

Audience Research
and
Economic Impact Study of
the Baltimore Book Festival

September 25th, 26th & 27th

Prepared by
Forward Analytics, Inc.
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Highlights of the Study

The Baltimore Book Festival is a growing, free public event presenting an array of literary stars and emerging authors who represent the exciting world of literature today and yesterday. One of America's premier literary and literacy events, this hip, smart, diverse gathering attracts thousands of book lovers of all ages. The inclusion of top national and international authors and new partners has expanded the festival's reach while continuing to celebrate and enhance the Mt. Vernon neighborhood.

- In 2009, the Baltimore Book Festival attracted an estimated 55,000 visitors. Seventy-five percent (an estimated 41,250 guests) came from outside of Baltimore's downtown and traveled to the Mt. Vernon neighborhood to celebrate books and literature. Approximately, 6,270 attendees traveled from outside of the State of Maryland.
- The 2009 Baltimore Book Festival had a total economic impact on the City of Baltimore business volume of \$4.51 million, comprising \$1.22 million in direct impact and a further \$3.29 million in indirect impact. Direct spending by out-of-area festival goers generates \$60,914 in sales tax revenues for the State of Maryland.
- Book Festival attendees spent \$134,177 at local hotels. Hotel expenditures generate an estimated \$10,108 in tax revenues that go directly to the City of Baltimore.
- Travel to and from the Festival increased gas expenditures in the City of Baltimore by \$85,246 and generated \$7,705 in gasoline excise tax for the State of Maryland.
- According to survey data, 2009 Book Festival attendees spent \$1.32 million with Festival vendors. Book vendors received an overwhelming \$651,908 in sales. Food and alcohol vendors gained received \$620,252 in revenue. Other retailers gained \$42,880 in revenue.
- The top attraction at the Book Festival (as indicated by survey respondents) is shopping or browsing for books (72.97%). Attendees also enjoy author appearances and book signings (50.27%). Music (45.95%) and food (39.19%) are also an important part of the Book Festival. Forty-two percent of attendees spent two or more days at the Book Festival.
- Book Festival attendees have exceptional awareness of the corporate sponsors of the 2009 Festival. Survey research demonstrates that unaided sponsorship awareness is high. Attendees are asked, "When you think of Book Festival sponsors, which companies or brands come to mind?" An overwhelming 58.64% of attendees can identify two or more Festival sponsors.
- Survey demographics show that 37.40% percent of attendees are married while 42.55% are single. Twenty- two percent live with dependent children, while 17.61% came to the Festival with children.
- Forty percent of all survey respondents earned a post graduate degree. An additional 33.60% earned a four-year college degree. Accordingly, 36.31% of respondents (not including students) indicate their household income to be \$80,000 and above.

Introduction

In the age of the Internet, when e-texts instead of textbooks are just a click away, and examining a favorite read just requires scrolling on Amazon's Kindle, has the printed word become obsolete?

Absolutely not. On the weekend of September 25th, the streets of the Mt. Vernon historic district were crowded with book lovers huddling around white tents filled with fiction, fantasy, mysteries and thrillers, poetry and prose, history, and biographies. People filled the square in hopes to hear their favorite author speak or sign a book. A children's area provided hands-on activities that were not only educational but fun. The Baltimore Book Festival is a wonderful way to celebrate books, writers, and readers.

The Baltimore Book Festival is truly a festival as it offers food vendors of all types, local and regional musical entertainment, and an atmosphere to relax. Yet, the Festival stays true to its mission requiring that all vendors are reader-related. This makes the Festival an ideal stop for students, teachers, and education professionals. However, the demographic data shows an even distribution of incomes, ages, education, and marital status among Festival-goers. Thus the Book Festival is an opportunity for sponsors and the Baltimore community to reach a large heterogeneous audience in an outstanding positive environment.

Purpose of Study and Methodology

Forward Analytics, Inc. was retained by Baltimore Office of Promotion and Arts to conduct audience research with attendees of the 2009 Baltimore Book Festival, September 25th – 27th. The primary goal of the research is to measure the economic impact of the Festival on the City of Baltimore and the State of Maryland. Such information is crucial to analyze the return on investment (ROI) for sponsors, local government, and the business community.

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

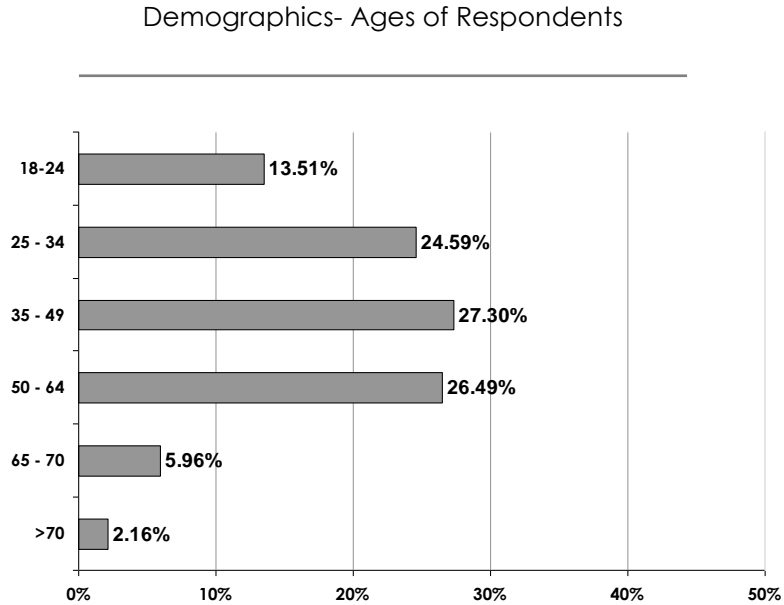
- overall event satisfaction
- socio-graphics and psychographics of attendees
- attendance motivators
- sponsorship awareness
- effectiveness of advertising/communications.

These broader questions serve to further develop the annual event, thereby enhancing the social, educational, and economic benefits to the Mt. Vernon community and the City of Baltimore.

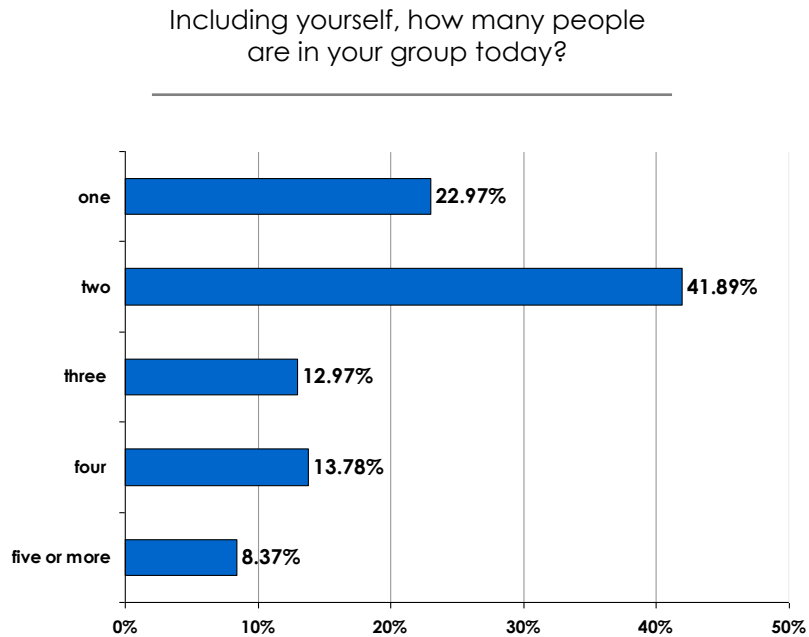
The study utilizes a customized survey to collect data from a random sample of Book Festival attendees. Prior to the event, Forward Analytics collaborated with Festival planners to create a customized 3-page questionnaire. During the three-day event, in-person interviews were administered by Forward Analytics staff to 370 adult attendees (age 18+). The sample size represents a statistical significance of +/-5% margin at the 95% confidence interval. This means that the results reflect the answers between 90% and 100% of the total population. The confidence level is considered significant for making sound business decisions.

Attendee Demographics

Who attends the Baltimore Book Festival? The Baltimore Book Festival offers an all-day menu of literary activities and events that attract people of all ages. The median age of the population surveyed is 42 years old. The bar chart below shows the age distribution of respondents.



The Book Festival is a comfortable environment for all. While 22.97% of attendees came to the Book Festival alone, 41.89% visited as pairs. And 35.12% of attendees visited the Book Festival as a group of three or more.



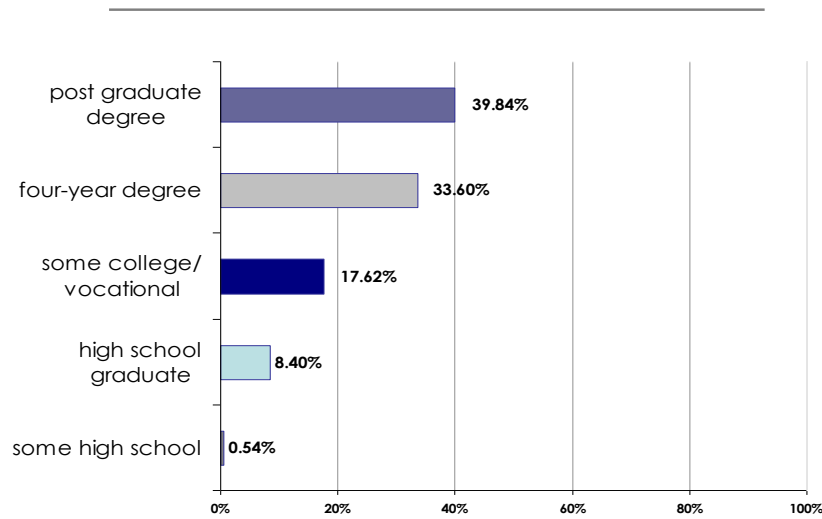
These visiting groups consist of married couples (34.94%) or friends and other relatives (43.18%). Some people visited with social groups (4.26%); including book clubs. Seventeen percent of attendees brought their children to the Book Festival.

Survey demographics show that 37.40% of Book Festival attendees are married and 11.92% are partnered. Singles make up 42.55% of Book Festival attendees. 22.49% of respondents live with dependent children or children under the age of 18.

The population surveyed consists of 55.68% females and 44.32% males. The ethnic background of survey respondents is 71.39% Caucasian (white); 21.67% African American; 4.17% Hispanic, and 2.78% Asian.

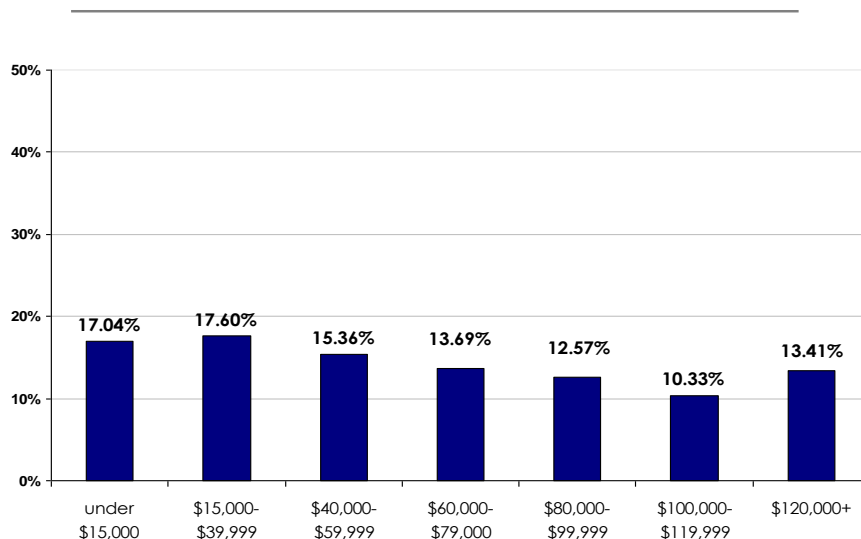
Book Festival attendees are highly educated and skew towards above average household income levels. An overwhelming 40% of all survey respondents earned a post-graduate degree. Another 33.60% have a four-year college degree, while 17.62% have some college, technical, or vocational schooling.

Education Level of Book Festival Attendees



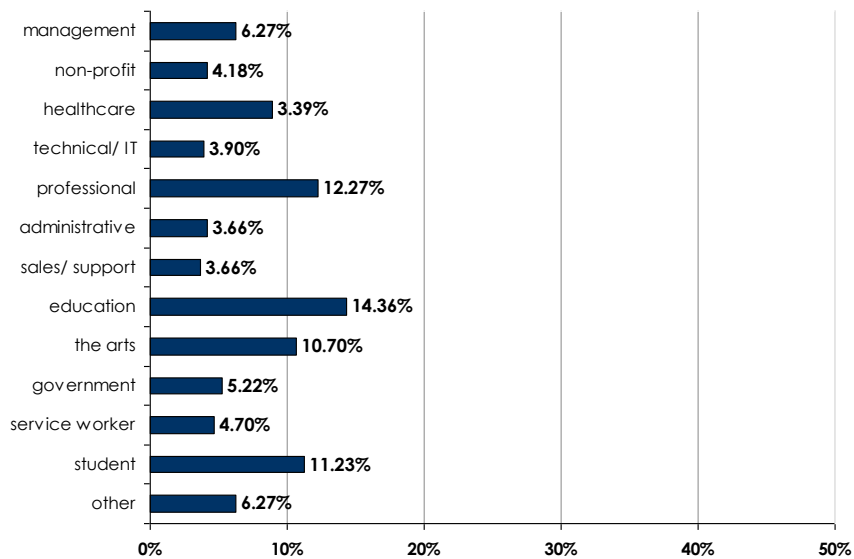
Attendees have above average incomes. Thirty-six percent of respondents (not including students) indicate their household income to be \$80,000 and above. Another 29% have household incomes in the range of \$40,000-\$79,999.

Household Income of Book Festival Attendees



The Baltimore Book Festival is a great opportunity for students and professionals in education. Demographics prove that these audiences are taking advantage of the event. Students represent 11.23% of festival attendees. The educational profession represents 14.36% of attendees. Nearly 11% of attendees are retirees.

Occupations of Book Festival Attendees



Sixty percent of Book Festival attendees reside in the Baltimore Metropolitan Area. Eleven percent of attendees come from outside of the State of Maryland, including the northeastern states of Pennsylvania, Massachusetts, New Jersey, New York, New Hampshire, and Vermont. Book Festival attendees also traveled from southern states, including Florida, Georgia, and Alabama. Book lovers come from the Midwest, too! Some attendees came from Wisconsin, Idaho, Nebraska, and Illinois.

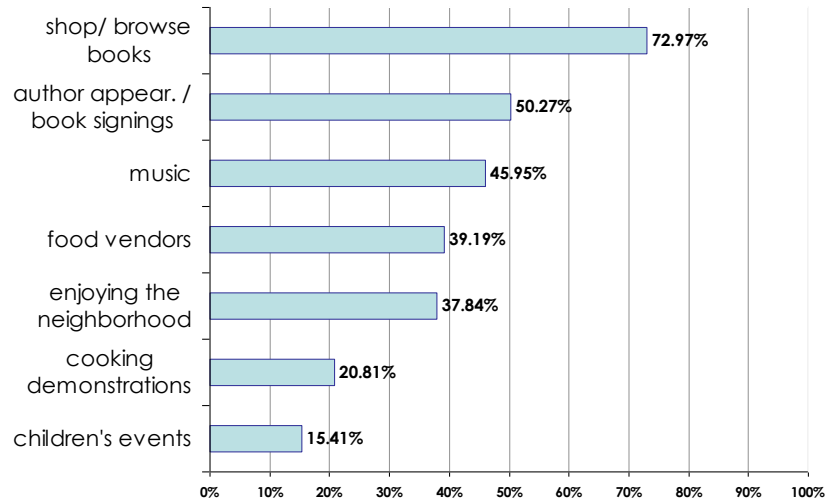
Residence of Book Festival Attendees

| | |
|--|-------|
| Downtown Baltimore | 25.1% |
| Baltimore Metropolitan Area, not including downtown | 34.6% |
| In Maryland, but outside Baltimore Metropolitan Area | 28.9% |
| out-of-state | 11.4% |

Why do people attend the Baltimore Book Festival and how often do they visit? The festival is a free public event, and includes exciting author events, storytelling, cooking demonstrations and poetry readings. The Book Festival also includes nearly 90 exhibitor booths representing booksellers, publishers, literacy and cultural organizations. Food vendors and music add to ambiance.

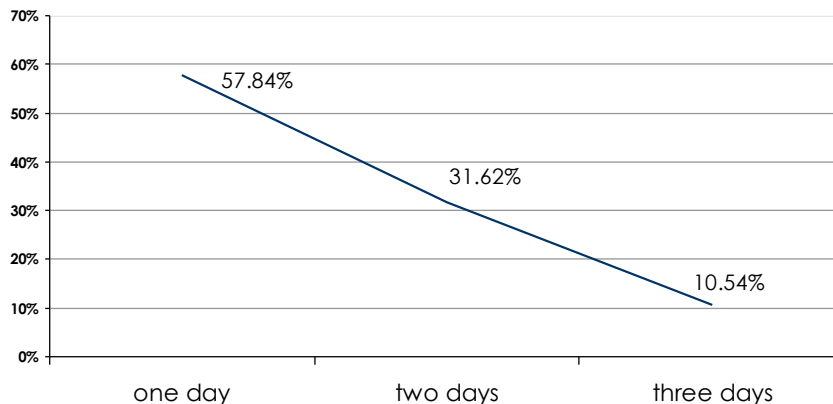
Survey respondents are asked, "What are your three favorite activities when visiting the Book Festival?" Seventy-three percent of visitors attend the Festival to shop or browse books. Fifty percent enjoy author appearances and book signings. Fifty percent enjoy author appearances and book signings.

What are your three favorite activities when visiting the Book Festival?



What else interests attendees? Music (46%) and food vendors (39%) are also integral to the Book Festival. And 38% of survey respondents visit simply to enjoy the Mt. Vernon neighborhood which hosts Book Festival. With such a smorgasbord of literary activities, 42% of survey respondents plan to attend the Festival more than one day.

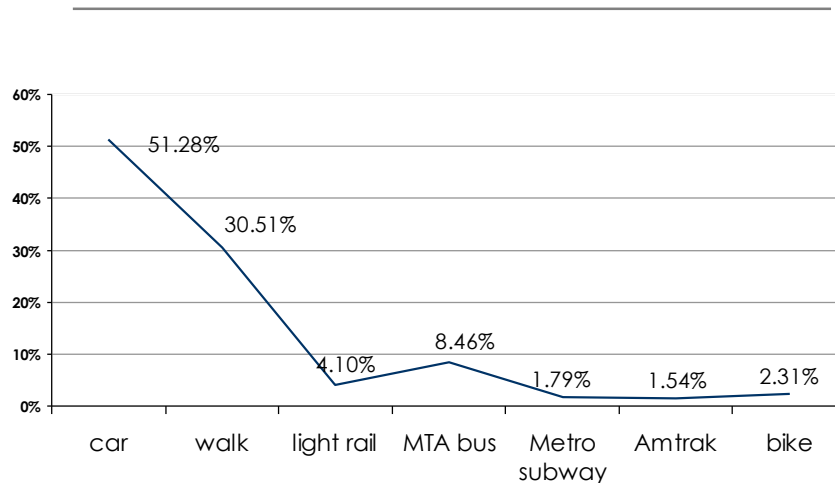
How many total days do you plan to attend the Book Festival?



Accessibility

Accessibility can determine the success of an event, such as Book Festival. Fortunately, the Mt. Vernon neighborhood allows many walkers, bikers, and public transportation riders to easily attend the Book Festival. Slightly more than half of attendees (51.28%) relied on automobiles to transport them to the Book Festival. Based on the average party size of 2.7 persons, Book Festival adds an additional 10,445 cars the streets and parking lots of the Mt. Vernon area.

What is the main transportation method you used to get to the Book Festival?



Sponsorship Awareness

Corporate sponsors seem to be everywhere in today's world. Take the home of the Ravens, M&T Stadium, for example. It's hard to imagine what the football field would look like without those ubiquitous banners touting fast-food restaurants and telephone companies. It's not just the big events that draw sponsors, either. Small, local events-10K runs, award dinners, neighborhood festivals-usually have a slew of corporate logos in the accompanying literature. And it's true in this case; the Baltimore Book Festival might not be possible without the support of corporations, businesses, and community.

Why is corporate sponsorship so prevalent? Quite simply, it makes money. Sponsorship can make a lot of money and build important relationships. Survey research among Book Festival attendees demonstrates just this!

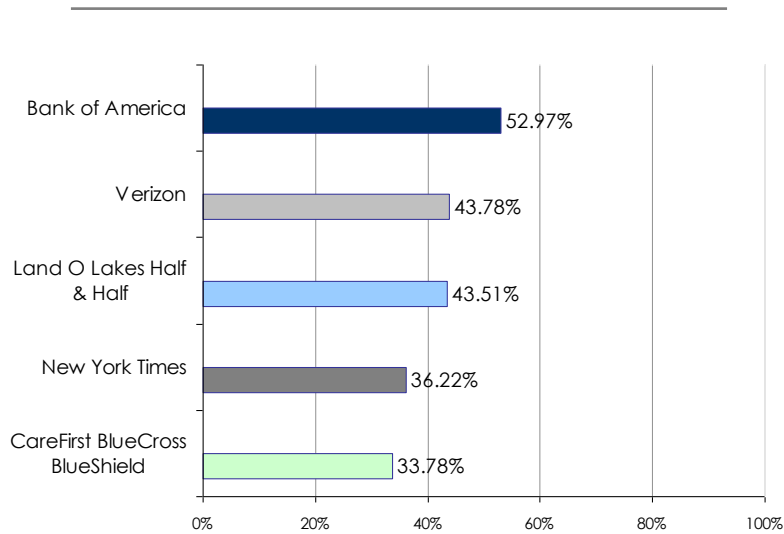
- **Attendees recognize and appreciate sponsor contributions.** The majority of attendees (89.43%) agree that corporate sponsorship makes the Book Festival possible
- **Book Festival sponsorship touches the soul.** 89.13% of attendees indicate having a positive attitude toward Book Festival sponsors because of their association.
- **Book Festival sponsorship is a "good buy" in marketing.** 88.25% of attendees feel that sponsorship of the literary arts is a better way for companies/ brands to reach them than through traditional advertising.
- **Attendees "like" corporate sponsors.** And, 67.75% of attendees agree that they are more likely to purchase brands from Book Festival sponsors over similar products and brands who are not sponsors.

- **Consumers with an interest in the literary arts are brand loyal** 82.87% of attendees say that when they buy a Book Festival sponsor's product or service, they feel like they are contributing to the literary arts.

Book Festival attendees have extraordinary awareness of the corporate sponsors of the 2009 Festival. Survey research demonstrates that unaided sponsorship awareness is high. Attendees are asked, "When you think of Book Festival sponsors, which companies or brands come to mind?" More than half (58.64%) of attendees can identify two or more Book Festival sponsors.

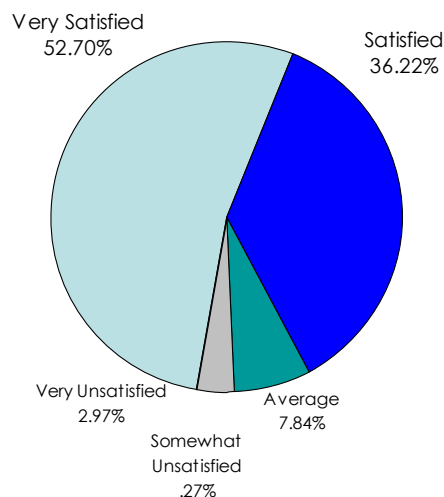
Did any of the sponsors stand out? There is no doubt that Bank of America receives publicity and brand recognition. Slightly more than half of attendees (52.97%) demonstrated unaided awareness of the company's sponsorship. Verizon is recognized as a sponsor by 43.78% of attendees, and Land O' Lakes Half & Half is recognized by 43.51%.

When you think of Book Festival sponsors, which sponsors come to mind?



Nearly all attendees agree (97%) that the Book Festival adds value to living in and visiting Baltimore City. Largely, corporate sponsors, as well as vendors and concessionaires, make this all possible. In return, the Book Festival provides bottom line benefits to all of its sponsors and partners. The Festival is associated with a positive experience and provides a strong opportunity for co-branding and cause related marketing. *The 2009 Book Festival satisfaction is 88.92%.*

How would you rate your OVERALL satisfaction of the 2009 Book Festival?



Economic Impact

While the Baltimore Book Festival, like most special events, is designed to bring people together to have fun, the three-day event also impacts the local businesses and revitalizes the City of Baltimore.

The attendance for the 2009 Book Festival is estimated at 55,000 persons. Survey data reveals that the Festival attracts a significant number of "tourists", or out-of-area visitors. Over the three-day weekend, an estimated 41,250 Book Festival attendees (75%) traveled to Mt. Vernon from outside of downtown Baltimore. This figure includes nearly 22,165 visitors (40.3%) traveling from out of the Metropolitan area.

This section of the report measures the direct and indirect business volume and government revenues generated by these out-of-area visitors to the Book Festival. Economic impact generally measures *new money* brought into the economy by out-of-area visitors. Spending by local (downtown Baltimore) residents is not included. Local spending merely represents a redistribution of existing money in the community and as such is not considered new money.

The linear cash flow model that we use in this study 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 Book Festival, 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, and
- Government Revenues Impacts.

Business Volume Impact
The Direct and Indirect Expansion of the Economy
Attributable to the 2009 Book Festival

In 2009, the Baltimore Book Festival had a total economic impact on the City of Baltimore business volume of \$4.51 million, comprising \$1.22 million in direct impact and a further \$3.29 million in indirect impact.

The following chart breaks down the visitor dollars spent at local restaurants, entertainment, retail, gasoline, ground transportation, lodging, etc. in the City of Baltimore. The indirect impact takes into account the re-spending of direct impact within the economy as a result of the multiplier effect.

| Baltimore Book Festival Visitor spending in the City of Baltimore | Spending |
|--|--------------------|
| Food and drink in restaurants | \$535,764 |
| Non-festival entertainment | \$99,335 |
| Retail purchases | \$224,872 |
| Parking | \$95,850 |
| Gasoline | \$85,246 |
| Ground transportation (light rail, Metro, cab) | \$43,039 |
| Overnight accommodations | \$134,177 |
| Direct Impact | \$1,218,283 |
| <i>multiplier</i> | <i>1.7</i> |
| Indirect Impact | \$3,289,364 |
| Total Economic Impact | \$4,507,647 |

Government Revenue Impact

When an event such as the Book Festival brings people and money into the area, tax revenues are generated for local and state governments. Tax revenues are paid directly by the festival attendees on purchases such as retail, food and drinks, and overnight lodging. This study does not measure the government revenues generated by the indirect impact of the Book Festival.

Sales Tax

As previously detailed, the Book Festival generates substantial revenue for businesses in the City of Baltimore. Accordingly, direct spending by out-of-area festival goers generates \$60,914 in sales tax revenues for the State of Maryland.

Hotel Tax

Book Festival visitors generate significant income for the hotel community and also generate hotel room tax revenues for the local and state governments. 3.07% of out-of-area attendees stayed locally in *paid* accommodations while attending the Book Festival. Measured by the average cost of accommodations, hotel costs generate a direct impact of \$134,777 in the local economy. The City of Baltimore receives \$10,108 in hotel tax revenues.

State Gasoline Excise Tax

Out-of-area attendees spent \$85,246 in gasoline during their travels to the Mt. Vernon neighborhood. A gasoline excise tax of \$.235 per gallon generates \$7,705 for the State of Maryland.

Additional Impacts Allocable to the Book Festival

The economic impact of the Baltimore Book Festival encompasses much more than audience spending. The following section indicates multi-faceted ways in which the festival impacts the City of Baltimore, and specifically the Mt. Vernon neighborhood.

Direct Spending by Baltimore Office of Promotion and Arts for services, supplies, capital improvements, and wages

This category of impact includes the spending by BOPA for improvements to the City of Baltimore and capital equipment purchases made with local contractors and vendors. In addition, the category includes the purchases of goods, professional services, and supplies from local businesses with money from the organization's operating budget.

Vendor/Partner Spending

Each year the Book Festival contracts with a variety of vendors, concessionaires, and suppliers. The festival generates an extended sales channel and marketplace where local and non-local vendors/partners have an opportunity to grow their revenues. The Book Festival turns out such great profits for these vendors that many return year-after-year to reap the marketing opportunities and financial benefits.

According to survey data, 2009 Book Festival attendees spent \$1,315,040 with the event vendors. (These figures represent *all* Book Festival attendees, not only out-of-area visitors).

| Spending with Book Festival Vendors | Spending |
|-------------------------------------|-----------|
| food & alcohol | \$620,252 |
| books | \$651,908 |
| other retail | \$42,880 |

Book Festival vendors also generate money for the City and State. In taking part in the festival, vendors purchase products and services. Their expenditures include artisan supplies, materials and equipment for building and equipping their temporary operations, transportation, advertising, printing, giveaways, public relations, etc. Non-local vendors spend additional dollars on food, retail and entertainment, not to mention hotel accommodations.

Volunteers

Volunteers are an integral part of the Baltimore Book Festival, as they are in many 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.

The Book Festival attracted over 80 volunteers this year. 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 that this event was of most importance to them in allocating their time. However, if we were to measure the impact of the 500 volunteer hours at minimum wage, volunteers generously donated \$3,625.00 to the Book Festival and the City of Baltimore.

Forward Analytics, Inc. is a Pittsburgh-based market research firm. The research team conducts custom studies for corporations, health care, higher education, governments, arts and tourism, and non-profits. Our experience extends to audience development and economic impact studies for special events throughout the country. These clients include the National Cherry Blossom Festival, Summerfest in Milwaukee, Albuquerque International Balloon Fiesta, Pittsburgh Marathon, Pro Rodeo Challenge, Cleveland Marathon, and TCF Bank Air Expo to name a few. Contact Forward Analytics at (412) 207-2114 or research@forwardanalytics.com.