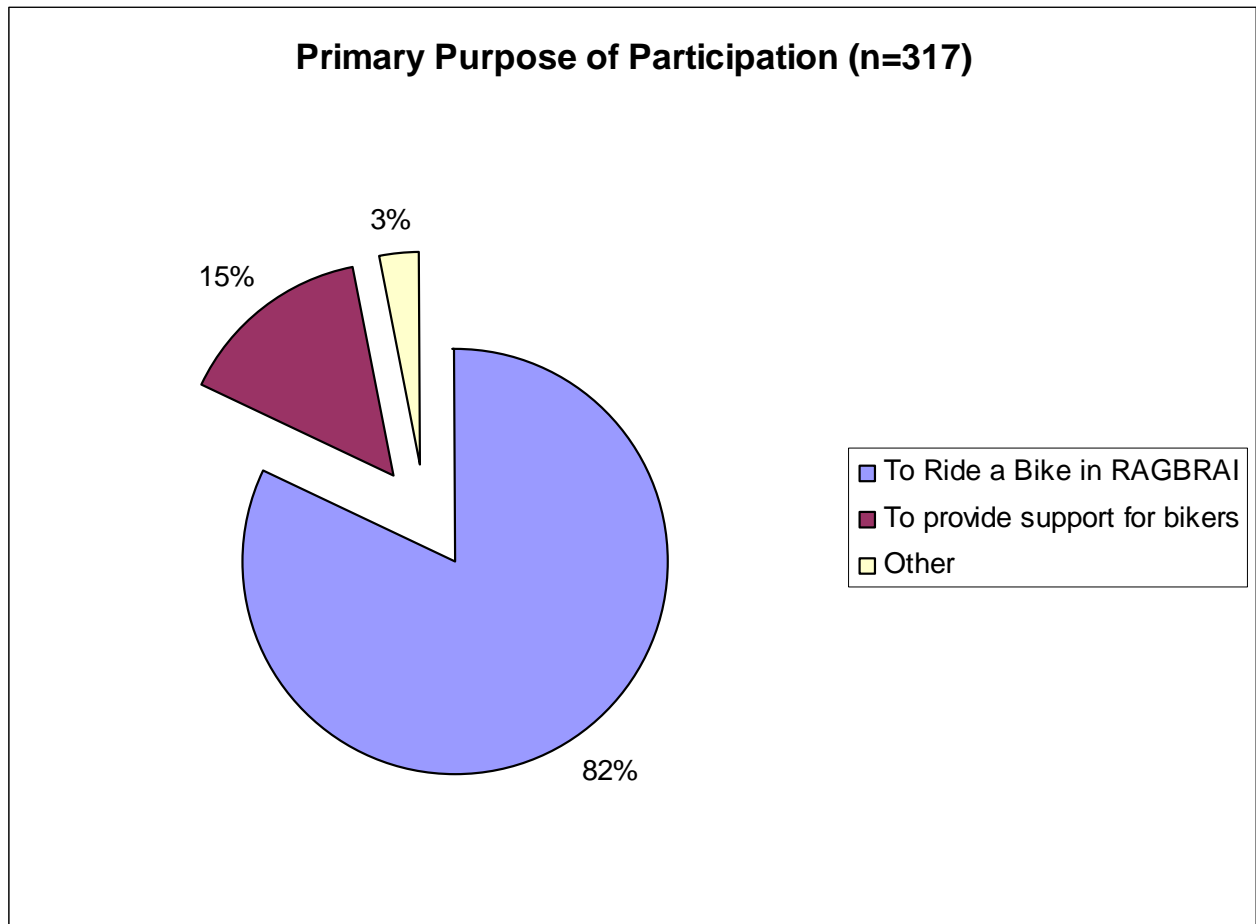
Figure 2 Number of previous visits within the last 5 years (percentages)



Over half of the reporting respondents recorded they have participated in at least 4 of the last 5 years, suggesting RAGBRAI is attracting new tourists/riders as well as gaining loyalty from participating tourists/riders.

When asked about the primary purpose of the trip nearly ninety-seven percent (n=308) of the respondents indicated it was directly to participate in RAGBRAI, either to ride or provide support for the bicyclists. The other three percent (n=9) of the respondents mentioned their primary purpose was one of the following; just visiting the area, a side trip or stop on a trip to another primary destination, business or combined business/pleasure trip, or visiting friends and relatives.

Figure 3 Primary purpose of participation (Percentages)



Figures 4 and 5 below present trip characteristics. Visitors were asked about the length of their stay (whether it was a day trip or an overnight trip, and if overnight, how many nights they stayed in the area). About ninety-nine percent of the respondents recorded they were on an overnight trip. Also the majority of those who were part of an overnight trip mentioned they were there for the entire route which consisted of a minimum of 7 days. Nearly 90% of the respondents mentioned their trip consisted of five nights or longer.

Figure 4 Day or overnight trip (percentages)

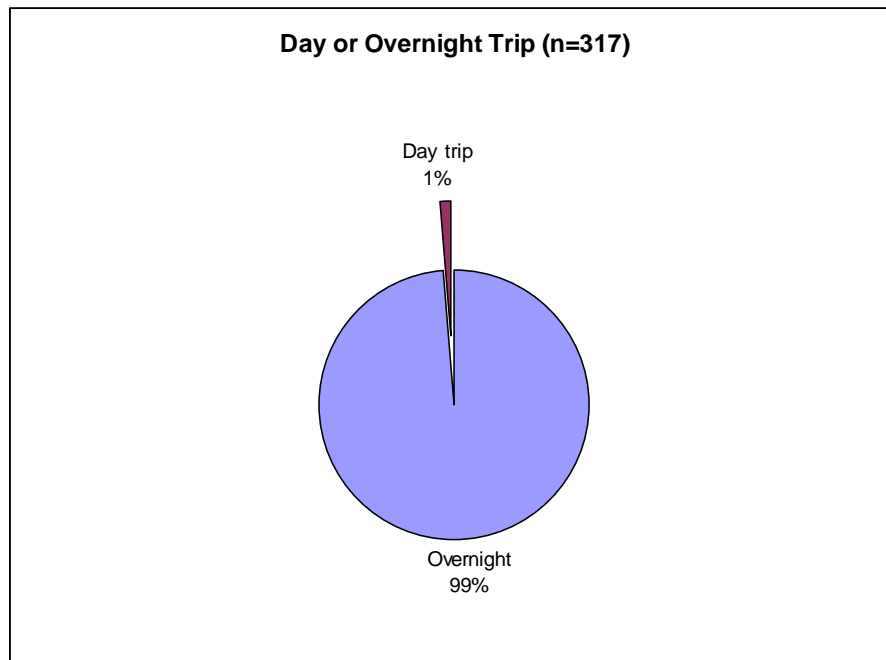
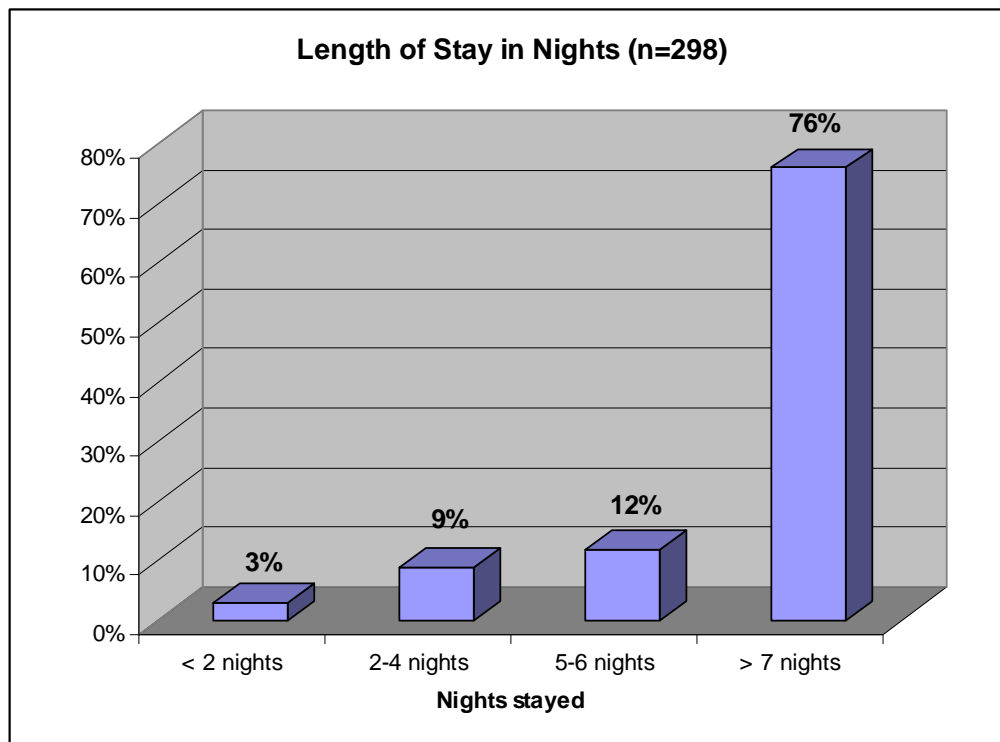
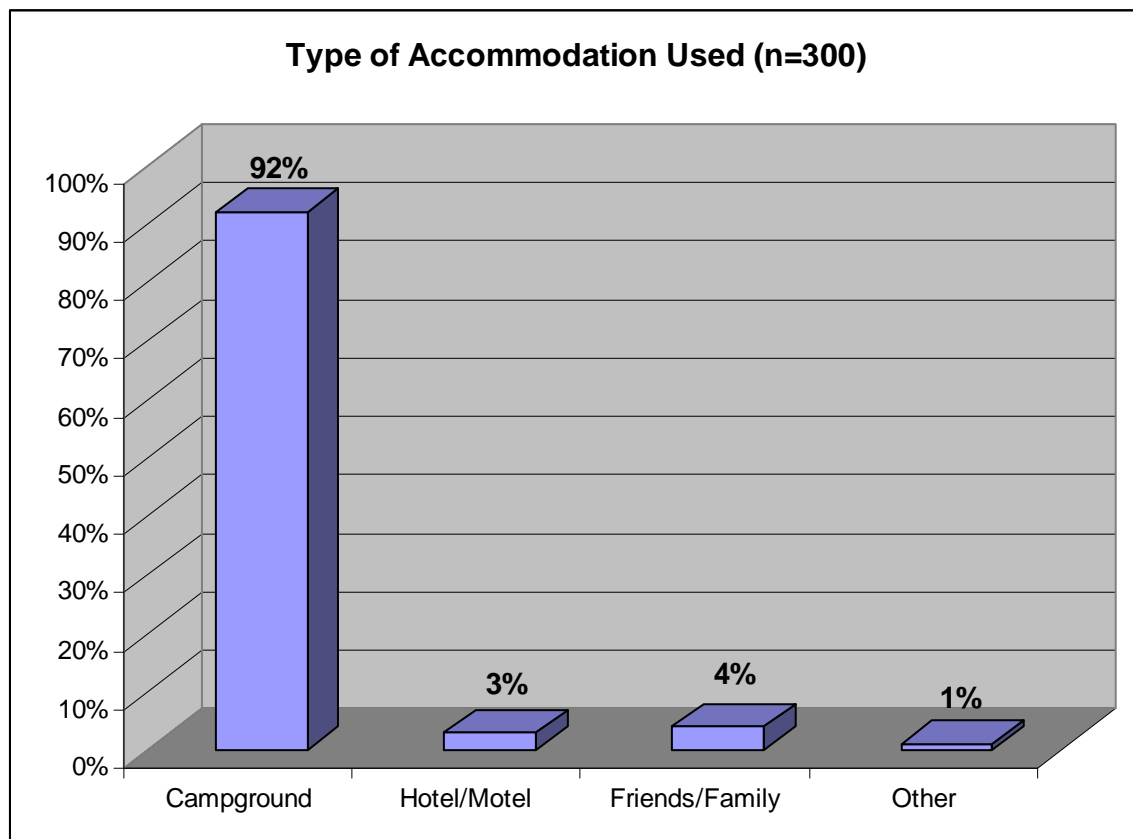


Figure 5 Length of stay in nights (percentages)



With regard to the type of lodging used, five options were available: hotel or motel, campground, staying outside the local area, bed and breakfast, and staying with friends and relatives. Campgrounds were by far the most popular choice for RAGBRAI participants as all of the host communities provided campgrounds as free hospitality for bikers and their support teams/vehicles. Of the 300 respondents, ninety-two percent (n=277) recorded the use of campgrounds for their primary lodging. Some participants would mark more than one type of accommodation, as many teams/individuals will spend the majority of the week camping in the designated campgrounds but will occasionally stay in a hotel or with friends/family along the route. These choices have been taken into consideration.

Figure 6 Type of accommodation used (percentages)



To complete the picture of visitor trip characteristics, survey respondents were asked to describe their travel party. While the majority of participants independently planned their trip, forty-two percent of respondents mentioned they were part of an organized group tour, which means the trip was pre-planned and organized. These organized group tours were planned by both professionals and amateurs, as one or a few people will plan the trip provide all the food, tents, etc. and charge a flat fee for all the riders. This method is appealing for those who are new to the event as they are not really familiar with the event and all the logistics involved.

Figure 7 Travel party characteristics (percentages)

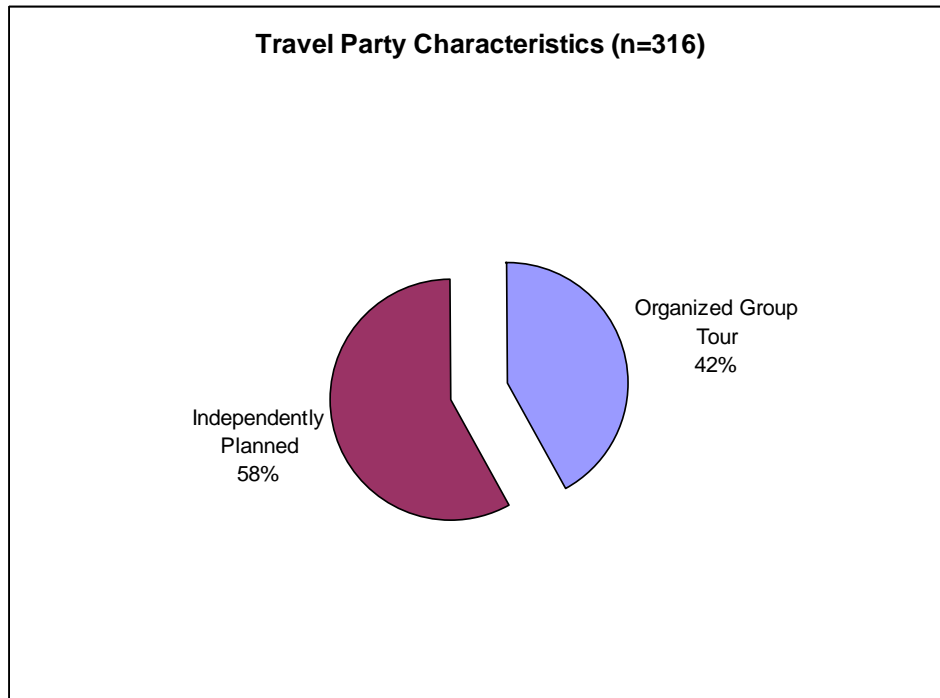
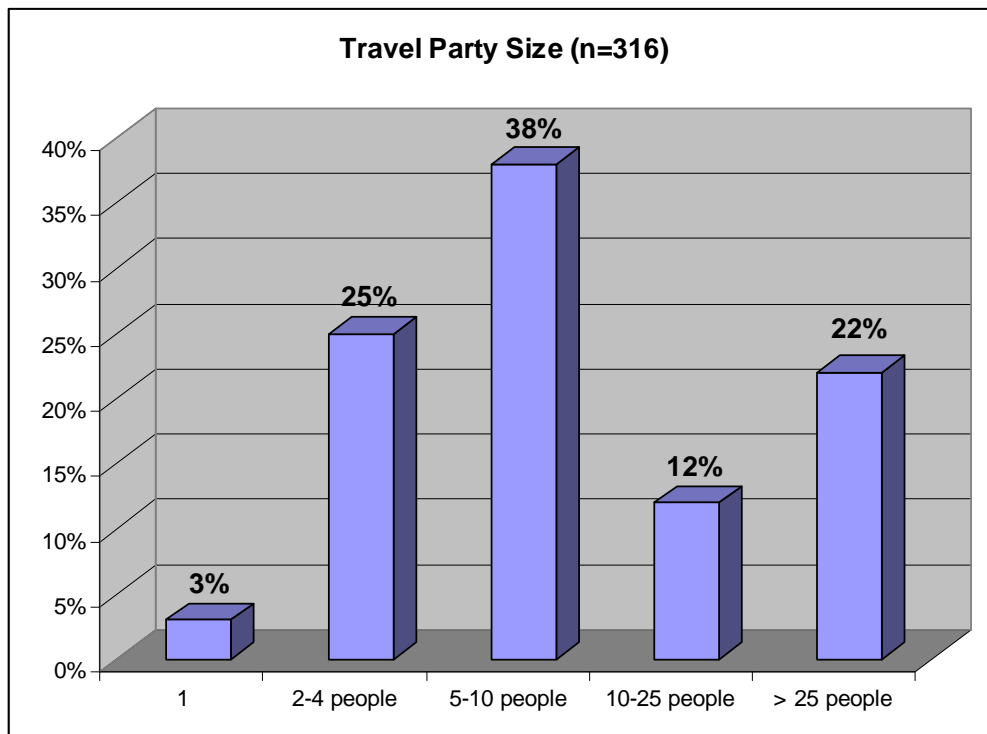


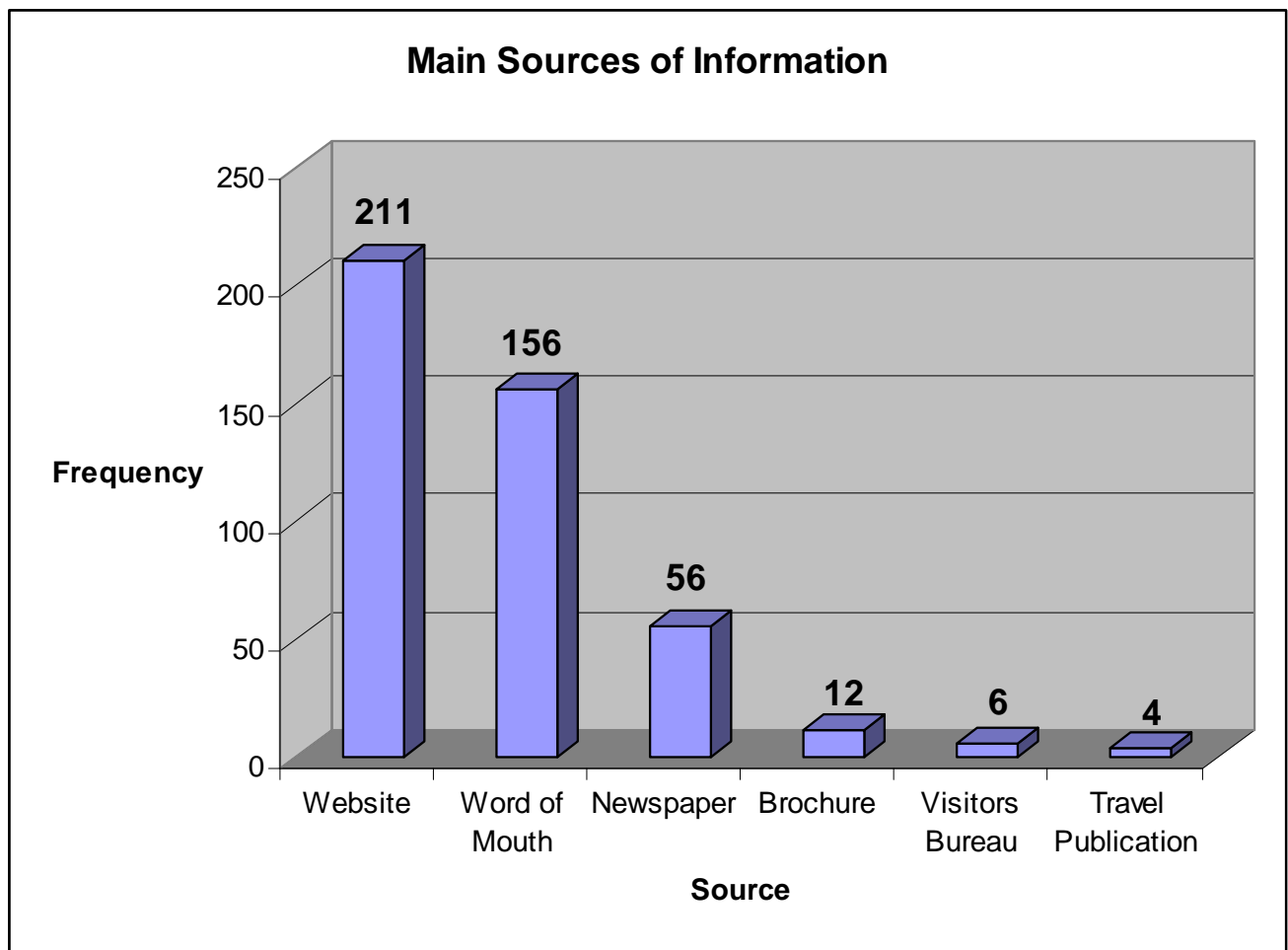
Figure 8 Travel party size (percentages)



In regard to the travel party size, most of the visitors were traveling in fairly large groups. Only about twenty-eight percent of respondents were traveling in groups of less than four. About thirty-two percent of these respondents recorded group sizes of ten or more people. RAGBRAI is an event that attracts many teams, as nearly all the riders bring their own support team as they are unable to carry all of their belongings on their bike.

Survey respondents were then asked where they obtained information about RAGBRAI. Word of mouth, along with the RAGBRAI website (www.ragbrai.org) seemed to be overwhelmingly the most popular source of marketing materials and information regarding RAGBRAI. Other methods included brochures, visitor bureaus, travel publications, and newspapers mainly the Des Moines Register as they provide the main source of marketing information in regards to this great event.

Figure 9 Main sources of information (frequency)



B. Spending Patterns

Survey respondents were asked to estimate their expenditures for their own travel party (most respondents filled these out personally for themselves or their immediate traveling/spending party as they often travelled in large groups). For example, a rider might be with a friend and sharing expenses, yet be riding with a group of 20 riders. The expenditures reported must reflect “travel/spending” party size, not the travel group party size listed above in figure 8. These expenses were for an average travel party size of 1.93. There were two sections, one involving expenses for those who had to travel to get to Iowa and the other being those expenses that occurred in the state of Iowa as a direct result of RAGBRAI. Both sections included the following sub-categories.

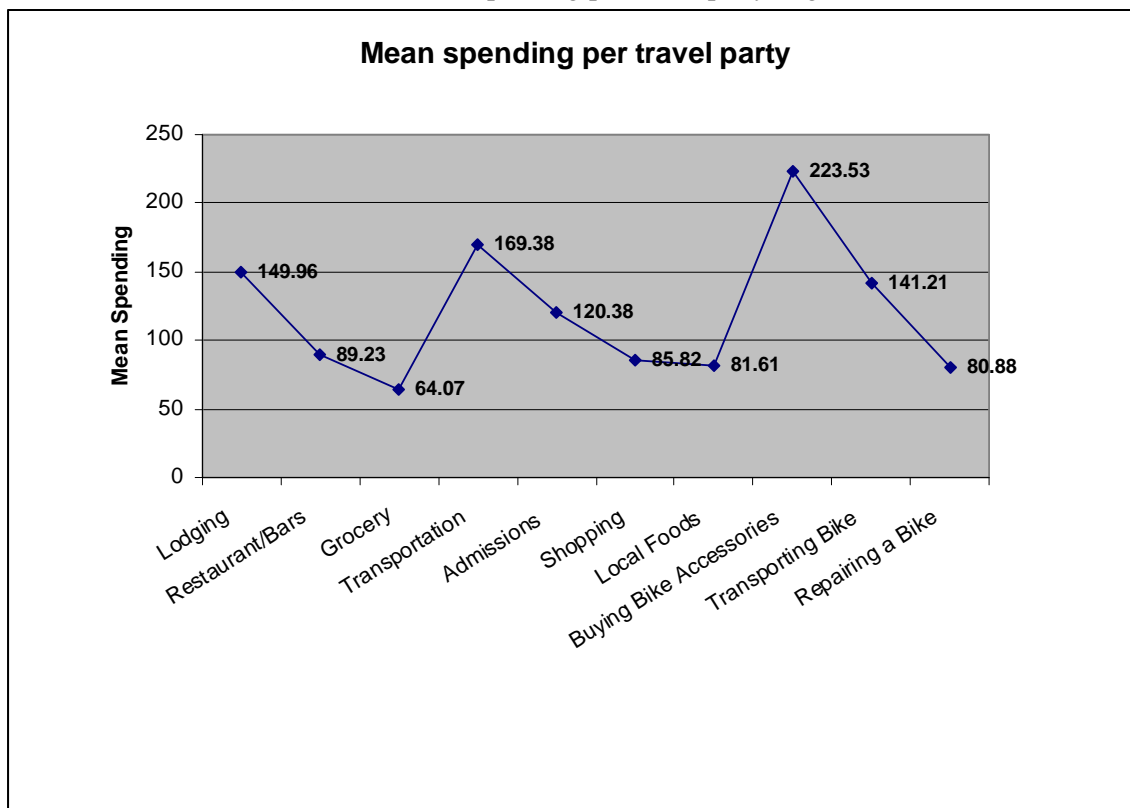
- Lodging
- Restaurant and bar meals and drinks
- Grocery/ convenience store purchases
- Transportation expenses/ gas
- Admissions
- Shopping (souvenirs, clothes, etc)
- Buying Locally produced foods
- Buying a bike
- Buying bike equipment
- Transporting a bike
- Bike repairs

For the participants which required travel to Iowa for this event it is important to note that buying a bike (M=\$1143.45) and buying bike clothing and accessories (M=\$223.53) were by far the largest expenses recorded for these participants. Transportation expenses and gas was recorded as the next highest spending category (M=\$169.38), closely followed by lodging (M=\$149.96), transporting a bike (M=\$141.21) recreation and entertainment (M=\$120.38), restaurant and bar expenses (M=\$89.23), shopping for souvenirs and clothes (M=\$85.13), buying locally produced foods (M=\$81.61), repairing a bike (M=\$80.88), and finally grocery and convenience store purchases (M=\$64.07). Mean travel party expenditures were \$2,350 on the way to Iowa.

Table 1 Spending to get to Iowa per travel party size of 1.93 persons

Spending Category	Mean	Median	Total for Sample
Lodging (hotel, motel, campground, cabin)	\$149.96	100	11847
Restaurant and bar meals and drinks	\$89.23	50	11600
Grocery/convenience store food and drink	\$64.07	30	7368
Transportation expenses and gas	\$169.38	100	29980
Admissions (recreation and entertainment)	\$120.38	50	3130
Shopping (souvenirs, film, clothes)	\$85.82	40	3320
Buying locally produced foods	\$81.61	50	3754
Buying a bike	\$1143.45	223.53	48025
Buying biking clothing helmet etc.	\$223.53	112.5	15200
Transporting a bike	\$141.21	100	4095
Repairing bike	\$80.88	75	3235
TOTALS (Mean/Median Spending)	\$2350	\$931	\$141554

Figure 10 Mean spending per travel party to get to Iowa

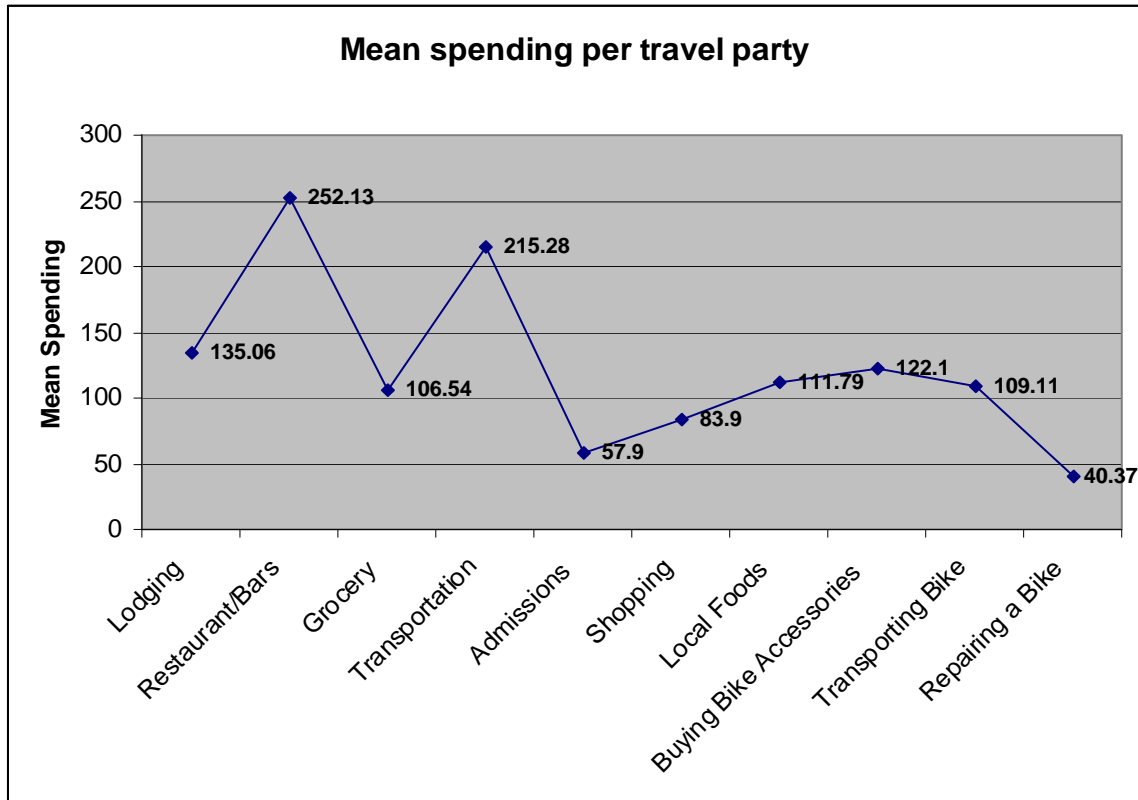


Once in Iowa respondents again mentioned that buying a bike was by far the largest of their expenditures (M=\$686.36), followed by restaurants and bar meals and drinks (M=\$252.13), transportation expenses and gas (M=\$215.28), lodging (M=\$135.06), buying bike clothing and accessories (M=122.10), buying locally produced foods (M=\$111.79), transporting a bike (M=\$109.11), grocery/convenience store food and drink (M=\$106.54), shopping for souvenirs (M=\$83.90), admissions recreation and entertainment (\$57.90) and last of all repairing a bike at a shop (M=40.37). Again these expenditures were based upon average travel party size of 1.93. Mean total travel party expenditures were \$1,921 while in Iowa.

Table 2 Spending in Iowa for RAGBRAI

Spending Category	Mean	Median	Total for Sample
Lodging (hotel, motel, campground, cabin)	\$135.06	102.5	9454
Restaurant and bar meals and drinks	\$252.13	150	60006
Grocery/convenience store food and drink	\$106.54	50	20989
Transportation expenses and gas	\$215.28	140	35521
Admissions (recreation and entertainment)	\$57.9	30	7585
Shopping (souvenirs, film, clothes)	\$83.9	50	13927
Buying locally produced foods	\$111.79	57	19116
Buying a bike	\$686.36	750	17159
Buying biking clothing helmet etc.	\$122.1	62.5	10745
Transporting a bike	\$109.11	80	2946
Repairing bike	\$40.37	21	3149
TOTALS (Mean/Median Spending)	\$1921	\$1493	\$179608

Figure 11 Mean spending per travel party in Iowa for RAGBRAI



In summary, total DIRECT spending (dollars paid for services by travel parties for the event) were \$16,908,642 (8802 travel parties paying an average of \$1,921) in Iowa. To arrive in Iowa, the participants total DIRECT spending (dollars paid for services by travel parties traveling to Iowa for the event) were estimated to be \$20,684,700 (8802 travel parties paying on average \$2350 per travel party).

The Economic Impact of RAGBRAI: IMPLAN I-O Models

Understanding Direct, Indirect and Multiplier Effects

- The multiplier effect refers to the number of times a dollar “changes hands” within the community before it leaks out of the community. For example, the bike rider pays the local merchant, the local merchant spends money at the grocery store, the grocery store pays its cashier, and so on. For ease of interpretation, this number of times a dollar “changes hands” within the community is quantified as one number by which all expenditures are multiplied. It should be remembered however that a multiplier represents an estimate, and should be interpreted respectively.
- The multiplier effect demonstrates the process through which initial spending in a region generates further rounds of re-spending within the region. The rippling process of subsequent re-spending is the multiplier effect. The basic principle of the multiplier effect begins with an initial spending as an increased income into an economy. A portion of the increased income is spent and further re-spent within the region (Archer, 1984; Crompton, 1995; Wang, 1997). In summary, there are three elements that contribute to the total impact of visitor spending: Direct impact (the first-round effect of visitor spending), Indirect impact (the ripple effect of additional rounds of re-circulating the initial visitors' dollars), and Induced impact, which is further ripple effects caused by employees of impacted business spending some of their salaries and wages in other business in the host community (Howard & Crompton, 1995).
- Direct impacts (inputs) are injections in the economy that are multiplied further, based on linkages of different economic sectors in the area. Direct effects are the economic impacts in different economic sectors that are derived directly from the injection of these inputs. Indirect effects measure the total value of supplies and services supplied to related businesses. Induced effects accrue when related businesses and businesses in the indirect industries spend their earnings (wages, salaries, profits, rent and dividends) in goods and services in the area. The total impacts are the sum of direct, indirect and induced effects and are the total of transactions attributable directly to expenditures of bike riders in the selected counties (see Figure on the following page).
- Among the three types of multipliers reported, the employment one is usually believed to be the least reliable and should be interpreted with most caution. In this study it means the number of jobs created is most likely seasonal employment for the duration of the event, and not a number of full-time jobs.

Direct impact

Indirect impact – round 1

Indirect impact – round 2

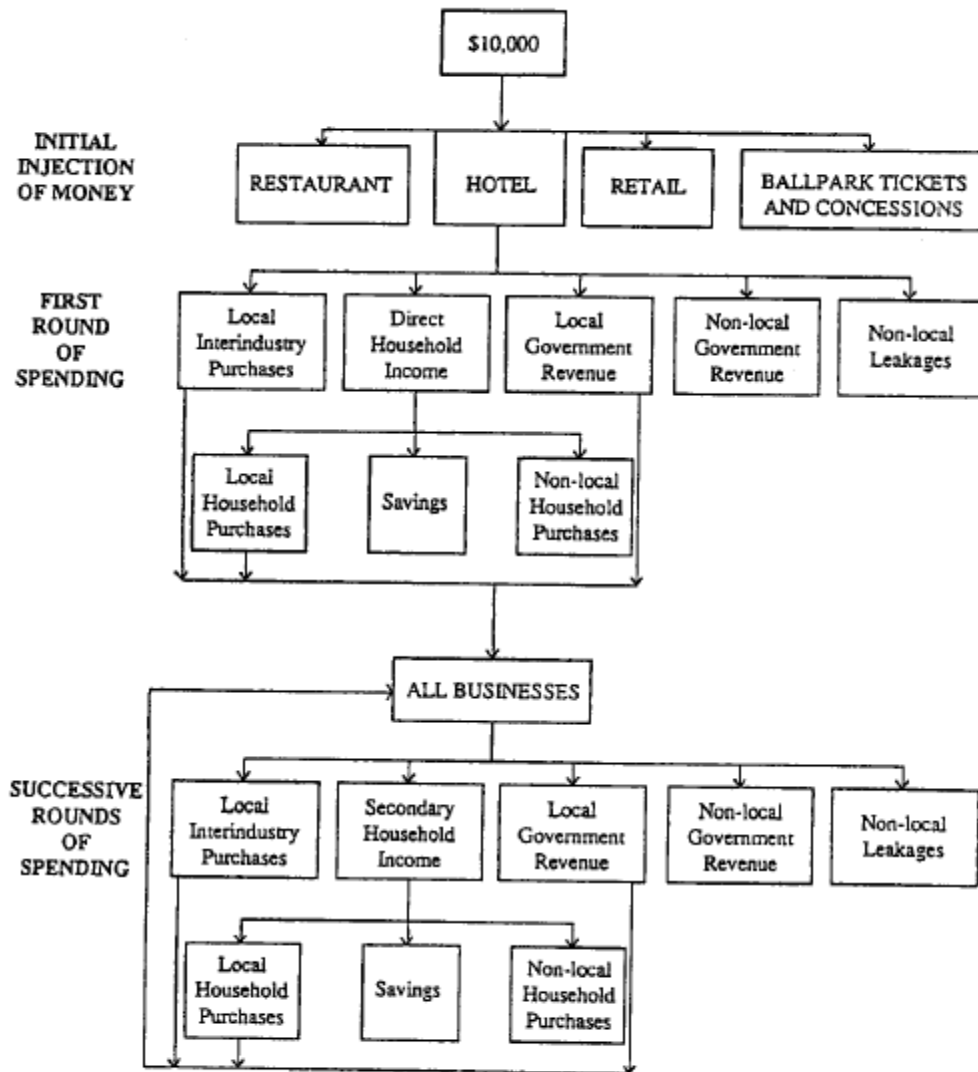


Figure 1 — Illustration of how the multiplier concept operates.

Source: Crompton, J.L., 1995.

The Economic Impact of RAGBRAI: IMPLAN I-O Models

In order to estimate the economic impact of RAGBRAI in selected counties, the uses of the output from each sector were examined as inputs to other sectors of the economy. Resulting models estimate economic effects of RAGBRAI participants' expenditures in selected counties in Iowa on the total value of economic transactions, on the overall level of household income, and on the number of jobs created. Three economic impact models were created: (1) the first model accounted for riders' expenditures in counties on the 2008 route; (2) the second model included contiguous counties, thus expanding the study area from eight to thirty-one counties (note: Black Hawk, Linn, and Polk counties were deliberately excluded from the second model, in order to avoid overinflating economic impacts and multipliers), and (3) the third model included all contiguous counties.

Even though it is a common practice in economic impact studies to include contiguous areas into examination, enlarged study areas carry with them larger economic impacts and higher multipliers, and therefore a risk of overinflating economic impacts. In order to present the most accurate picture of economic impacts of RAGBRAI, all three models are compared side by side (see Table 3 below). The reader is advised to think of real economic impacts as numbers somewhere in the middle. Please note: The literature for multipliers of sporting events range anywhere from .7 to 5 and even 7. Several authors warn about the risks of overstating the impacts, and argue that even multipliers of 2 are too high.

Table 3 The economic impact of RAGBRAI: comparison of three models*

	Model 1	Model 2	Model 3
Total output	\$24,446,652	\$24,726,856	\$25,655,701
Output multiplier	1.49	1.5	1.56
Total value added/ Income	\$14,955,202	\$14,893,662	\$15,602,303
Income multiplier	1.43	1.43	1.49
Total employment/ Jobs	444	468	460
Employment multiplier	1.23	1.21	1.23

* Model results have been deflated and aggregated, and are provided in 2007 dollars.

1. The economic impact of RAGBRAI in counties on the 2008 route

The first economic impact model for the 2008 RAGBRAI included Cedar, Greene, Harrison, Johnson, Scott, Shelby, Story, and Tama counties (a total of eight counties). The area under examination is 4,803 square miles, with the population of 446,203 residents, or 181,159 households (IMPLAN model).

RAGBRAI participants' expenditures had a direct economic impact of \$16.45mln. in direct sales, \$10.43mln. in value added/ income, and supported 362 jobs in the region. In total, accounting for the secondary effects, RAGBRAI participants supported \$24.45mln. in direct sales, \$14.96mln. in value added/ income, and 444 jobs in the area. Retail trade and services accounted for the largest portion in direct sales and income, and generated 387 jobs (see table below). All reported estimates are based on the total number of 17,000 registered participants (or 8,802 spending parties; mean party size 1.93).

Table 4 The economic impact of RAGBRAI in counties on the 2008 route

Sector	Output	Value Added/ Income	Jobs
Agriculture	\$54,332	\$20,601	0
Mining	\$25,773	\$1,856	0
Utilities	\$342,824	\$239,856	1
Construction & maintenance	\$142,071	\$65,512	1
Manufacturing	\$631,684	\$173,094	2
Wholesale and retail trade	\$12,849,792	\$8,965,631	287
Transportation and warehousing	\$1,278,493	\$561,195	20
Information services	\$415,619	\$164,141	3
Finance, insurance & real estate	\$1,890,518	\$1,231,672	12
Professional and technical services	\$1,073,944	\$598,783	13
Other services	\$5,324,278	\$2,678,433	100
Government & civic organizations	\$417,324	\$254,428	6
Total	\$24,446,652	\$14,955,202	444
Multiplier	1.49	1.43	1.23

Source: IMPLAN model for counties on the 2008 route

Further examination of the economic impact of RAGBRAI is provided below. The table below reports the estimated effects of RAGBRAI participants' expenditures on the total value of economic transactions. Direct injections in the economy are estimated at \$16.45mln. Indirect effects of \$3.77mln. represent linkages with other local suppliers of products and services, and induced effects of \$4.23mln. are attributed to further expenditures and turnovers resulting in further employment and revenues. In total, direct, indirect, and induced effects of RAGBRAI participants' expenditures account for \$24.45mln. in direct sales in the area. These numbers produce an estimated gross output multiplier of 1.49 (total/ direct output effects), which could be interpreted as an output of \$1.49 for each \$1 that is spent by a RAGBRAI participant in the region.

Table 5 The economic impact of RAGBRAI in counties on the 2008 route (\$ sales/ output)

Sector	Direct	Indirect	Induced	Total
Agriculture	0	25,868	28,464	54,332
Mining	0	17,014	8,757	25,773
Utilities	0	238,493	104,331	342,824
Construction & maintenance	0	98,985	43,086	142,071
Manufacturing	0	357,803	273,881	631,684
Wholesale and retail trade	11,732,496	247,290	870,005	12,849,792
Transportation and warehousing	920,017	270,191	88,286	1,278,493
Information services	0	296,877	118,742	415,619
Finance, insurance & real estate	0	823,277	1,067,243	1,890,518
Professional and technical services	0	841,051	232,894	1,073,944
Other services	3,798,196	305,143	1,220,941	5,324,278
Government & civic organizations	0	244,457	172,867	417,324
Total	16,450,709	3,766,449	4,229,497	24,446,652

Source: IMPLAN model for counties on the 2008 route

The table below reports the estimated effects of RAGBRAI riders' expenditures on the overall value of household income. The \$10.43mln. in direct personal income is only one component of \$16.45mln. in direct expenditures reported previously. The indirect personal income is \$2.1mln., and the induced personal income is \$2.43mln. In total, direct, indirect, and induced effects of art organizations' expenditures account for \$14.96mln. in personal income in the area. These numbers produce an estimated income multiplier of 1.43.

Table 6 The economic impact of RAGBRAI in counties on the 2008 route (\$ value added/ income)

Sector	Direct	Indirect	Induced	Total
Agriculture	0	9,872	10,728	20,601
Mining	0	1,229	628	1,856
Utilities	0	168,112	71,745	239,856
Construction & maintenance	0	45,639	19,873	65,512
Manufacturing	0	101,843	71,249	173,094
Wholesale and retail trade	8,216,565	161,341	587,726	8,965,631
Transportation and warehousing	352,669	164,662	43,862	561,195
Information services	0	114,298	49,840	164,141
Finance, insurance & real estate	0	558,290	673,384	1,231,672
Professional and technical services	0	464,525	134,253	598,783
Other services	1,860,216	147,159	671,059	2,678,433
Government & civic organizations	0	163,314	91,115	254,428
Total	10,429,450	2,100,284	2,425,462	14,955,202

Source: IMPLAN model for counties on the 2008 route

Lastly, the model examines the number of jobs created and supported by RAGBRAI (see table below). In addition to 362 jobs created as a result of direct employment, 35 indirect and 46 induced jobs are generated in other related and nonprofit sectors (indirect), and in sectors that are peripherally related to the event. An estimated employment multiplier is 1.23.

Table 7 The economic impact of RAGBRAI in counties on the 2008 route (employment/ jobs)

Sector	Direct	Indirect	Induced	Total
Agriculture	0	0	0	0
Mining	0	0	0	0
Utilities	0	0	0	1
Construction & maintenance	0	1	0	1
Manufacturing	0	1	0	2
Wholesale and retail trade	272	2	13	287
Transportation and warehousing	16	3	1	20
Information services	0	2	1	3
Finance, insurance & real estate	0	8	4	12
Professional and technical services	0	10	3	13
Other services	74	5	20	100
Government & civic organizations	0	2	4	6
Total	362	35	46	444

Source: IMPLAN model for counties on the 2008 route

2. The economic impact of RAGBRAI in counties on the 2008 route and their contiguous counties (excluding Black Hawk, Linn, and Polk counties)

The second economic impact model for the 2008 RAGBRAI included not only Cedar, Greene, Harrison, Johnson, Scott, Shelby, Story, and Tama counties, but also their contiguous counties. The resulting study area included Audubon, Benton, Boone, Calhoun, Carroll, Cass, Cedar, Clinton, Crawford, Dallas, Greene, Grundy, Guthrie, Hamilton, Hardin, Harrison, Iowa, Jasper, Johnson, Jones, Marshall, Monona, Muscatine, Pottawattamie, Poweshiek, Scott, Shelby, Story, Tama, Washington, and Webster counties (a total of thirty-one counties). It is a common practice in economic impact studies to include contiguous areas into examination since local economies are interrelated, therefore direct expenditures in one county impact and are impacted by economic forces in contiguous areas. This model however excluded Black Hawk, Linn, and Polk counties – homes to metropolitan areas of Cedar Falls/ Waterloo, Cedar Rapids, and Des Moines – in order to avoid overinflating economic impacts and multipliers. The area under examination is 18,892 square miles, with the population of 1,061,219 residents, or 434,054 households (IMPLAN model).

RAGBRAI participants' expenditures had a direct economic impact of \$16.45mln. in direct sales, \$10.4mln. in value added/ income, and supported 387 jobs in the region. In total, accounting for the secondary effects, RAGBRAI participants supported \$24.73mln. in direct sales, \$14.89mln. in value added/ income, and 468 jobs in the area. Retail trade and services accounted for the largest portion in direct sales and income, and generated 413 jobs (see table below). All reported estimates are based on the total number of 17,000 registered participants (or 8.802 spending parties; mean party size 1.93).

Table 8 The economic impact of RAGBRAI in counties on the 2008 route and their contiguous counties (excluding Black Hawk, Linn, and Polk counties)

Sector	Output	Value Added/ Income	Jobs
Agriculture	\$106,738	\$37,106	0
Mining	\$16,712	\$1,393	0
Utilities	\$347,347	\$243,818	1
Construction & maintenance	\$135,031	\$62,679	1
Manufacturing	\$865,056	\$214,187	2
Wholesale and retail trade	\$12,817,076	\$8,927,469	313
Transportation and warehousing	\$1,285,993	\$538,632	21
Information services	\$435,423	\$169,871	2
Finance, insurance & real estate	\$1,972,889	\$1,223,149	11
Professional and technical services	\$978,753	\$541,567	13
Other services	\$5,365,242	\$2,697,024	100
Government & civic organizations	\$400,596	\$236,767	5
Total	\$24,726,856	\$14,893,662	468
Multiplier	1.50	1.43	1.21

Source: IMPLAN model for counties on the 2008 route and their contiguous counties (excluding Black Hawk, Linn, and Polk counties)

Further examination of the economic impact of RAGBRAI is provided below. The table below reports the estimated effects of RAGBRAI participants' expenditures on the total value of economic transactions. Direct injections in the economy are estimated at \$16.45mln. Indirect effects of \$3.78mln. represent linkages with other local suppliers of products and services, and induced effects of \$4.5mln. are attributed to further expenditures and turnovers resulting in further employment and revenues. In total, direct, indirect, and induced effects of RAGBRAI participants' expenditures account for \$24.73mln. in direct sales in the area. These numbers produce an estimated gross output multiplier of 1.50 (total/ direct output effects), which could be interpreted as an output of \$1.50 for each \$1 that is spent by a RAGBRAI participant in the region.

Table 9 The economic impact of counties on the 2008 route and their contiguous counties (excluding Black Hawk, Linn, and Polk counties) (\$ sales/ output)

Sector	Direct	Indirect	Induced	Total
Agriculture	0	55,351	51,388	106,738
Mining	0	10,189	6,523	16,712
Utilities	0	237,969	109,378	347,347
Construction & maintenance	0	91,530	43,501	135,031
Manufacturing	0	475,018	390,049	865,056
Wholesale and retail trade	11,732,496	229,215	855,362	12,817,076
Transportation and warehousing	920,017	269,900	96,077	1,285,993
Information services	0	299,277	136,144	435,423
Finance, insurance & real estate	0	810,810	1,162,080	1,972,889
Professional and technical services	0	761,956	216,795	978,753
Other services	3,798,196	297,950	1,269,095	5,365,242
Government & civic organizations	0	233,515	167,080	400,596
Total	16,450,709	3,772,680	4,503,472	24,726,856

Source: IMPLAN model for counties on the 2008 route and their contiguous counties (excluding Black Hawk, Linn, and Polk counties)

The table below reports the estimated effects of RAGBRAI riders' expenditures on the overall value of household income. The \$10.4mln. in direct personal income is only one component of \$16.45mln. in direct expenditures reported previously. The indirect personal income is almost \$2mln., and the induced personal income is \$2.5mln. In total, direct, indirect, and induced effects of RAGBRAI participants' expenditures account for \$14.89mln. in personal income in the area. These numbers produce an estimated income multiplier of 1.43.

Table 10 The economic impact of RAGBRAI in counties on the 2008 route and their contiguous counties (excluding Black Hawk, Linn, and Polk counties) (\$ value added/ income)

Sector	Direct	Indirect	Induced	Total
Agriculture	0	19,167	17,940	37,106
Mining	0	865	527	1,393
Utilities	0	168,149	75,669	243,818
Construction & maintenance	0	42,549	20,131	62,679
Manufacturing	0	122,191	91,999	214,187
Wholesale and retail trade	8,203,135	148,817	575,517	8,927,469
Transportation and warehousing	333,807	159,127	45,698	538,632
Information services	0	111,808	58,066	169,871
Finance, insurance & real estate	0	509,208	713,939	1,223,149
Professional and technical services	0	417,431	124,136	541,567
Other services	1,867,771	141,922	687,335	2,697,024
Government & civic organizations	0	153,678	83,089	236,767
Total	10,404,713	1,994,912	2,494,046	14,893,662

Source: IMPLAN model for counties on the 2008 route and their contiguous counties (excluding Black Hawk, Linn, and Polk counties)

Lastly, the model examines the number of jobs created and supported by RAGBRAI (see table below). In addition to 387 jobs created as a result of direct employment, 33 indirect and 47 induced jobs are generated in other related and nonprofit sectors (indirect), and in sectors that are peripherally related to the event. An estimated employment multiplier is 1.21.

Table 11 The economic impact of counties on the 2008 route and their contiguous counties (excluding Black Hawk, Linn, and Polk counties) (employment/ jobs)

Sector	Direct	Indirect	Induced	Total
Agriculture	0	0	0	0
Mining	0	0	0	0
Utilities	0	0	0	1
Construction & maintenance	0	1	0	1
Manufacturing	0	1	1	2
Wholesale and retail trade	297	2	14	313
Transportation and warehousing	17	3	1	21
Information services	0	2	1	2
Finance, insurance & real estate	0	7	4	11
Professional and technical services	0	10	3	13
Other services	73	6	21	100
Government & civic organizations	0	2	3	5
Total	387	33	47	468

Source: IMPLAN model counties on the 2008 route and their contiguous counties (excluding Black Hawk, Linn, and Polk counties)

3. The economic impact of RAGBRAI in counties on the 2008 route and their contiguous counties (including Black Hawk, Linn, and Polk counties)

The third economic impact model for the 2008 RAGBRAI included counties on the 2008 route, as well as all of their contiguous counties. The resulting study area included Audubon, Benton, Black Hawk, Boone, Calhoun, Carroll, Cass, Cedar, Clinton, Crawford, Dallas, Greene, Grundy, Guthrie, Hamilton, Hardin, Harrison, Iowa, Jasper, Johnson, Jones, Linn, Marshall, Monona, Muscatine, Polk, Pottawattamie, Poweshiek, Scott, Shelby, Story, Tama, Washington, and Webster counties (a total of thirty-four counties). The area under examination is 20,747 square miles, with the population of 1,812,840 residents, or 745,981 households (IMPLAN model).

RAGBRAI participants' expenditures had a direct economic impact of \$16.45mln. in direct sales, \$10.49mln. in value added/ income, and supported 375 jobs in the region. In total, accounting for the secondary effects, RAGBRAI participants supported \$25.66mln. in direct sales, \$15.6mln. in value added/ income, and 460 jobs in the area. Retail trade and services accounted for the largest portion in direct sales and income, and generated 404 jobs (see table below). All reported estimates are based on the total number of 17,000 registered participants (or 8,802 spending parties; mean party size 1.93).

Table 12 The economic impact of RAGBRAI in counties on the 2008 route and their contiguous counties

Sector	Output	Value Added/ Income	Jobs
Agriculture	\$70,126	\$25,475	0
Mining	\$13,037	\$1,119	0
Utilities	\$365,509	\$254,772	1
Construction & maintenance	\$156,235	\$72,344	2
Manufacturing	\$846,838	\$209,129	2
Wholesale and retail trade	\$13,007,153	\$9,063,000	305
Transportation and warehousing	\$1,316,945	\$624,752	19
Information services	\$491,416	\$201,915	2
Finance, insurance & real estate	\$2,431,667	\$1,499,037	14
Professional and technical services	\$1,091,477	\$616,469	13
Other services	\$5,487,538	\$2,804,344	99
Government & civic organizations	\$377,760	\$229,947	5
Total	\$25,655,701	\$15,602,303	460
Multiplier	1.56	1.49	1.23

Source: IMPLAN model for counties on the 2008 route and their contiguous counties

Further examination of the economic impact of RAGBRAI is provided below. The table below reports the estimated effects of RAGBRAI participants' expenditures on the total value of economic transactions. Direct injections in the economy are estimated at \$16.45mln. Indirect effects of \$4.2mln. represent linkages with other local suppliers of products and services, and induced effects of \$5mln. are attributed to further expenditures and turnovers resulting in further employment and revenues. In total, direct, indirect, and induced effects of RAGBRAI participants' expenditures account for \$25.66mln. in direct sales in the area. These numbers produce an estimated gross output multiplier of 1.56 (total/ direct output effects), which could be interpreted as an output of \$1.56 for each \$1 that is spent by a RAGBRAI participant in the region.

Table 13 The economic impact of counties on the 2008 route and their contiguous counties (\$ sales/ output)

Sector	Direct	Indirect	Induced	Total
Agriculture	0	34,375	35,750	70,126
Mining	0	8,019	5,017	13,037
Utilities	0	249,171	116,337	365,509
Construction & maintenance	0	106,557	49,678	156,235
Manufacturing	0	460,402	386,445	846,838
Wholesale and retail trade	11,732,496	299,846	974,810	13,007,153
Transportation and warehousing	920,017	292,978	103,950	1,316,945
Information services	0	339,683	151,731	491,416
Finance, insurance & real estate	0	1,046,371	1,385,296	2,431,667
Professional and technical services	0	825,346	266,130	1,091,477
Other services	3,798,196	318,430	1,370,914	5,487,538
Government & civic organizations	0	220,122	157,638	377,760
Total	16,450,709	4,201,300	5,003,696	25,655,701

Source: IMPLAN model for counties on the 2008 route and their contiguous counties

The table below reports the estimated effects of RAGBRAI riders' expenditures on the overall value of household income. The \$10.49mln. in direct personal income is only one component of \$16.45mln. in direct expenditures reported previously. The indirect personal income is \$2.3mln., and the induced personal income is \$2.8mln. In total, direct, indirect, and induced effects of RAGBRAI participants' expenditures account for \$15.6mln. in personal income in the area. These numbers produce an estimated income multiplier of 1.49.

Table 14 The economic impact of RAGBRAI in counties on the 2008 route and their contiguous counties (\$ value added/ income)

Sector	Direct	Indirect	Induced	Total
Agriculture	0	12,355	13,122	25,475
Mining	0	701	419	1,119
Utilities	0	175,184	79,590	254,772
Construction & maintenance	0	49,280	23,063	72,344
Manufacturing	0	117,173	91,957	209,129
Wholesale and retail trade	8,208,727	196,037	658,237	9,063,000
Transportation and warehousing	394,396	178,534	51,823	624,752
Information services	0	135,050	66,867	201,915
Finance, insurance & real estate	0	679,823	819,213	1,499,037
Professional and technical services	0	461,605	154,863	616,469
Other services	1,890,151	156,530	757,667	2,804,344
Government & civic organizations	0	148,818	81,127	229,947
Total	10,493,274	2,311,090	2,797,948	15,602,303

Source: IMPLAN model for counties on the 2008 route and their contiguous counties

Lastly, the model examines the number of jobs created and supported by RAGBRAI (see table below). In addition to 375 jobs created as a result of direct employment, 35 indirect and 49 induced jobs are generated in other related and nonprofit sectors (indirect), and in sectors that are peripherally related to the event. An estimated employment multiplier is 1.23.

Table 15 The economic impact of counties on the 2008 route and their contiguous counties (employment/ jobs)

Sector	Direct	Indirect	Induced	Total
Agriculture	0	0	0	0
Mining	0	0	0	0
Utilities	0	0	0	1
Construction & maintenance	0	1	0	2
Manufacturing	0	1	1	2
Wholesale and retail trade	288	3	14	305
Transportation and warehousing	15	3	1	19
Information services	0	2	1	2
Finance, insurance & real estate	0	8	5	14
Professional and technical services	0	10	3	13
Other services	72	5	21	99
Government & civic organizations	0	2	3	5
Total	375	35	49	460

Source: IMPLAN model counties on the 2008 route and their contiguous counties

C. Travel Motivations and Satisfaction

Visitors were asked to indicate their agreement with several motives for participating in RAGBRAI, on a five point Likert-type scale (5=strongly agree, 4=agree, 3=neither agree or disagree, 2=disagree, 1=strongly disagree). Please see below in figure 12 for the mean responses.

Its important to keep in mind respondents were all there for different purposes, while some individuals rode the route, others where support riders/teams. There were also a large number of people who attend RAGBRAI simply to witness the event.

Figure 12 Average response for travel motivations

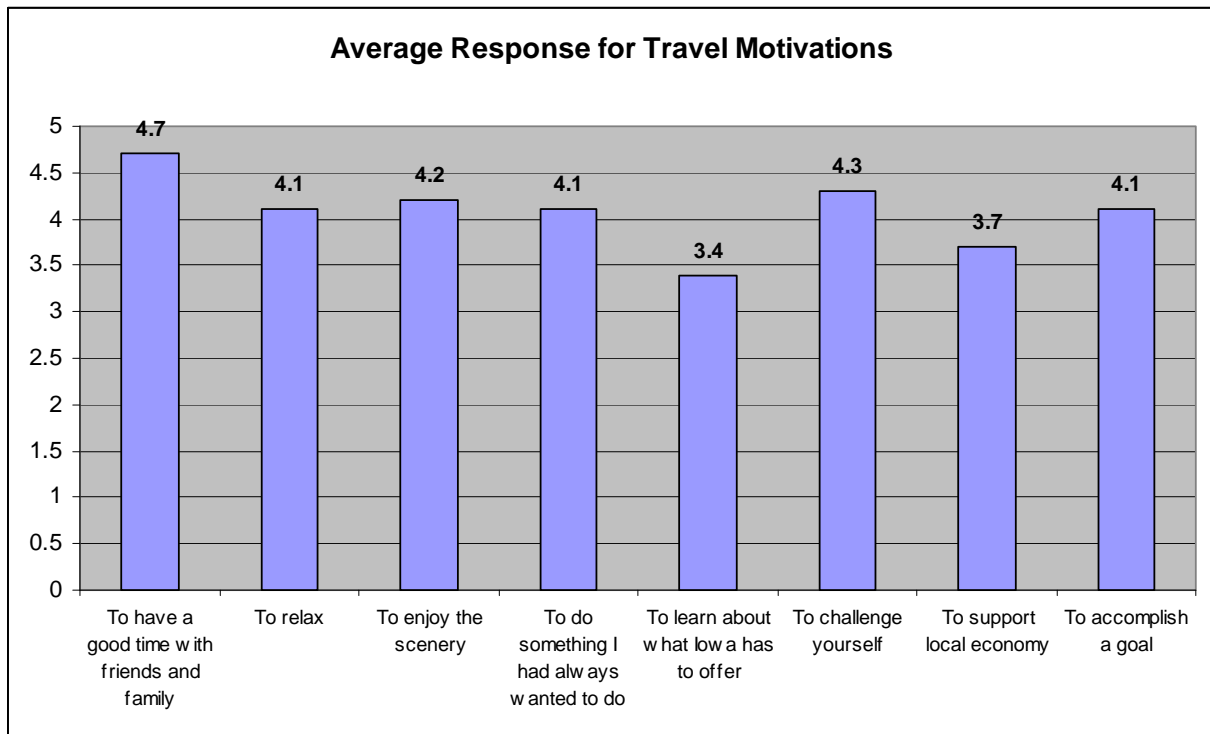
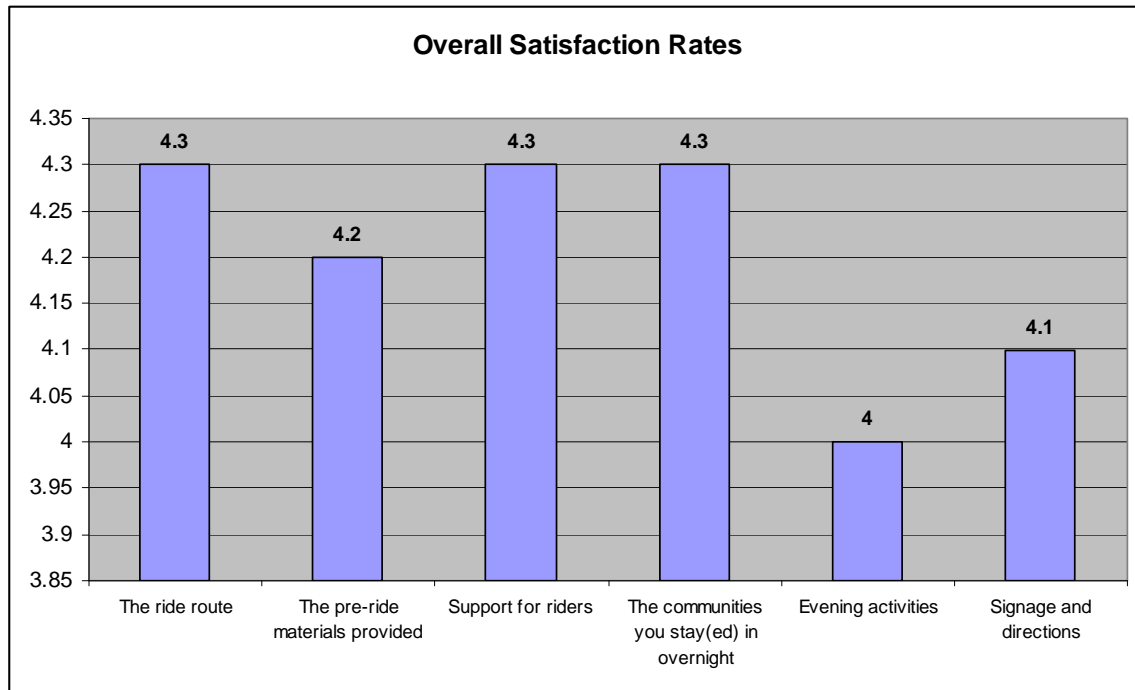


Figure 13 Satisfaction rates



D. Visitor Demographics

The last part of the questionnaire survey asked questions about the demographic characteristics, socioeconomic status of the visitors, and where they came from.

RAGBRAI for many years has been attracting visitors and participants from all over the world. Research suggests that this event has attracted a lot of consumer loyalty considering the amount of returning visitors/participants. According to RAGBRAI officials there were nearly 17,000 different individuals that registered for this event as either week long riders, daily riders or non-riders. It was estimated that any given day there were 20,000 riders on the roads (registered and non-registered). Respondents came from 37 different states as well as provinces from Canada. As can be seen in Figure 13, the majority of participants came from other states, with 35% from Iowa.

Figure 14Visitors residence by state (percentages)

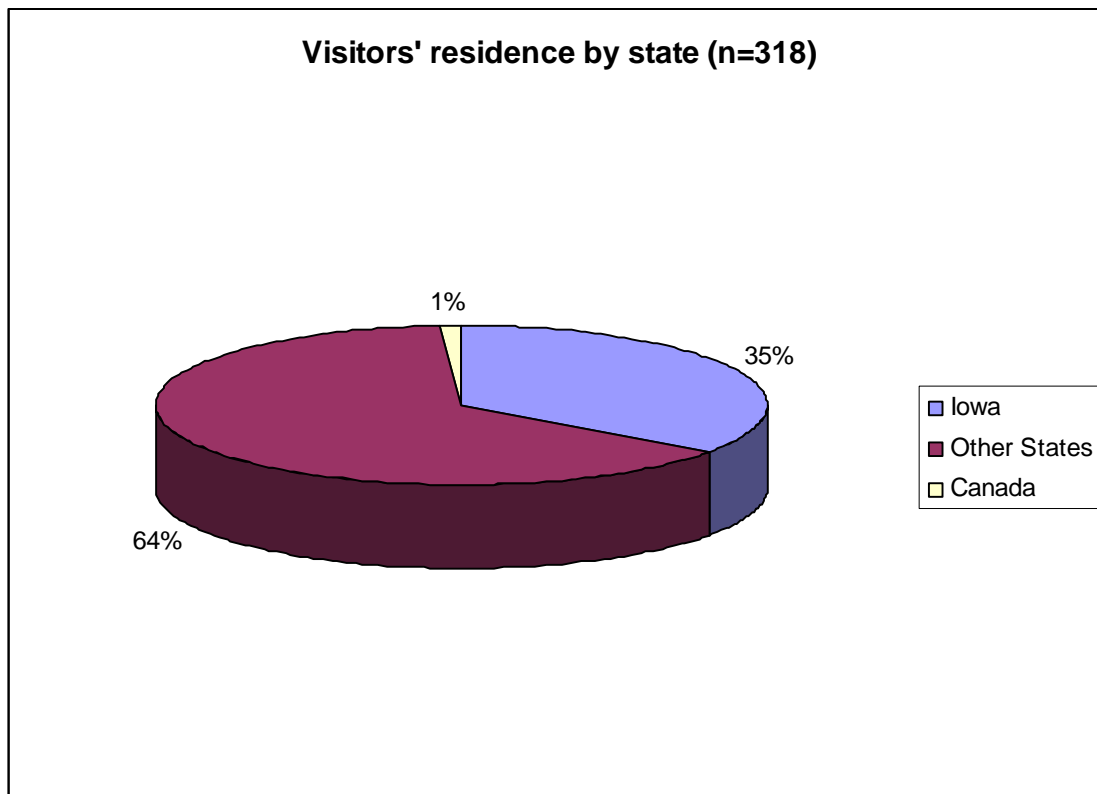
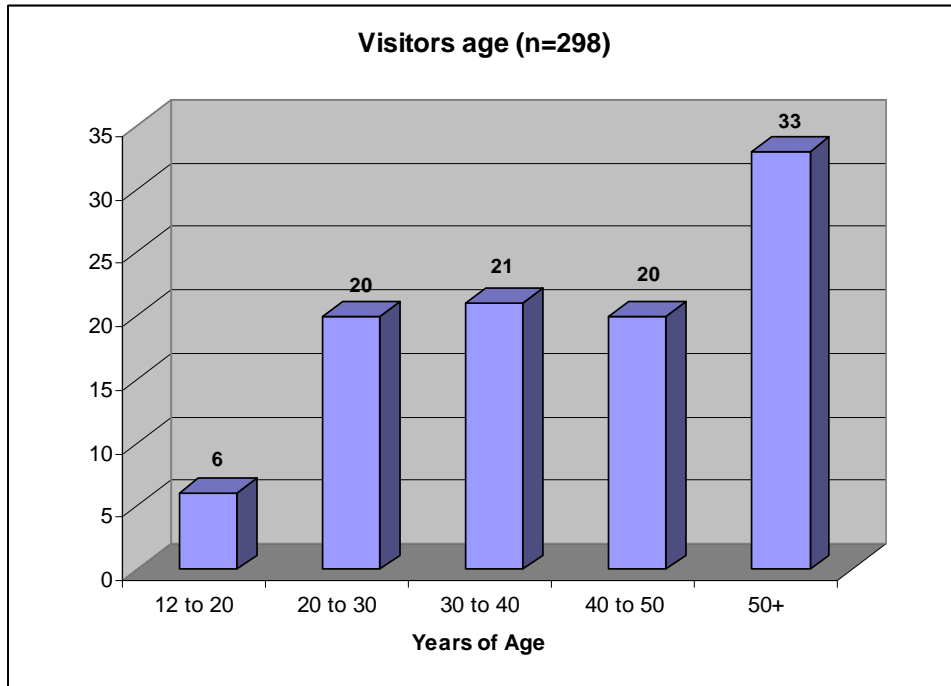


Figure 15 Participants age (percentages)



Ages of those surveyed ranged from 12 years of age to 83 years of age. The majority of participants were aged 50 and older. Nearly 60% of the respondents were female.

Figure 16 Gender of Participants (n=298)

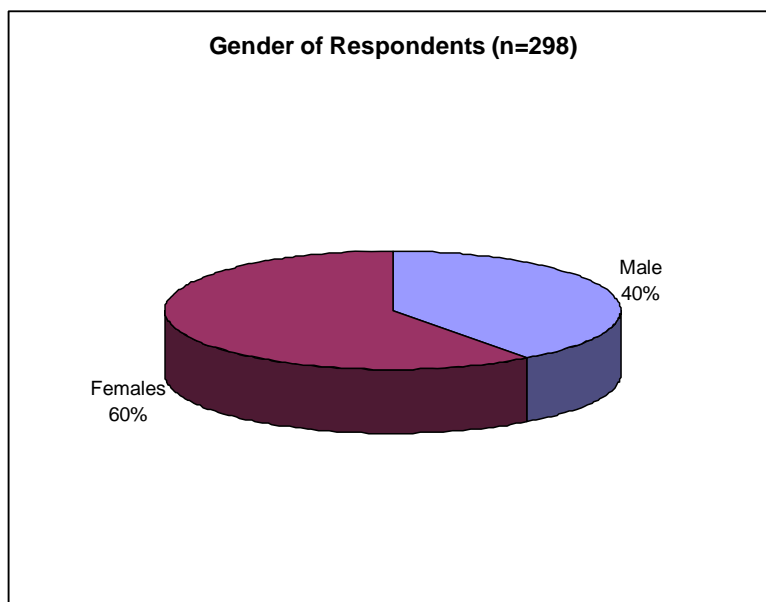
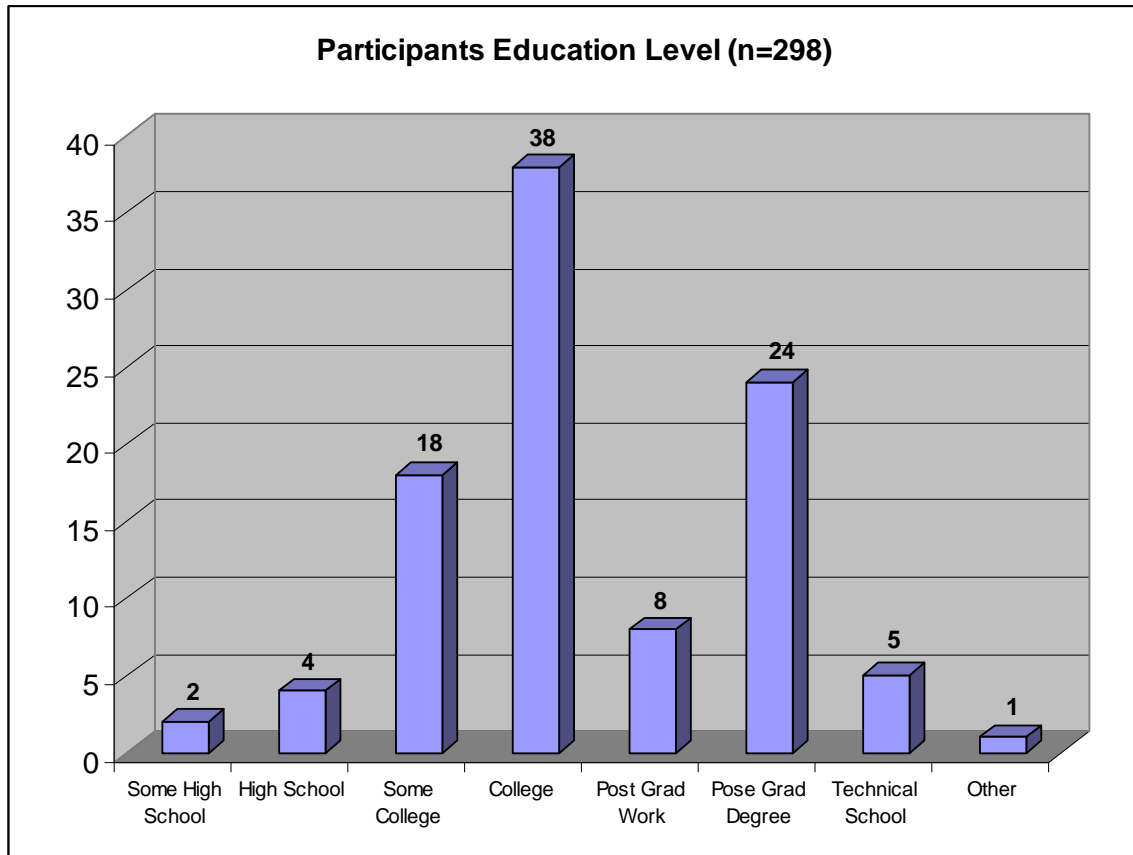


Figure 17 Participants Education Level (percentages)



As shown above over 75% of the respondents had a college degree. Nearly 25% of the participants had a post graduate degree. Most participants have some college or post-secondary training education.

Summary of Findings

Table 16 provides a summary of the main findings of the intercept survey.

Table 16 Summary Findings

First/repeat visit to RAGBRAI	Repeat visitors - 57% First-time visitors- 43%
Number of visits to RAGBRAI in last 5 years	1 year – 8% 2 years - 27% 3 years - 18% 4 years - 14% 5+ years 33%
Primary purpose of trip	Mean number of previous visits: To ride in RAGBRAI - 82% To provide SUPPORT - 13 Other – 5%
Day/overnight trip	Overnight trip - 99% Day trip - 1%
Nights stayed	<2 nights - 3% 2-4 nights - 9% 5-6 nights - 12% 7+ nights - 76%
Type of accommodation used	Mean number of nights stayed (<i>in descending order</i>) Campground - 92% Friends/family - 4% Hotels/motels - 3% Other – 1%
Traveling as an organized group	Not part of an organized group - 58% Part of an organized group - 42%
Travel party size	1 person - 3% 2-4 people - 25% 5-10 people - 38% 10-25 people - 12% >25 people - 22%
Main sources of information about RAGBRAI	Mean travel party size - 25 median 6 Website – 47% Word of mouth – 35% Newspaper – 13 Brochure – 3% Visitors Bureau – 1% Travel Publication – 1%

E. Conclusion

One of the goals of this research was to create a profile of the participants/spectators to RAGBRAI. This event attracts people of all ages, backgrounds, and abilities. Due to the level of involvement by a range of participants it would be difficult of focus on any given market segment. People participating in this event have a great passion for it and simply word of mouth is enough to market this event alone. In addition the Des Moines Register plays a key role in creating interest in the event. The Des Moines Register markets the event year round.

It is obvious that this event alone results in a huge economic influence for all communities along the route. Not only does the event create revenue, but also jobs and other opportunities. As long as this event continues to take place there will always be competition to host, as long as this competition is present this event will continue to flourish.

The delimitations of this study are the locations at which we chose to collect the data. RAGBRAI chooses eight host cities for the over night stays annually. Over the last 30 years, the route has gone through every county in Iowa, and many small towns. Even though participants may not spend the night in these small towns, they are still leaving an economic impact through direct, indirect and induced spending. It is important to understand some of these small towns have populations much less than 1000 people, and in one day RAGBRAI may bring 20,000 participants into town.

The survey instrument used for this study was developed from other examples and through pre-testing. As an incentive for completion of the survey, all the overnight communities on the route might develop a system for their own data collection. For example in the pilot study Cedar Falls/Waterloo provided chap stick which had the Tourism Bureau information (phone, address, and website). This proved to be a great incentive as the riders often need chap stick, especially in the heat of the summer. This research assumes that the participant filled out the survey honestly and accurate. Only “participants who said they were from out of the area (tourists)” were offered questionnaires

This study also has some limitations. RAGBRAI as mentioned before is one of the biggest events hosted in Iowa. The results may not be applicable to the majority of Iowa’s other sporting events. Many of the surveys are filled out for a group of people by their designated team leader. On the survey there is a question that asks how many people do these expenses cover. Often there are teams of 50+ people, so it is difficult to get accurate numbers, although it is still very important because these teams do have a significant impact on the communities and typically have large expenditures. Unlike most sporting events, RAGBRAI offers all the riders free camping, so the overnight expenditures don’t apply to many of other venues.

Suggestions for future research: 1) in order to get accurate feedback it would be

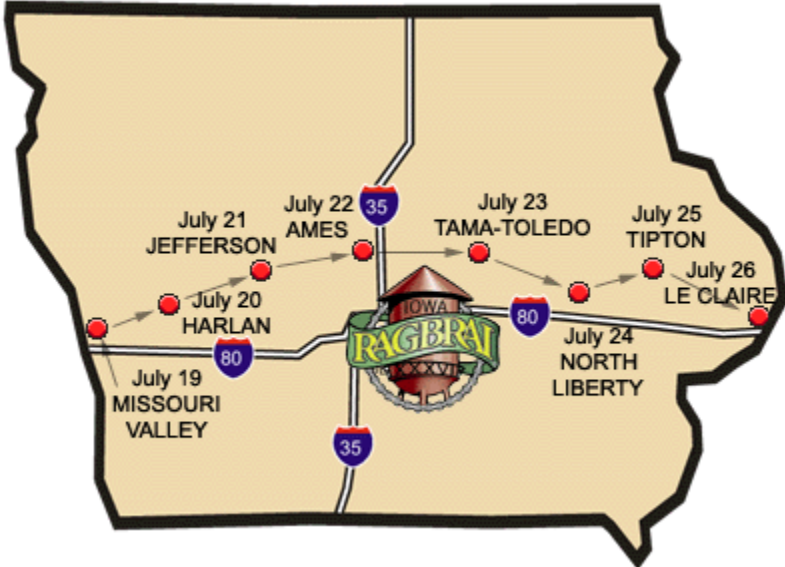
beneficial to use the mailing list and contact the riders before and after the race to inform the participants of the purpose of the research; and 2) specify to the riders to keep track of these expenses either individually, or for their immediate traveling party.

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Appendix 1 Location map



APPENDIX 2 (INTERCEPT SURVEY)



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