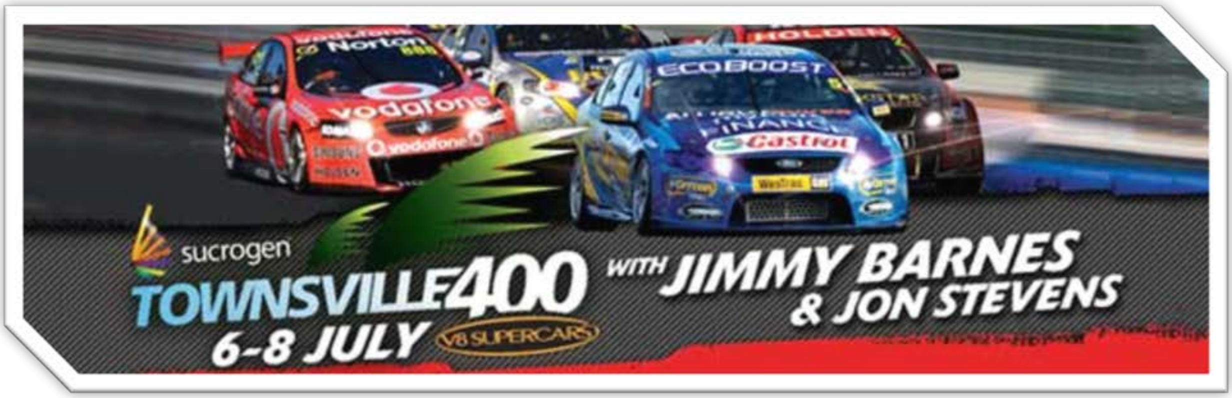
Townsville400

2012

Findings and Recommendations



Dr. Murray Prideaux

Associate Professor John Hamilton

Dr. SingWhat Tee

Dr Riccardo Welters

30October 2012

PRIVATE AND CONFIDENTIAL

Table of Contents

TOWNSVILLE400 - 2012

EXECUTIVE SUMMARY AND KEY FINGINGS

The Sucrogen Townsville400 is a significant contributor to the economy and branding of Townsville. In conjunction with the supporting Festival400, the Sucrogen Townville400 Townsville offers Townsville residents and visitors a unique family focused event of fun, action and great value situated in the tropics. Now is the time to review, reflect and refresh the experience for the future.

The SucrogenTownsville400 V8 Supercar Race (the event) attracted a total of 152161 spectators to the Reid Park race track during the period 06-08 July 2012. The event is estimated to have generated an economic contribution of 32.4 million dollars to the Townsville region. Overall, spectator attendances in 2012 were 1285 higher than attendances in 2011 at 150876.

Set against an uncertain global outlook in 2013 and beyond, event organisers should critically review the event, embrace the expectations of spectators and enhance the Townsville experience to drive the event into the future. Deliberations of the future shape of the event and supporting experiences should include all stakeholders and will require changes to existing business and marketing models. Regardless, changes must align expectations to delivering customer value thereby growing the spectator base and enhancing the economic impact for all participants.

This report describes:

- Key findings
- Research methodology
- Spectator Groups, home location, race days attended
- Intention to return and loyalty
- Satisfaction indicators
- Visitor stays, and
- Spectator views about Townsville

2012 Key Findings

- The economic impact of the Townsville400 event is estimated to be 32.4 million dollars.
- Townsville Resident's attendance *declined* 2.4% to 55.6% compared to 2011.
- Visitor numbers increased 2.8% to 44.6% compared to 2011. Increased visitor numbers *contributed to an increased positive economic benefit to the Townville economy.*
- *Overall satisfaction* of the event was 78.8%, a decrease from 84.1% in 2011. Overall satisfaction of the event is likely to be influenced by the total 'Townsville' experience.
- A significant *increase in 'social'* spectator group to 32.9% compared to 19.1% in 2011. This spectator group attends with family and friends and is seeking to share experiences with family and friends and meet people.
- A significant decrease in the '*adventure*' spectator group to 36.3% compared to 52.1% in 2011. This spectator group attends to experience the excitement and adventure of the V8 racing and the whole event generally.
- *Interstate visitor* attendance increased 3% to around 6% of total attendances.
- Attendances from '*up to 4 hours' drive*' market (Cairns and Mackay) increased to 19.5% compared to 16.1% in 2011.
- Attendances from '*up to 10hours' drive*' market (Rockhampton, Mt Isa and Cooktown) decreased to 2.7% compared to 3.4% in 2011.
- Attendances from the Brisbane and Morton region decreased to 5.8% compared to 6.3% in 2011.
- Spectators attending each Towsville400 event since the inaugural event in 2009 decreased 5.5% to 34.1% compared to 39.6% in 2011.
- '*First Time*' spectators increased 4.8% to 36.7% of overall attendances compared to 31.9% in 2011.
- 21.3% of first time attendees are unlikely to attend the 2013 event, a decrease of 4% over 2011.
- Overall intention to return in 2013 increased 1% to 89.6% compared to 88.6% in 2011.
- Trend to purchase tickets *much closer* to the event. Ticket purchase 'at the gate' increased 3% to 22% compared to 19% in 2011. Ticket purchases 1-3 months before the event decreased 2.3% to 20.5% compared to 22.8% in 2011.
- Slight *gender shift* with female attendance declining 2.8% to 41.6% compared to 44.4% in 2011.
- The largest attending age group is the 40-49 years age group 23.3%. This is 2.3% less than 2011.
- Overall, the older age group (40 to over 60 years) attendance increased 2.3% to 52.3% compared to 49.9% in 2011.

- Overall, the younger age group (under 20 to 39 years) attendance decreased 3.4% to 47.7% compared to 51.1% in 2011.
- Rapid increase in use of *social media*.
- Total stays at '*other accommodation*' increased 3.7% to 14.5% compared to 10.8% in 2011. Other accommodation is not defined.
- Total stays with 'friends and relatives' decreased 2.7% and 'home stays' decreased 1.7% compared to 2011. The friends and relatives accommodation market is 44% , highlighting the importance of Townsville residence's hosting event spectators.
- The hotel/motel accommodation segment provides 20.7% (approximately one-fifth) of total accommodation stays.
- Of 'first time' spectators, 39.3% stayed with friends and relatives. 16.9% stayed in hotel/motel accommodation.
- *Night stay* before the event decreased from 3.2 nights in 2011 to 2 nights in 2012.
- *Night stay* after the event decreased from 2.4 nights in 2011 to 2 nights in 2012.
- 44.8% of visitors indicated that they would have NOT visited Townsville if the V8 event had not been held.
- *Low attendance* by spectators at non 'adventure' or 'social' (family) *Festival400 events*.
- TV (20.2%) and family and friends (16.3%) are the two largest sources of information of the event.
- Social media (Facebook, Twitter, and YouTube) is a significant growth medium for event information and social marketing.
- Business and corporate promotion decreased 0.9% to 4.2% compared to 5.1% in 2011.
- Townsville 'Experience' (accommodation, food and beverage, service delivery and public transport) rated low, particularly by returning visitors. This is consistent with each of the previous years. This is likely to impact overall event and Festival400 attendance in 2013 and visitor numbers.
- Spectators were asked to write about their two worst experiences in Townsville. Of 'first-time' visitor responses (36.7% of total attendances) 2.5% referred Townsville 'bogans' or unfriendly Townsville people, 2.7% referred to high accommodation prices, and 7% referred to poor public transport in Townsville over the event period.

TOWNSVILLE400 - 2012

INTRODUCTION

James Cook University (JCU), School of Business, collected data at the SucrogenTownsville400 V8 Supercar Race (the event) on behalf of V8 Supercars Australia Ltd, Townsville City Council (TCC) and Townsville Enterprise Ltd (TEL) in July 2012. Similar data collection has been conducted by JCU at each race since racing commenced in 2009. This report presents an analysis of the data collected in 2012 and provides comparisons of some with previous year's results. The aim of the research is to provide an independent in depth analysis of the event and provide recommendations to event organisers and the Townsville community to enhance the return to organisers and the community.

The report provides and analysis of spectator's responses to a questionnaire administered at the race track. The questionnaire sought responses to the following measures; spending (economic impact), demographic information, spectator groups, intention to return, satisfaction measures, Townsville experience, travel and accommodation, service, and marketing. The data collected in this study represents the most comprehensive data collection of any motor sport event in Australia and provides event organisers and the Townsville community with a unique insight into the event and its wider impacts on the Townsville and North Queensland region.

Research Framework

Data collection was carried out at the event over each of the three days of racing. Following the methodology established in previous years, a stratified random sampling method was employed. The event circuit was divided into five survey areas with trained survey teams of two-four persons working is designated areas. A total of 51 survey collectors were instructed to approach each fifth person. In 2012, permission was given to approach spectators in grandstands. This permission had not been granted in previous survey collections and resulted in a sample collection more representative of all spectators and contributed to the improving robustness of the data collection. A total of 1538 surveys were collected from an approach to 2361 spectators. This represents a response rate of 65%. A total of 1242 useable surveys were analysed from the total collected. Caution should be exercised when comparing between years as sample bias may be present due to slightly different collections conditions between years. However, the methodology has been maintained as consistent as possible to allow an increased confidence in comparing results across event years.

Research Limitations

As with previous collections, data collection was restricted in the corporate boxes. However, 18 'corporate' spectator's surveys were collected by invitation to one corporate box. This limitation results in a conservative or under estimation of the full economic impact of the event. Event officials, teams, volunteers and service staff in food and beverage and commercial enterprises were not approached for this data collection. The net result of these limitations is that results of the study are limited to, and represent the views of event spectators and may not be truly representative of all event participants.

TOWNSVILLE400 - 2012

DATA COLLECTION

Data was collected during each of the three race days. 152161 spectators attended over the event weekend. Daily attendances were Friday 44005, Saturday 56384 and Sunday 51772. The total number of surveys collected on Friday is significantly lower compared to Saturday and Sunday. Factors contributing to this included fewer collectors were available on Friday and a lower completion rate. A common response being that 'we have only just arrived'. Data collectors were requested to approach an equal number of males and females to avoid gender bias. 58% of respondents were male and 42% female.

Figure 1 Data Collected by Race Day

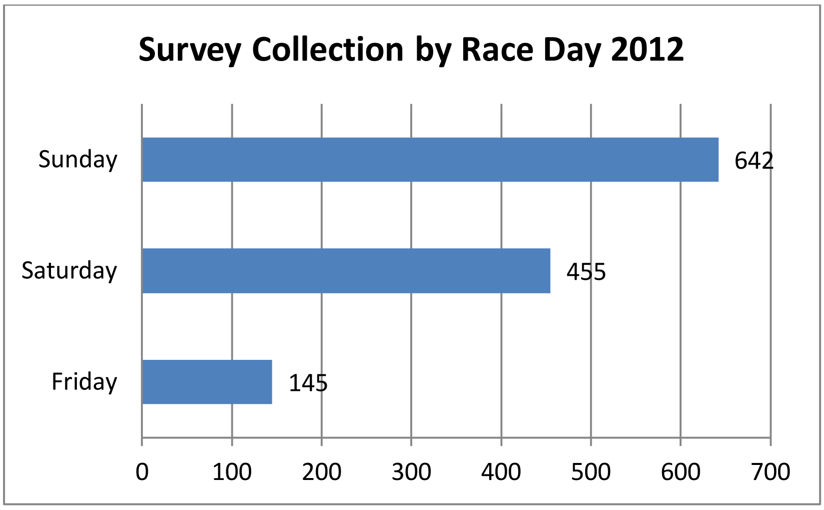


Figure 2 Gender Distribution of Sample

Race Day	Gender		Total
	Male	Female	
Friday	81	64	145
Saturday	267	188	455
Sunday	373	269	642
Total	**721**	**521**	**1242**

Figure 3 Gender Distribution of Sample

Race Day	Gender		Total
	Male	Female	
Friday	6.5%	5.2%	11.7%
Saturday	21.5%	15.1%	36.6%
Sunday	30.0%	21.7%	51.7%
Total	**58%**	**42%**	**100%**

47.9% of spectators are in the younger age group (<20-39) years. This compares to 50.1% in 2011. Spectators in the 40-49 years age group represent the biggest target audience at 44.6% of total spectator attendance.

Figure 4 Age Distribution of sample

Race Day	Age Range						Total
	under 20	20 to 29	30 to 39	40 to 49	50 to 59	60+	
Friday	11	21	42	28	30	13	145
Saturday	33	83	104	128	83	24	455
Sunday	52	134	115	133	151	57	642
Total	**96**	**238**	**261**	**289**	**264**	**94**	**1242**

Figure 5 Age Distribution of sample

Race Day	Age Range						Total
	under 20	20 to 29	30 to 39	40 to 49	50 to 59	60+	
Friday	0.9%	1.7%	3.4%	2.3%	2.4%	1.0%	11.7%
Saturday	2.7%	6.7%	8.4%	10.3%	6.7%	1.9%	36.6%
Sunday	4.2%	10.8%	9.3%	10.7%	12.2%	4.6%	51.7%
Total	**7.7%**	**19.2%**	**21.0%**	**23.3%**	**21.3%**	**7.6%**	**100.0%**

This would suggest that significant opportunities exist to engage the younger age bracket. This requires an improved understanding of the specific needs of this spectator segment and tailoring event, 'Townsville' experiences and pricing to those needs. The use of social marketing tools is likely to be of increasing importance and significance in communicating to this segment.

TOWNSVILLE400 - 2012

ECONOMIC IMPACT

Positive economic impact for the region is gained from visitor spending.

The total (direct and indirect) impact of the 2012 Sucrogen Townsville400 event is estimated at 32.4 million dollars. Although, the same data analysis methodology was applied in 2012 as in 2011, the estimated impact statement for 2011 (16.9 million dollars) cannot, and should not, be compared to the 2012 figure. Data limitations in 2011 required that the researchers produce a conservative estimate of the impact of the event in 2011. Improved data collection methods in 2012 have increased the robustness of our analysis, which allows the researchers to relax the conservatism adopted in 2011, and for each of the previous years. However, any comparison between impact figures from 2012 and 2011 is simultaneously rendered impossible.

Improved Data Collection Methods

Two factors have contributed to improved data collection. First, a 17% increase in the number of questionnaires was achieved, due to the excellent work of the survey team. Second, survey questions were re-ordered and in some cases shortened, and the length of the survey instrument reduced to three pages. Each of these factors combined to increase the share of attempted questionnaires that were actually completed (*i.e.* all questions relevant to the impact statement calculation were completed). Both factors have contributed towards a significant increase in the number of responses from spectators. Hence, broadened the fundament on which the impact statement is based and subsequently made the outcome more precise and robust. In 2011, we did not have the minimum number of responses required to be confident that the estimate we found was robust and consequently we decided to report a conservative estimate of the impact statement. As a result, the reported impact statements in 2011 and 2012 are non-comparable.

Patterns in the Data

Clearly, a direct comparison between economic impact in 2011 and 2012 cannot be made. However, some general trends in the data relevant to economic impact are evident. Ticket sales were slightly up from last year. However, that was not a result of more spectators, but instead of spectators attending on average slightly more race days. Since spectator numbers moved sideways, the rise in ticket sales will not have changed economic impact significantly. What did change favourably to economic impact is a small increase in the share of non-Townsville residents who attended the event. Since non-Townsville residents are the main contributors to economic impact, that development is favourable to economic impact. Focusing on the non-Townsville residents, we note that (a) their length of stay in Townsville (around the event) was down from last year (negative effect on economic impact) but (b) their intention to come to Townsville in absence of the event decreased slightly, meaning their expenditures during the event would not have happened in absence of the event (positive effect on economic impact).

TOWNSVILLE400 - 2012

SPECTATOR GROUPS

Each spectator group attends the event primarily seeking something unique and different to connect with their particular needs. Targeting those needs helps build event loyalty and satisfaction.

Previous research by JCU identified six 'spectator groups' attending the event, figure 6. Classifying spectators into groups and understanding what each group is particularly looking for or expecting to 'experience' from the event, focusses event organisers and the Townsville community to construct event and supporting festival activities to ensure spectators are gaining value. If spectators believe that they are not receiving value for the investment of money, time and effort in attending the event and Townsville, spectator attendance is likely to decrease.

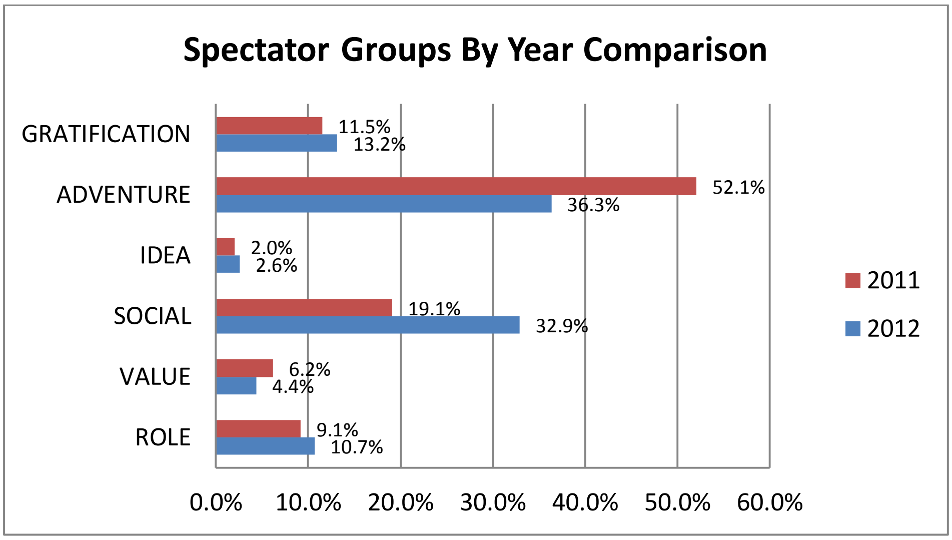
The Idea category was previously called 'Trend'. Analysis of the 2011 data suggested that spectators identifying in this category related more closely to Idea rather than trend.

Figure 6 Spectator Groups

Spectator Group	Explanation of Attendance
Gratification	I can treat myself to a special occasion
Adventure	I like to feel the excitement and adventure of the V8 event
Idea	I can expand my knowledge and learn about racing
Social	I can share experiences with family, friends and meet people
Value	I like the value I get by attending the event
Role	I like to boast about the experiences I have at the race

'Adventure' seeking are the largest spectator group attracted to the event. However, this group contracted significantly in 2012 compared to 2011. The second largest group is 'social'. This group has expanded significantly in 2012 compared to 2011, followed by 'gratification' and role, which have remained relatively the same between data collection years. Idea and value spectators combined represent 7% of total attendances.

Figure 7 Spectator Groups by Year



This would suggest that event and supporting festival400 organisers focus efforts to deliver adventure and social event and festival activities that particularly cater these groups.

Figure 8 Spectator Group by Gender - 2012

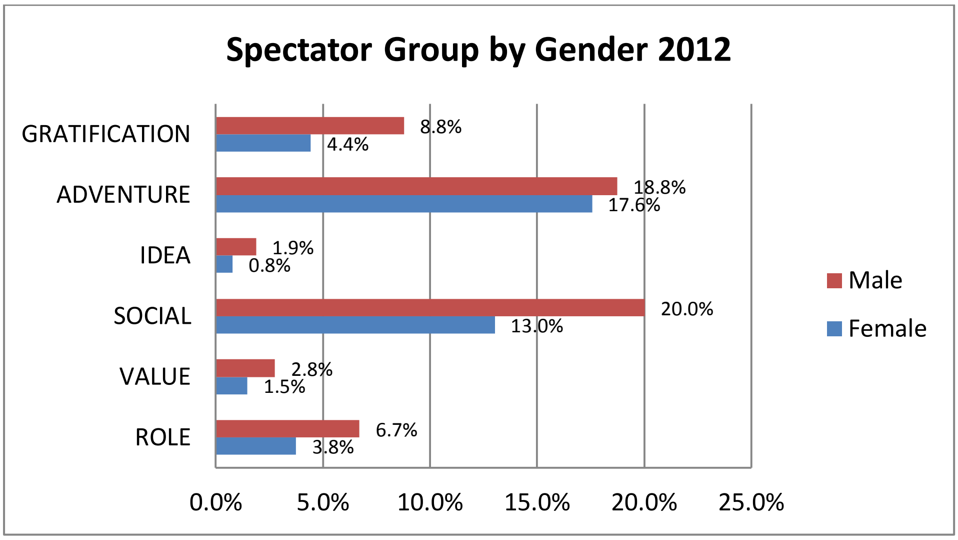
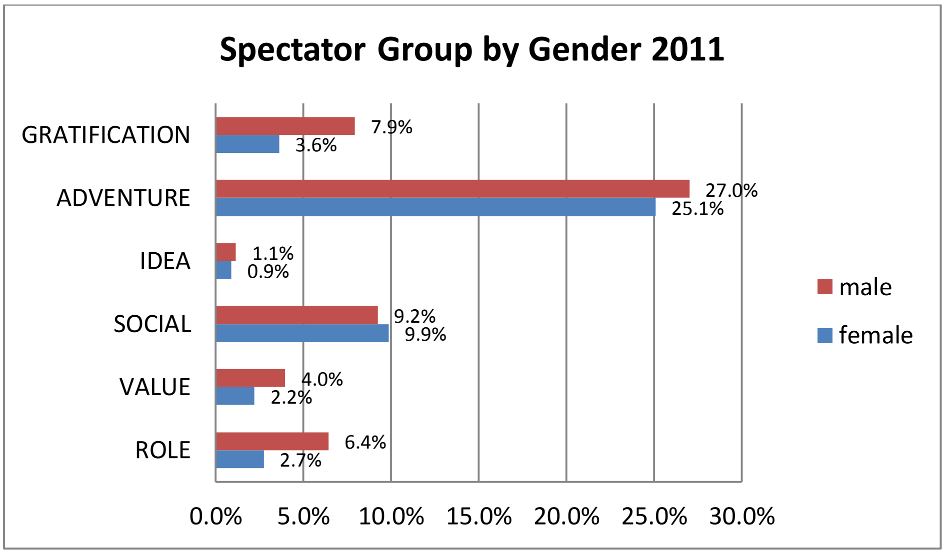


Figure 9 Spectator Group by Gender - 2011



CONCLUSIONS - SPECTATOR GROUPS

Understanding spectator groups and what they expect from event attendance allows event organisers to target the specific needs of spectators. Further, Festival400 organisers are able to structure the timing, length and type of festival events to appeal to and attract event spectators, thereby providing an integrated Townsville experience which is likely to increase visitor stays and contribute to the economic impact of the event to the Townsville community.

TOWNSVILLE400 - 2012

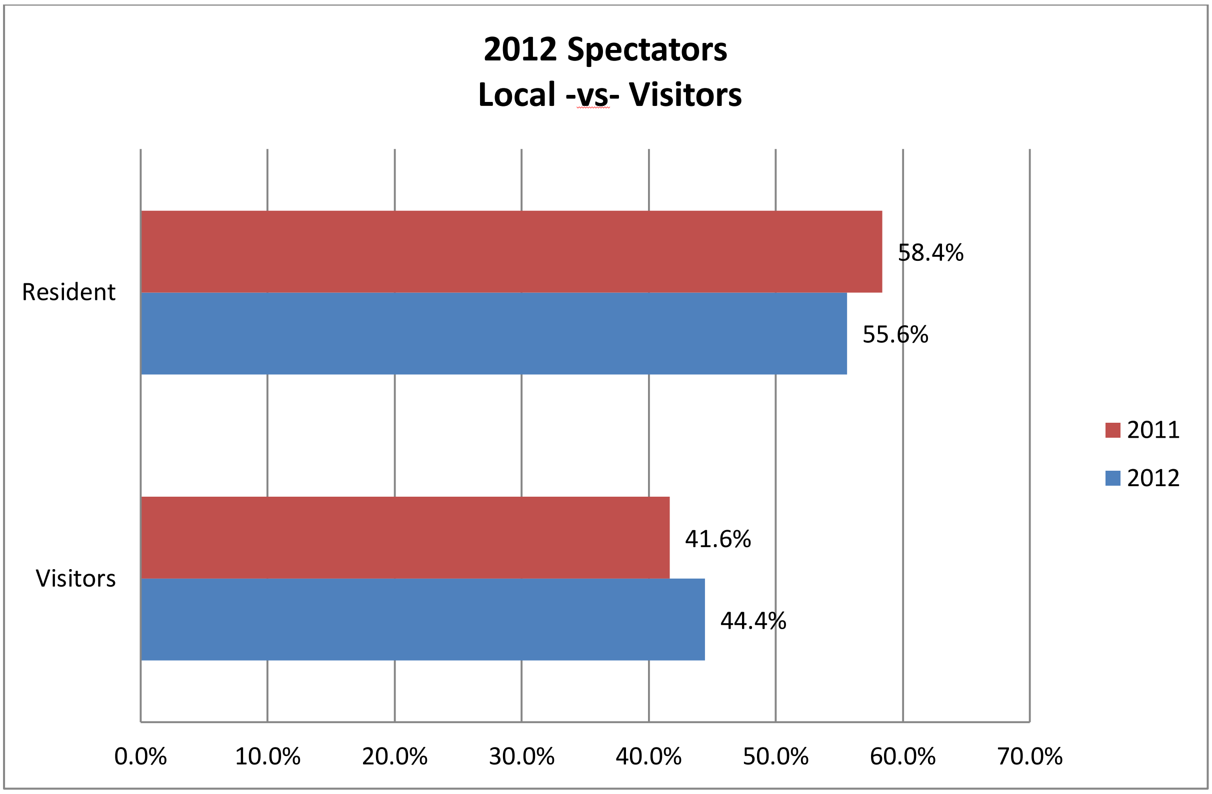
SPECTATOR HOME LOCATION

The further spectators travel the greater the total cost – therefore the decision to attend the Townsville400 may be influenced by a greater number of factors than metropolitan events. Such factors must be examined to continually reshape the event to the needs of spectators.

The event and supporting festival has the capacity to attract large spectator attendances from both Townsville residents and visitors. Attendances by Townsville residents contributes to a net reduction in economic activity within the Townsville community as money spent associated with event attendance flows to event organisers and is lost to the Townsville community. Visitor spending on purchases associated with event attendance such as accommodation, meals and souvenirs contributes to a positive economic return to the Townsville community.

Where Spectators Came From

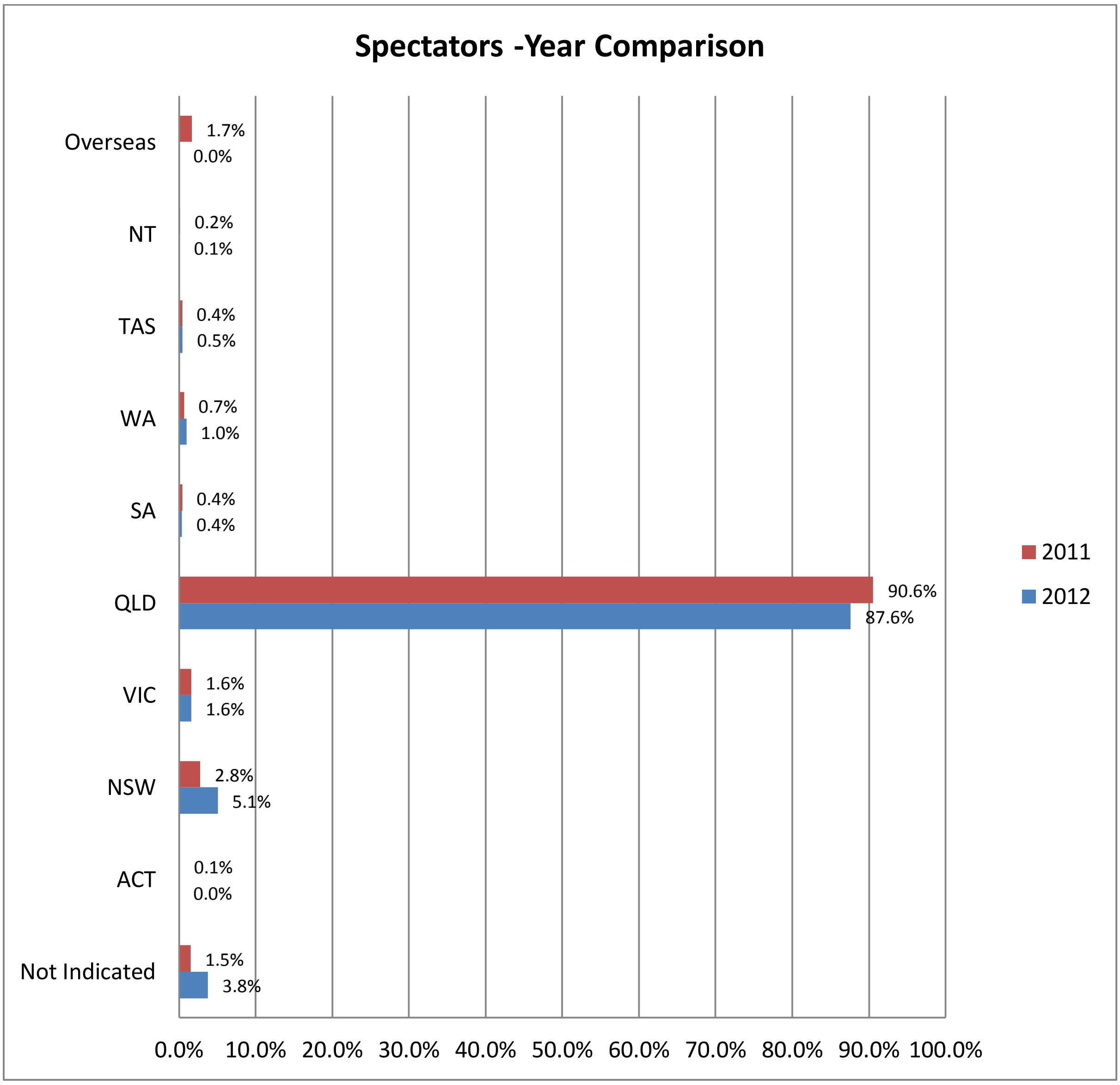
Figure 10 Spectators Townsville and Visitor Comparison



Townsville Resident's attendance *declined* 2.4% to 55.6% compared to 2011.

Visitor numbers increased 2.8% to 44.6% compared to 2011. Increased visitor numbers contributed to an increased positive economic benefit to the Townville economy.

Figure 11 Spectator State of Residence 2012 and 2011

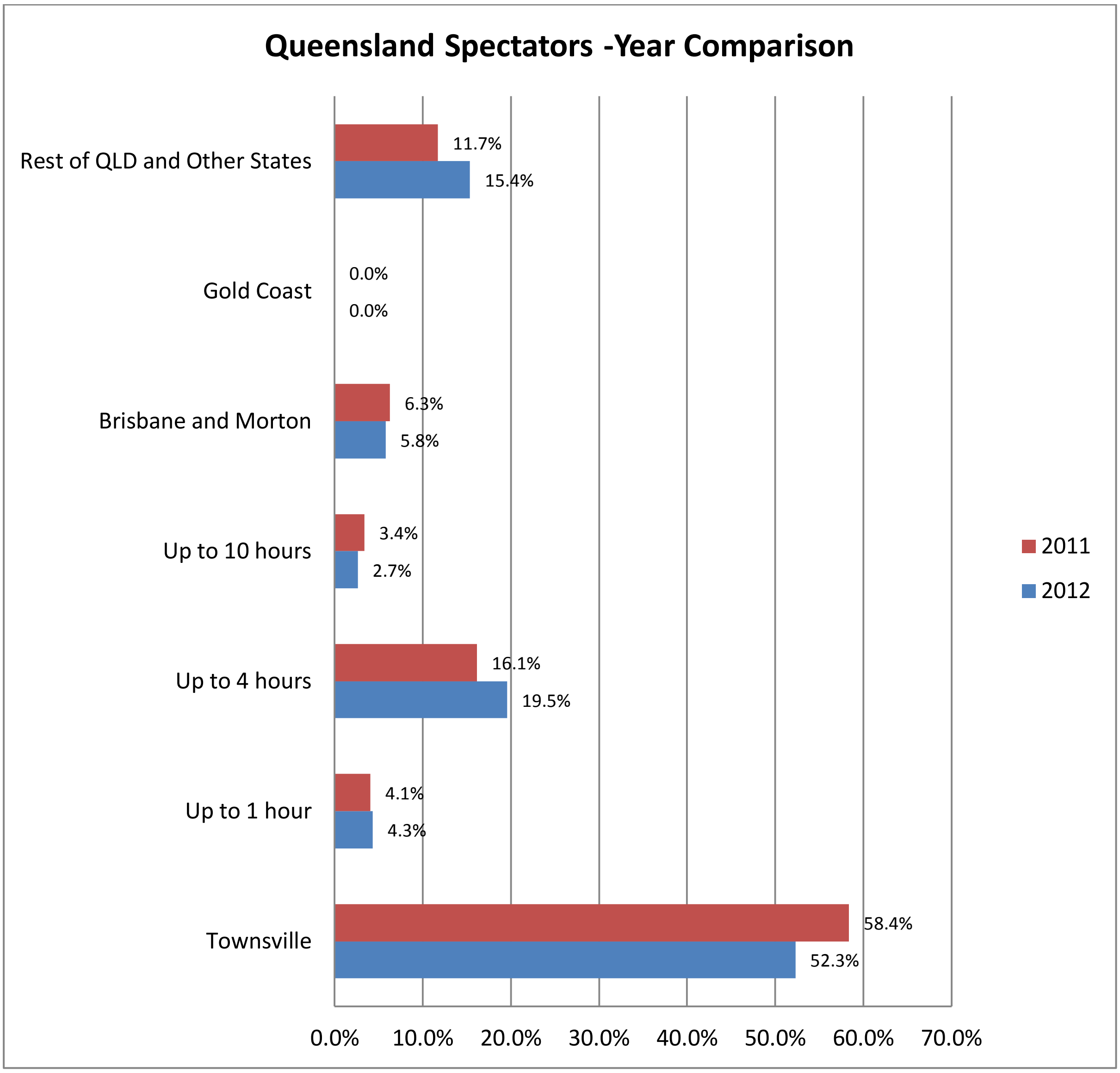


Interstate visitor attendance increased 3% to around 6% of total attendances. The largest growth in visitor attendance was from New South Wales. Lower visitor attendances were recorded from Northern Territory, Australian Capital Territory and overseas.

Spectator Groups by Driving Time

Analysis of spectator groups by home location is likely to indicate regional differences in spectator needs and expectations of the event and the associated Townsville experience. Identification of such regional differences allows organisers to shape and focus marketing messages to specific groups over a generic marketing campaign.

Figure 12 Queensland Spectators by Driving Distance 2012 and 2011



Attendances from 'up to 4 hours' drive 'market (Cairns and Mackay) increased to 19.5% compared to 16.1% in 2011.

Attendances from 'up to 10hours' drive' market (Rockhampton, Mt Isa and Cooktown) decreased to 2.7% compared to 3.4% in 2011.

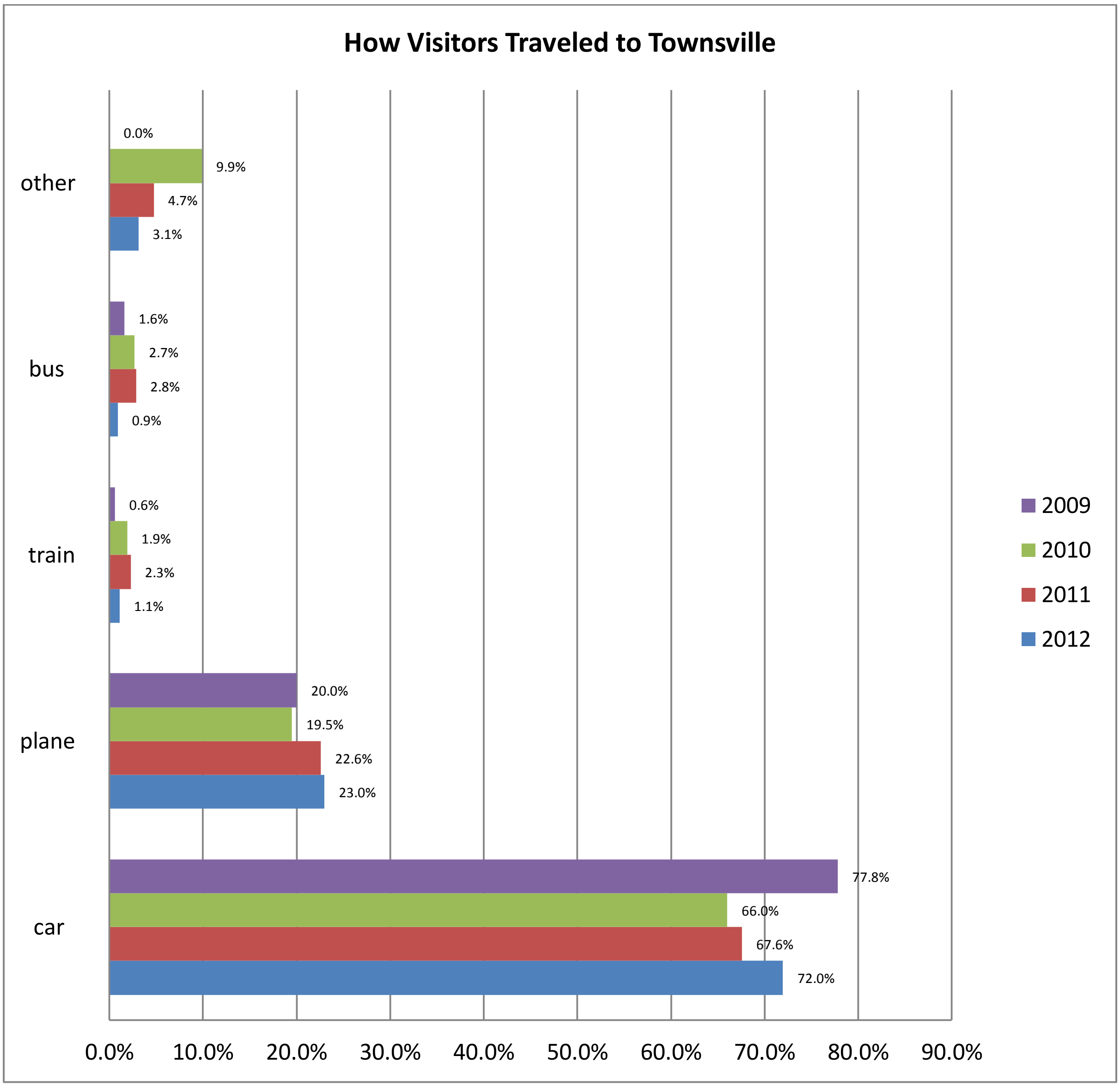
Attendances from the Brisbane and Morton region decrease to 5.8% compared to 6.3% in 2011.

No spectators surveyed resided on the Gold Coast.

Townsville spectator attendance decreased in 2012.

Marketing activities concentrated in the Townsville and up to 10 hour drive market are likely to be the most effective.

Figure 13 Mode of Travel



Both the drive and fly-in markets continue to increase compared to previous years. However, other modes of travel decreased.

CONCLUSIONS - SPECTATOR HOME LOCATION

Event and festival organisers could consider event/Townsville visitor package options with airlines and accommodation providers to further develop these travel modes. Consideration could also be given to arrangements with intermediary destinations.

Spectator attendances from New South Wales continue to increase suggesting that marketing activities into the Sydney market could be worth considering. Further, securing a Cowboys versus a NSW team NRL match at the time of the event could further stimulate the NSW market.

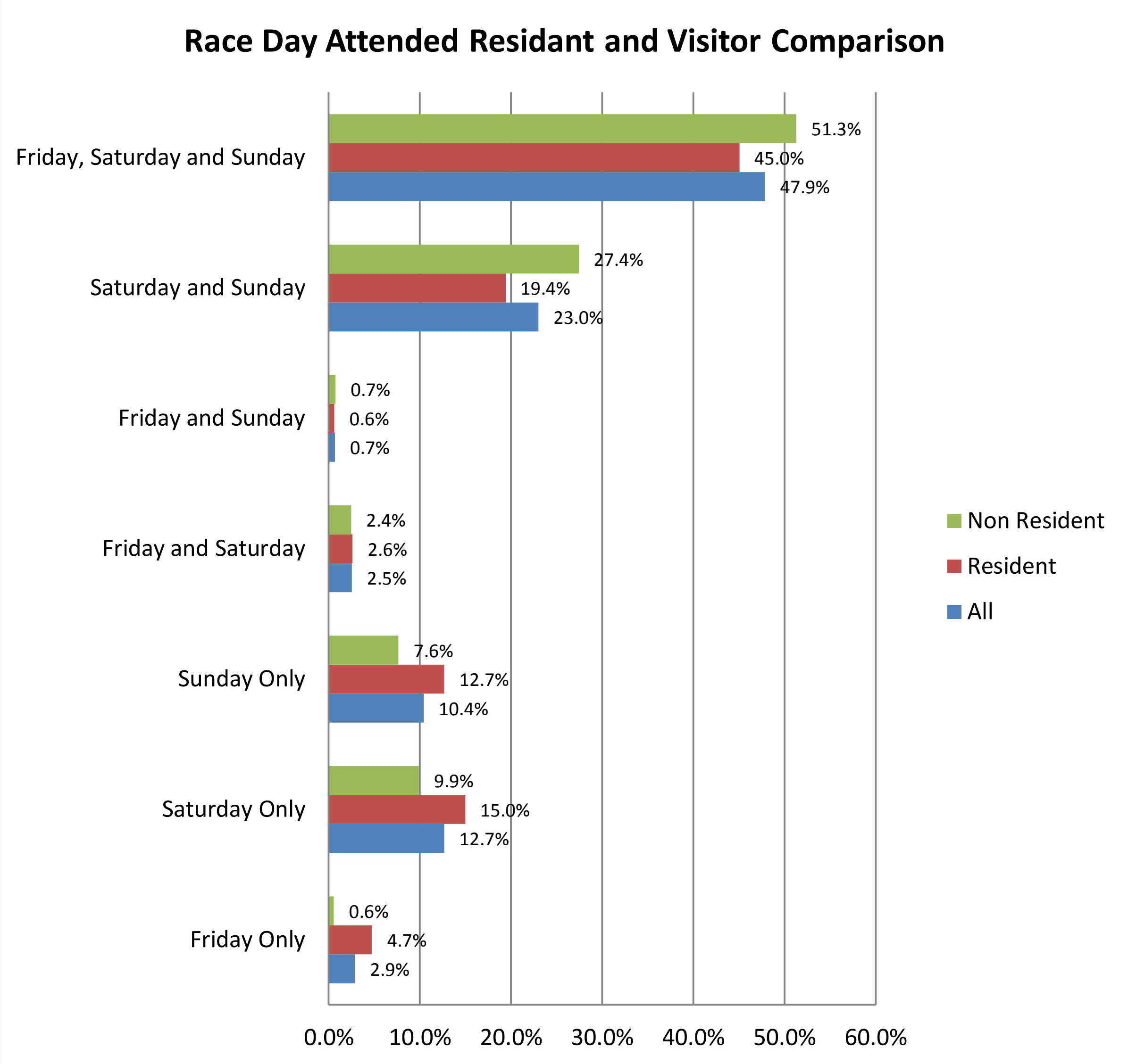
TOWNSVILLE400 - 2012

RACE DAY(S) ATTENDED

Attendance patterns of Townsville based spectators and visitors are not uniform. Understanding differences encourages targeting event activities to spectator needs thereby increasing satisfaction outcomes and enhancing the long-term viability of the event.

Analysis of race day attendance can assist event organisers and the business community to consider adjusting pricing and activity mix over each event day.

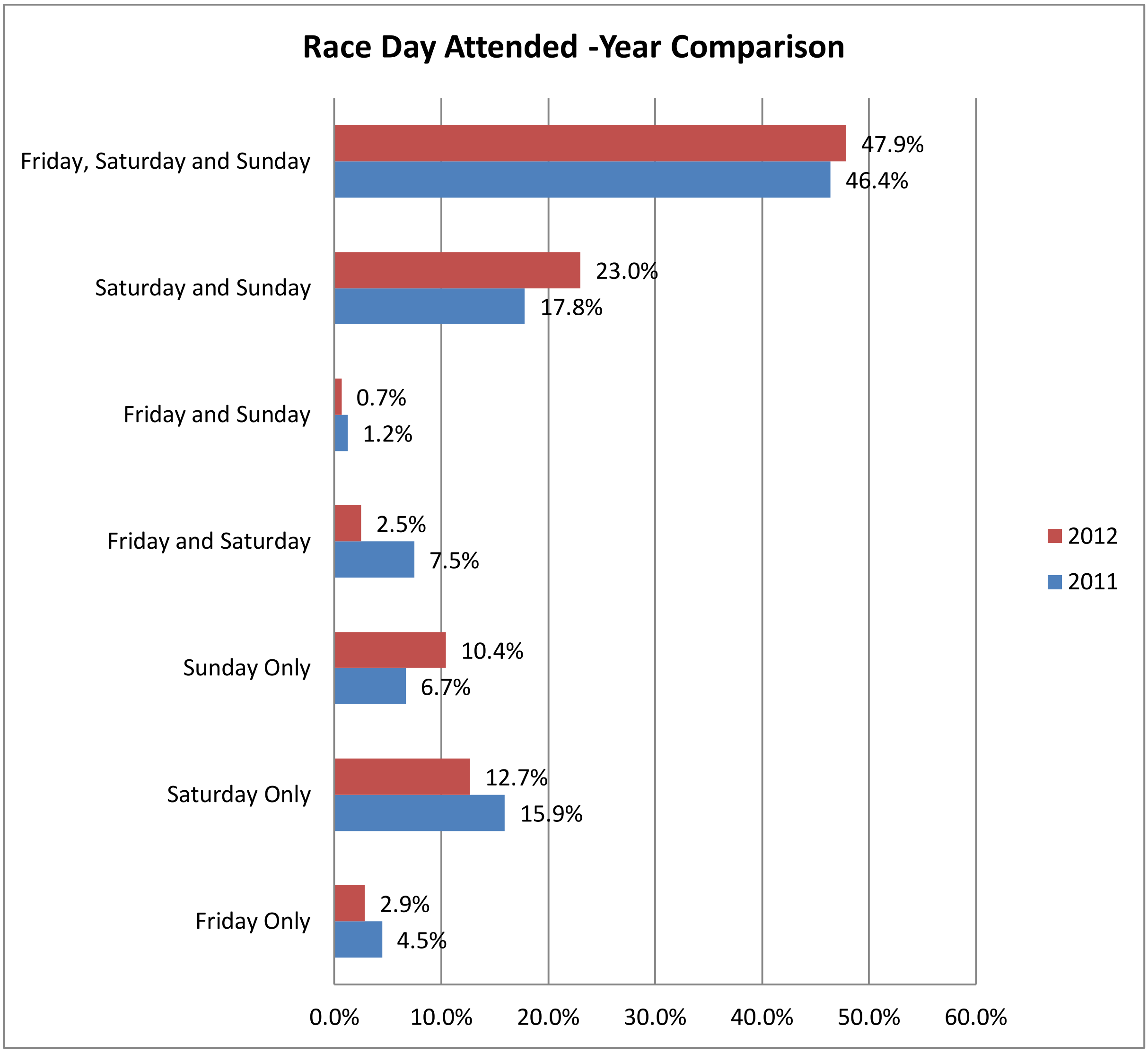
Figure 14 Race Day Attended – Resident and Visitor Comparison



51.3% of visitors attended each race day, while 27.4% attended Saturday and Sunday only.

Townsville residents attended fewer 'multi-days' and had higher single day attendances compared to visitors.

Figure 15 Trend of Race Day Attendance 2012 and 2011



Three-day attendance increased 1.5% while Saturday and Sunday only attendances increased 5.2% compared to 2011. Sunday only attendance increased 3.7% in 2012 while Saturday only decreased 3.2% compared to 2011. Changing attendance patterns by Townsville residents is the major contributing factor. Anecdotal evidence suggests that spectator attendance was also influenced by the timing of the main race on both Saturday and Sunday. Data collectors reported that spectators' numbers were 'light' in the mornings with crowd numbers increasing significantly from around 11.30am.

CONCLUSIONS - SPECTATOR GROUPS BY DRIVING TIME

Event and festival organisers could continue to pursue efforts to move the event one week earlier to the middle weekend of the Queensland school holidays. Such re-positioning may encourage visitors to extend their stay after the event and encourage increased attendance at each event day.

Further, festival organisers could consider enhancing festival attractiveness by offering more events on Saturday and Sunday morning.

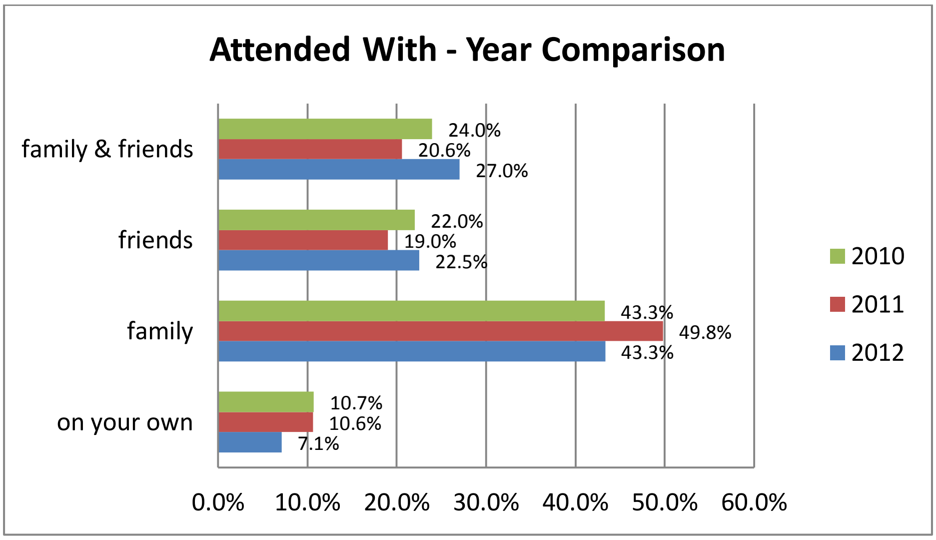
TOWNSVILLE400 - 2012

SPECTATOR ATTENDANCE – GROUP COMPOSITION AND DEMOGRAPHICS

The Townsville400 is a family event. The event and supporting activities must remain focused on meeting the specific needs of family groups.

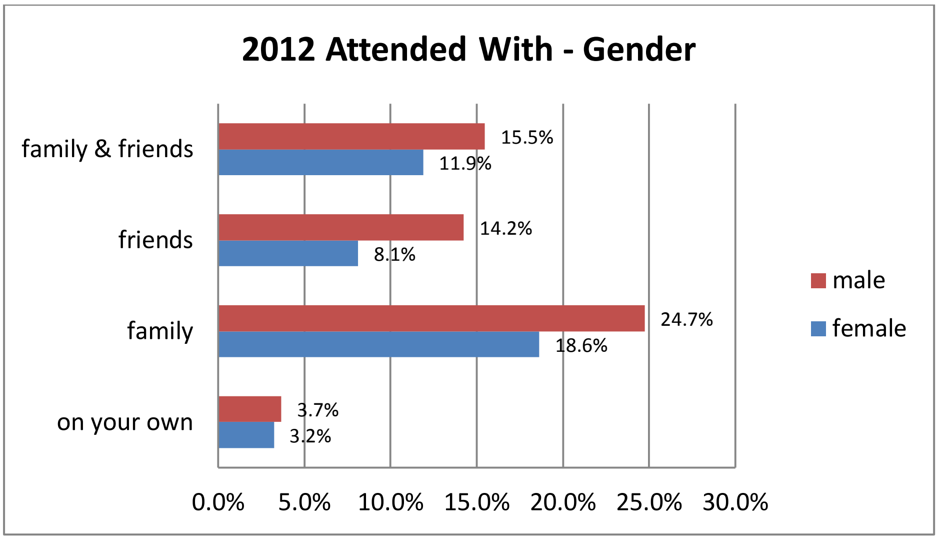
Analysis of spectator group composition, in conjunction with spectator groups, assists event and festival organisers and the Townsville business community to consider specific needs and expectations of attending groups. Spectators, visitors and Townsville residents, expect to receive value for the money and time invested in attending the event. Enhancing spectator value outcomes contributes to increasing spectator attendances at future events.

Figure 16 Spectator Groups Three Year Comparison



7.1% of spectators attended on their own with 92.9% attending as part of a family, family and friends or with friends only group. Family only groups decreased in 2012 with friends and family and friends groups increased compared to 2011.

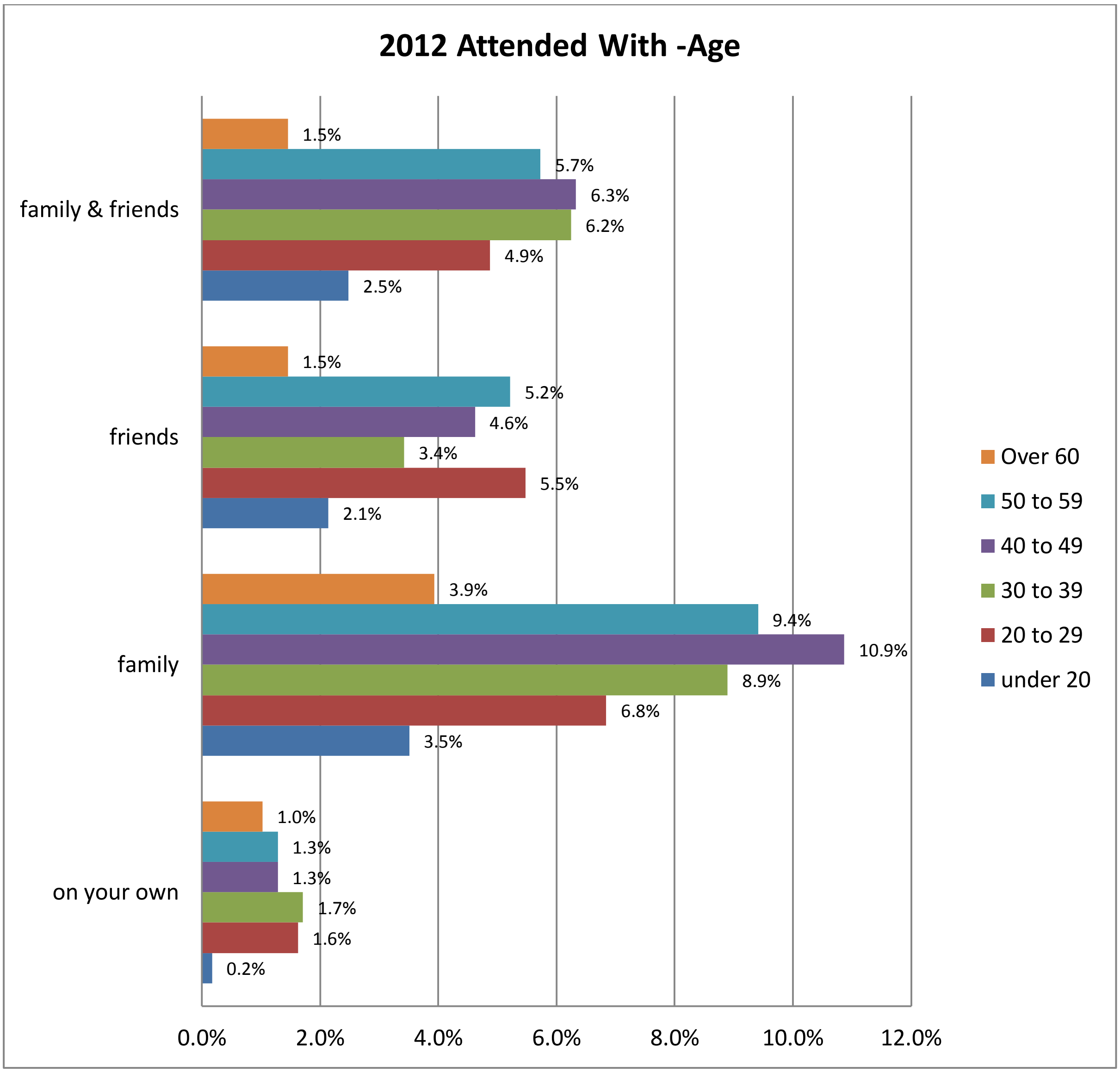
Figure 17 Spectator Groups by Gender



Across all attending groups, female attendances decreased while male attendances increased. This could suggest a move towards a 'boys' day out.

Further research could identify female visitor attendance at the race in comparison to accompanying family groups to Townsville. This could suggest opportunities for alternative activities (shopping, sightseeing, craft and community) for this group.

Figure 18 Spectator Groups by Age



The 50-59 years and 20-29 years are the largest attending age groups in the friends group.

In the family group the largest attending age groups are 40-49 years, 50-59 years and 30-39 years.

In the family and friends group the largest attending age groups are 40-49 years, 30-39 years and 50-59 years.

In the on your own group the largest attending groups are 30-39 years followed by the 20-29 years.

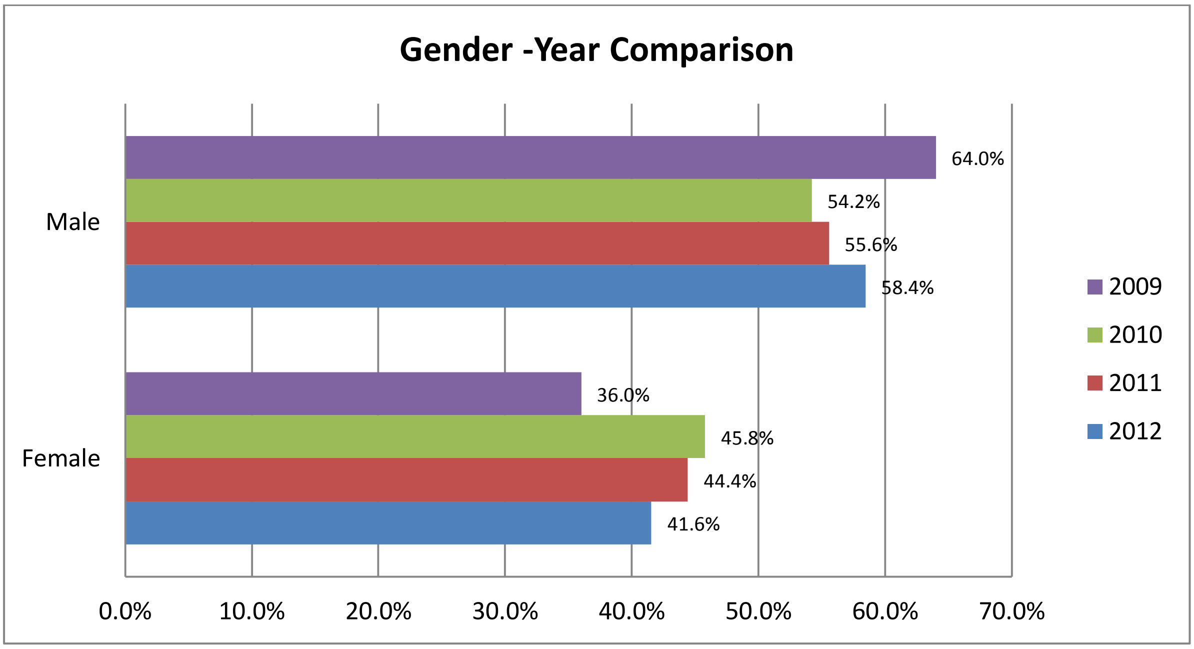
Spectator Age and Gender

Figure 19 Spectator Age and Gender 2012

Gender		Male	Female
Age	under20	6.4%	9.7%
	20-29	17.9%	20.9%
	30-39	21.0%	20.9%
	40-49	22.8%	24.0%
	50-59	23.5%	18.1%
	over 60	8.4%	6.4%

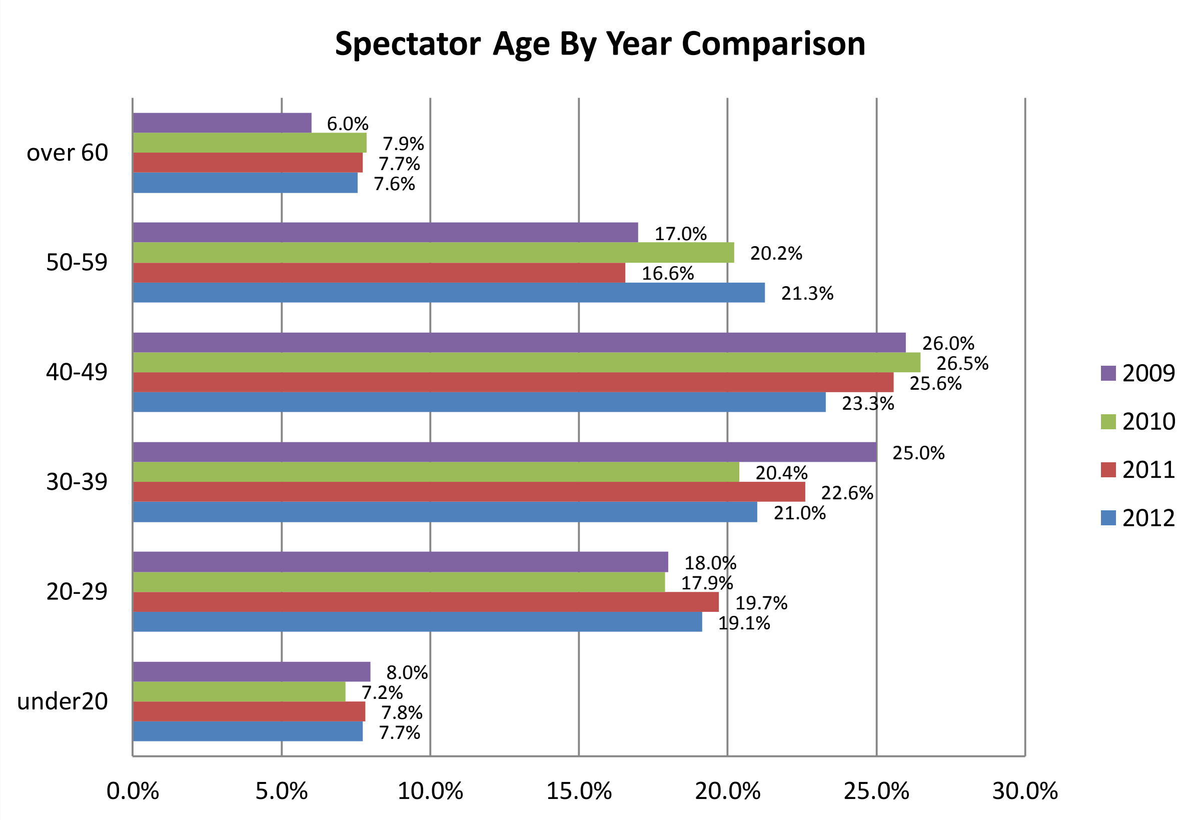
Female attendances exceeded male attendances in the under 20, 20-29 and 40-49 years age brackets.

Figure 20 Spectator Gender - Four Year Comparison



Overall, female attendances have decreased since 2010, however; were 5.5% higher in 2012 compared to 2009.

Figure 21 Spectator Age - Four Year Comparison



The over 60 year's age group has remained relatively constant since 2010 and is 1.6% higher in 2012 compared to 2009. Similarly, the under 20 and 20-29 year's age groups have remained relatively constant since 2009.

The 50-59 and 30-39 year's age group demonstrate significant yearly attendance variation.

The 40-49 year's age group has consistently been the highest attending age group, however; this group decreased 2.3% compared to 2011.

CONCLUSION - SPECTATOR ATTENDANCE – GROUP COMPOSITION

The event is clearly a family and friends event. This is likely to be the distinctive difference and unique attraction point of the event and should inform marketing messages and event and festival construction.

Opportunities exist to increase the under 30 years of age market, while the over 40 years market remains strong.

Further research into the significant yearly variation in the 30-39 and 50-59 year age group could shed light on this trend.

Further research could examine the trend towards fewer female attendances and identify opportunities to increase attendances both at the event and at festival activities.

SPECTATOR INTENTION TO RETURN

Growing a loyal spectator base is fundamental to the success of the event. Loyalty and intention to return is built on the back of satisfaction and perception of value for money, time, effort and total experience of the event and supporting experiences.

Spectators of the future are likely to be different to current spectators and event and festival organisers aim to build and expand a loyal spectator base. Loyal spectators have an increased tendency to repeatedly attend the event regardless of general environmental and economic conditions. North Queensland regularly is subject to adverse summer seasonal environmental conditions which could impact spectator capacity to attend the event. Continually expanding customer loyalty is essential in building increased spectator numbers.

Figure 22 Years attended Townsville400 – 2012 Spectators

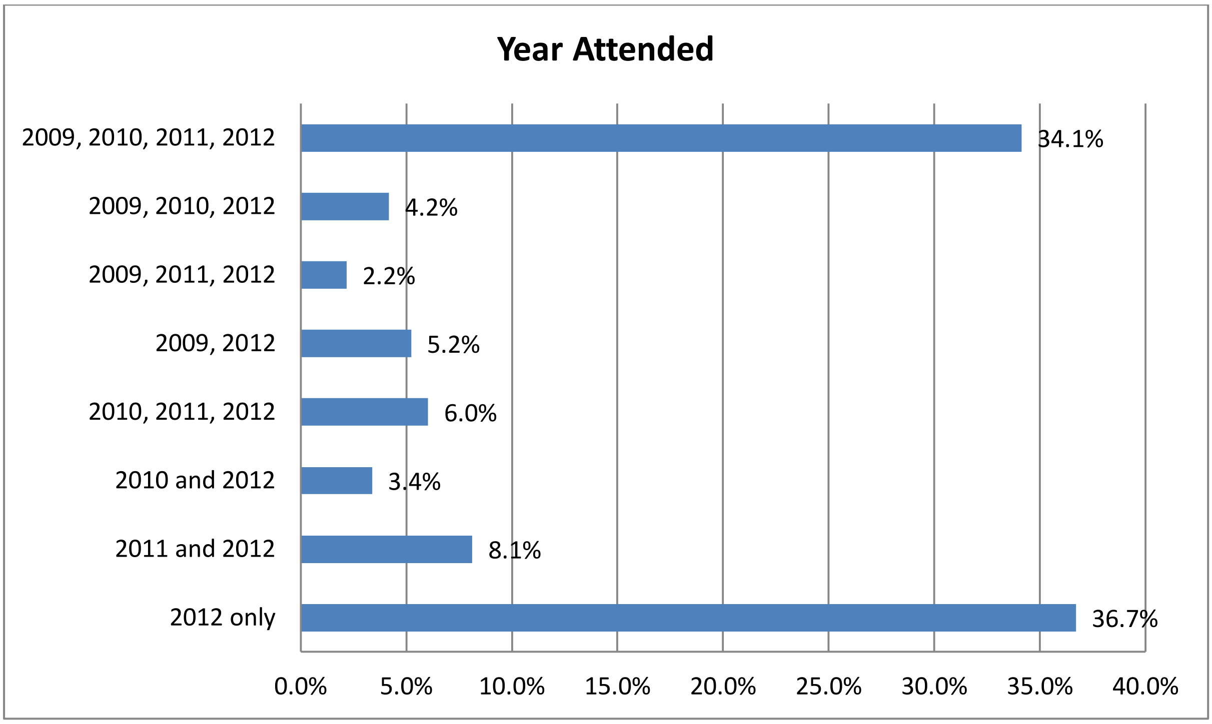
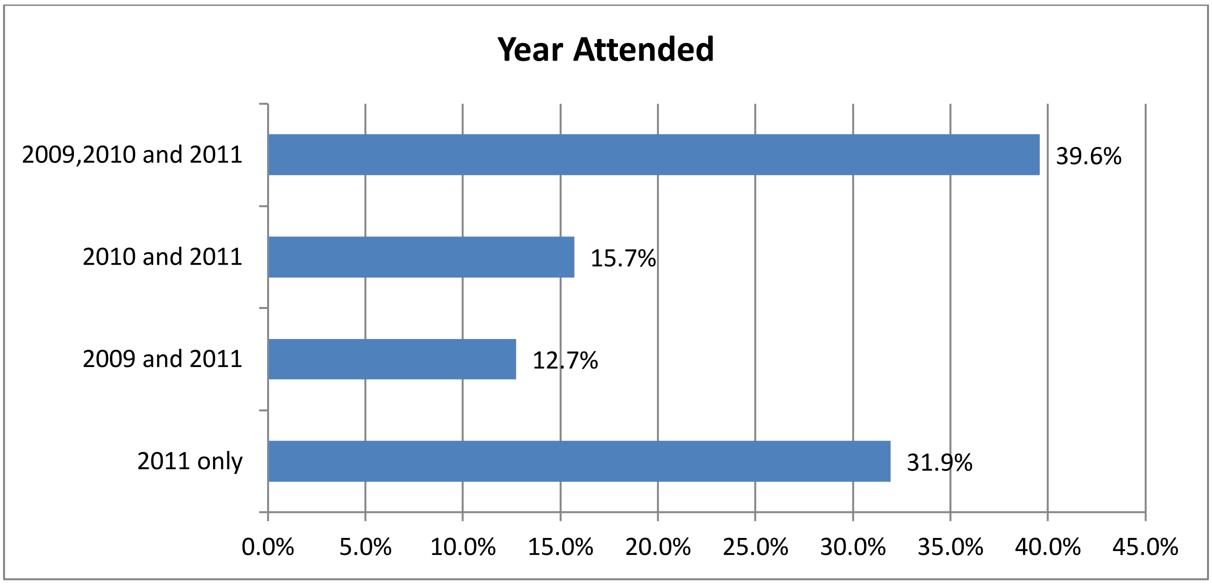


Figure 23 Years attended Townsville400 – 2011 Spectators



Spectators attending each Towsville400 event since the inaugural event in 2009 decreased 5.5% to 34.1% compared to 39.6% in 2011.

'First Time' spectators increased 4.8% to 36.7% of overall attendances compared to 31.9% in 2011.

Figure 24 2012 Spectator Intention to Return to Townsville400 in 2013

Year Attended	**Will attend in 2013**	
	Yes	No
2012 only	**78.73%**	21.27%
2011 and 2012	**93.56%**	6.44%
2010 and 2012	**95.24%**	4.76%
2010, 2011, 2012	**96.67%**	3.33%
2009, 2012	**89.23%**	10.77%
2009, 2011, 2012	**98.15%**	1.85%
2009, 2010, 2012	**94.23%**	5.77%
2009, 2010, 2011, 2012	**97.51%**	2.49%

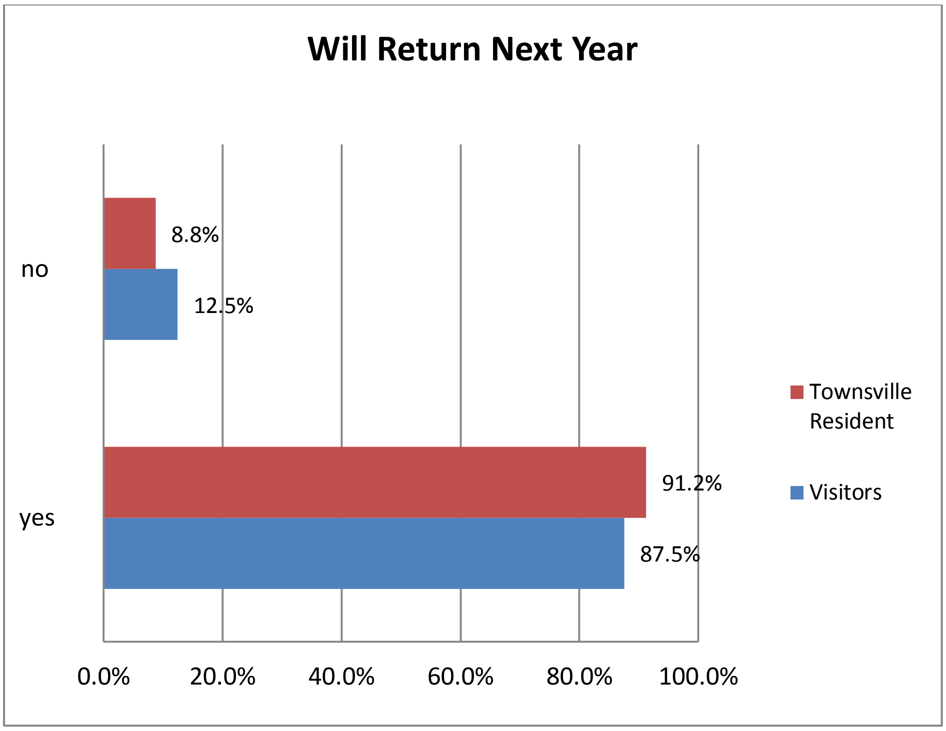
Figure 25 2011 Spectator Intention to Return to Townsville400 in 2012

Year Attended	Will attend in 2012	
	No	Yes
2011 only	25.3%	**74.7%**
2009 and 2011	12.5%	**87.5%**
2010 and 2011	8.8%	**91.2%**
2009,2010 and 2011	2.2%	**97.8%**

First-time spectator intention NOT to attend next year's event decreased 4% in 2012 compared to 2011.

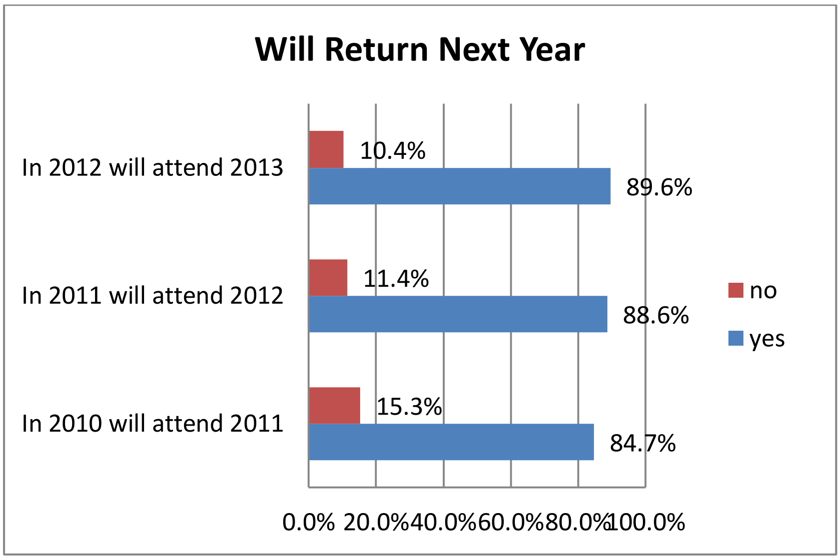
First-time spectator intention NOT to attend next year's event in 2012 was 21.3%.

Figure 26 Intention to Return in 2013 Townsville Residents Compared to Visitors



Visitor intention NOT to return to the event, and Townsville, is higher than Townsville residents. This is a concern as a lower visitor intention impacts on the economic return to the community.

Figure 27 Intention to Return – Three year Comparison



Overall intention to return to the event increased 1% compared to 2011 and has continued to trend upwards each year since 2010.

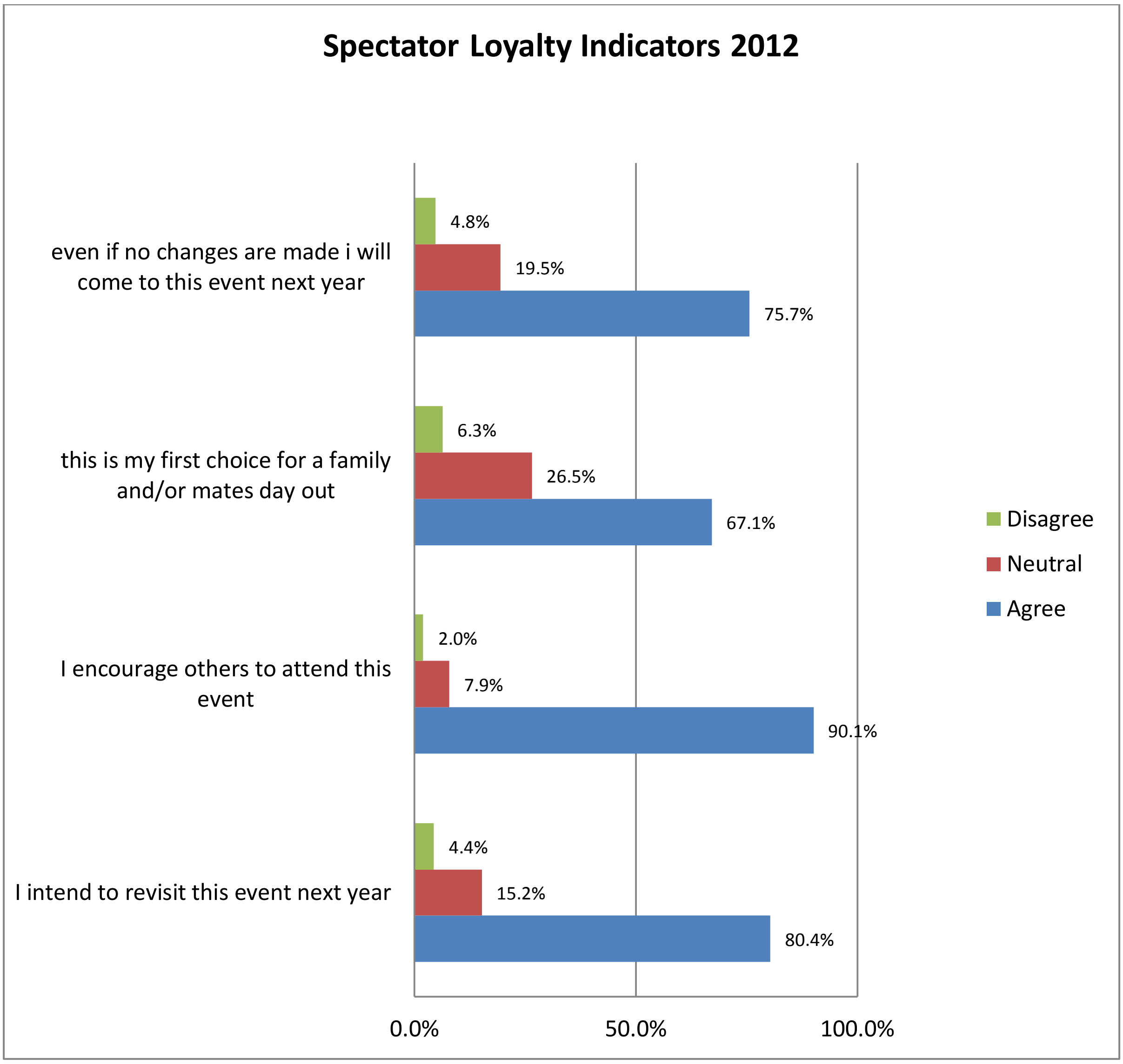
CONCLUSIONS - SPECTATOR INTENTION TO RETURN

First-time spectator intention to attend the 2013 event represents a significant loss of first-time spectator's. This presents a major marketing challenge to attract new (replacement) spectators to (1) hold existing attendances; and (2) to grow attendances in 2013.

The overall intention to attend the 2013 event is a result of an increased intention by Townsville residents to return in 2013 and not an increased intention by visitors. Fewer visitors reduces the economic benefit to Townsville, while increased Townsville resident attendances further reduces the net economic impact of the event to the community.

This suggests that the negative factors contributing poor 'Townsville experience' (accommodation pricing and value, food and beverage pricing and value, service standards and inadequate public transport) must be addressed as a matter of urgency if the event is to continue to attract increased visitor attendances.

Figure 28 Spectator Loyalty Indicators



Overall, 75.7% of spectators indicated that they would return to the event next year 'even if no changes were made to this event next year'.

CONCLUSIONS - SPECATOR LOYALTY

It is likely that loyalty is influenced by issues outside the event, including the 'Townsville experience'. This suggests that the negative issues in the Townsville experience must be addressed as a matter of priority with tangible improvements marketed through a range of channels. This could include social marketing including Facebook, Twitter and YouTube. Further, a 'friends of the V8's' website could be established and linked to the event organisers website and Townsville website to highlight enhancements to event and Townsville experiences visitors can expect.

Clearly, 24.3% of 2012 visitors are expecting changes to the 2013 event and in all likelihood the Townsville experience. This is an important challenge to event and festival organisers and the wider Townsville community.

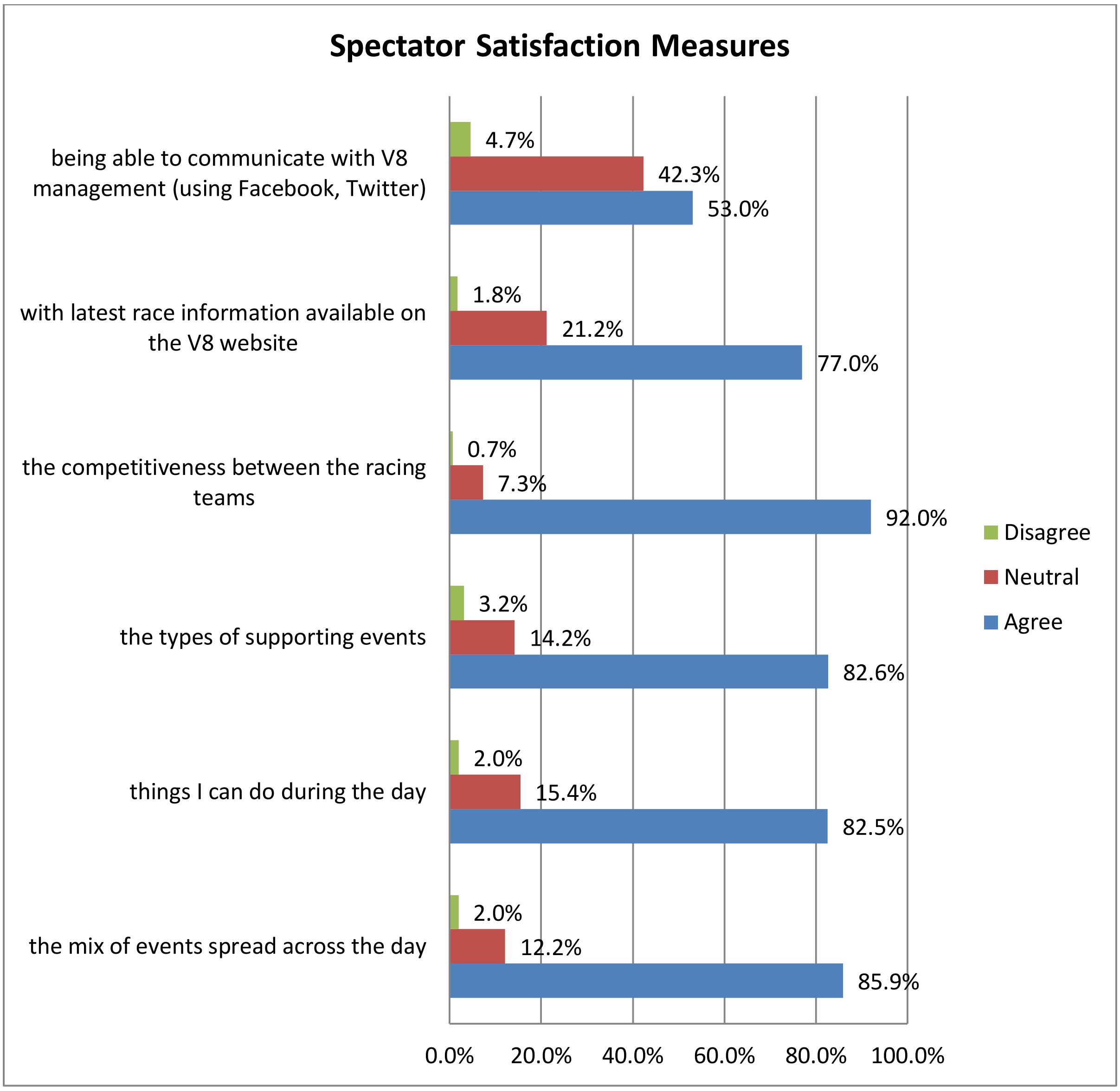
TOWNSVILLE400 - 2012

SATISFACTION INDICATORS

> Customers come to have a fun day, see exciting racing, enjoy the day(s) with friends and/or family and share relevant experiences with others.

Satisfaction is a critical event outcome and a significant influence on a spectator's intention to return in subsequent years. Both satisfaction and intent are necessary and antecedent to loyalty. Further, overall satisfaction is likely to extend beyond the main [Townsville400 V8] event and be influenced by the wider Townsville experience. A number of event satisfiers have been measured since 2010.

Figure 29 Satisfaction with Aspects of the Race Event

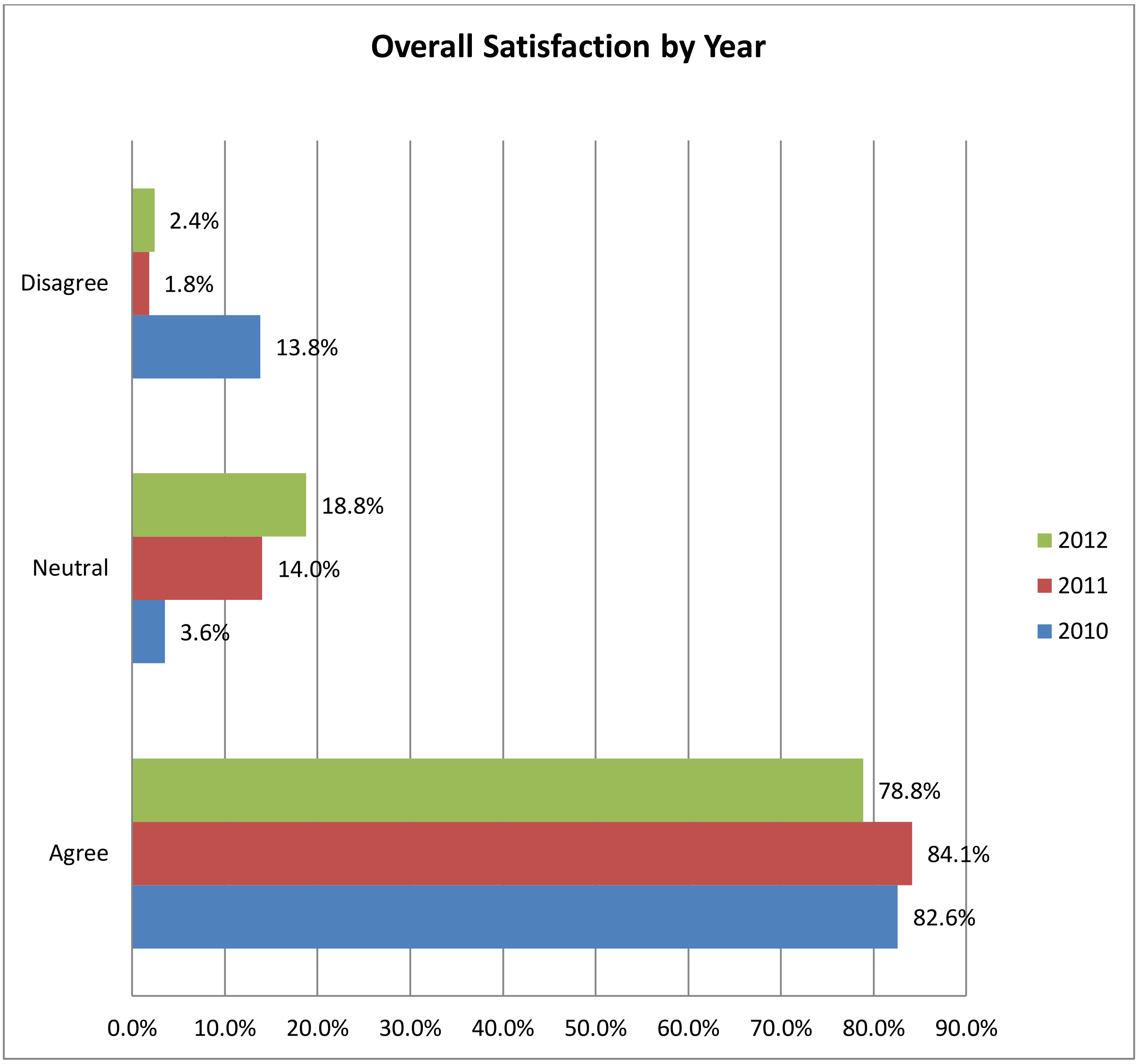


Competitiveness of the racing between race teams is the most important satisfier measured in 2012.

Availability of latest race information available on social media suggests an increasing importance of up to the second event information via social media sources.

Types of supporting events and 'things I can do during the day' suggest that event organisers should reconsider these satisfiers to more closely align with spectator group expectations.

Figure 30 Overall Satisfaction – Three Year Comparison

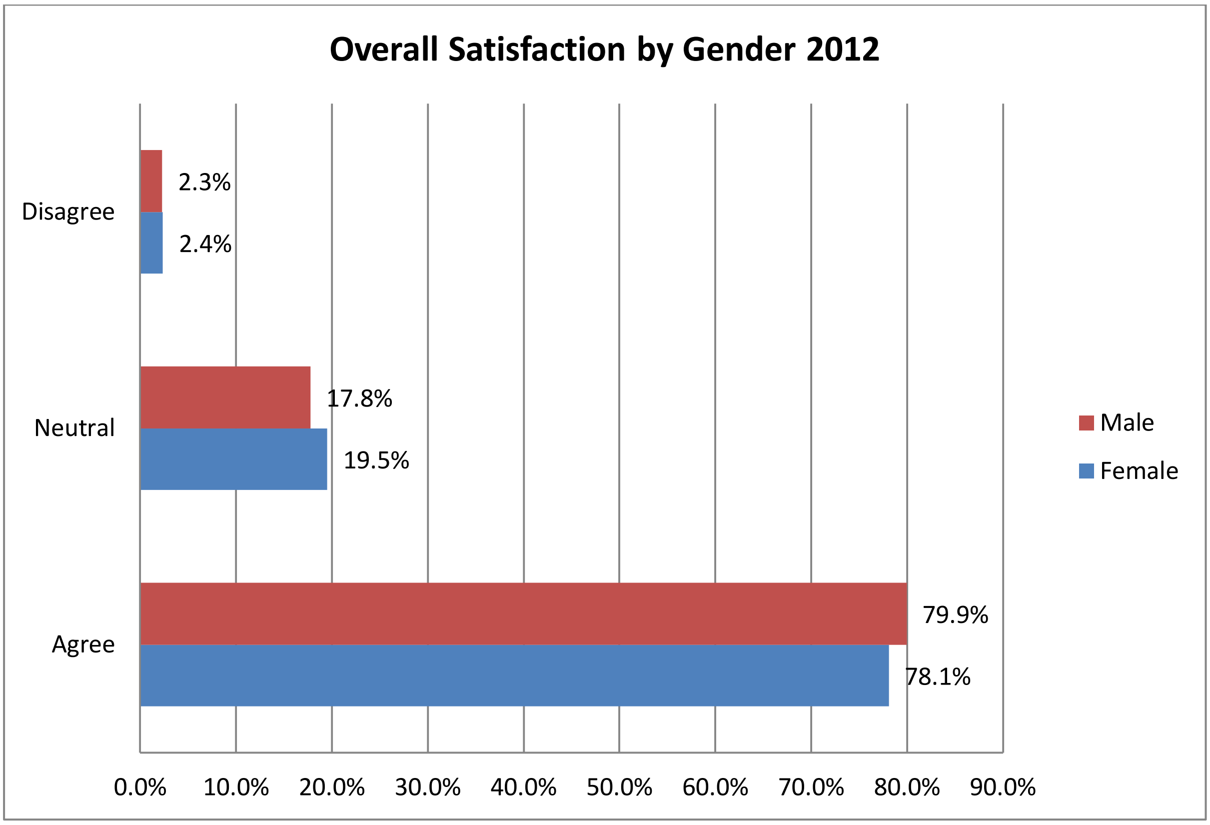


Overall satisfaction decreased 5.8% compared to 2011 and 3.8% lower than in 2010.

Of note, is the significant 15.2% increase in neutral responses compared to 2010.

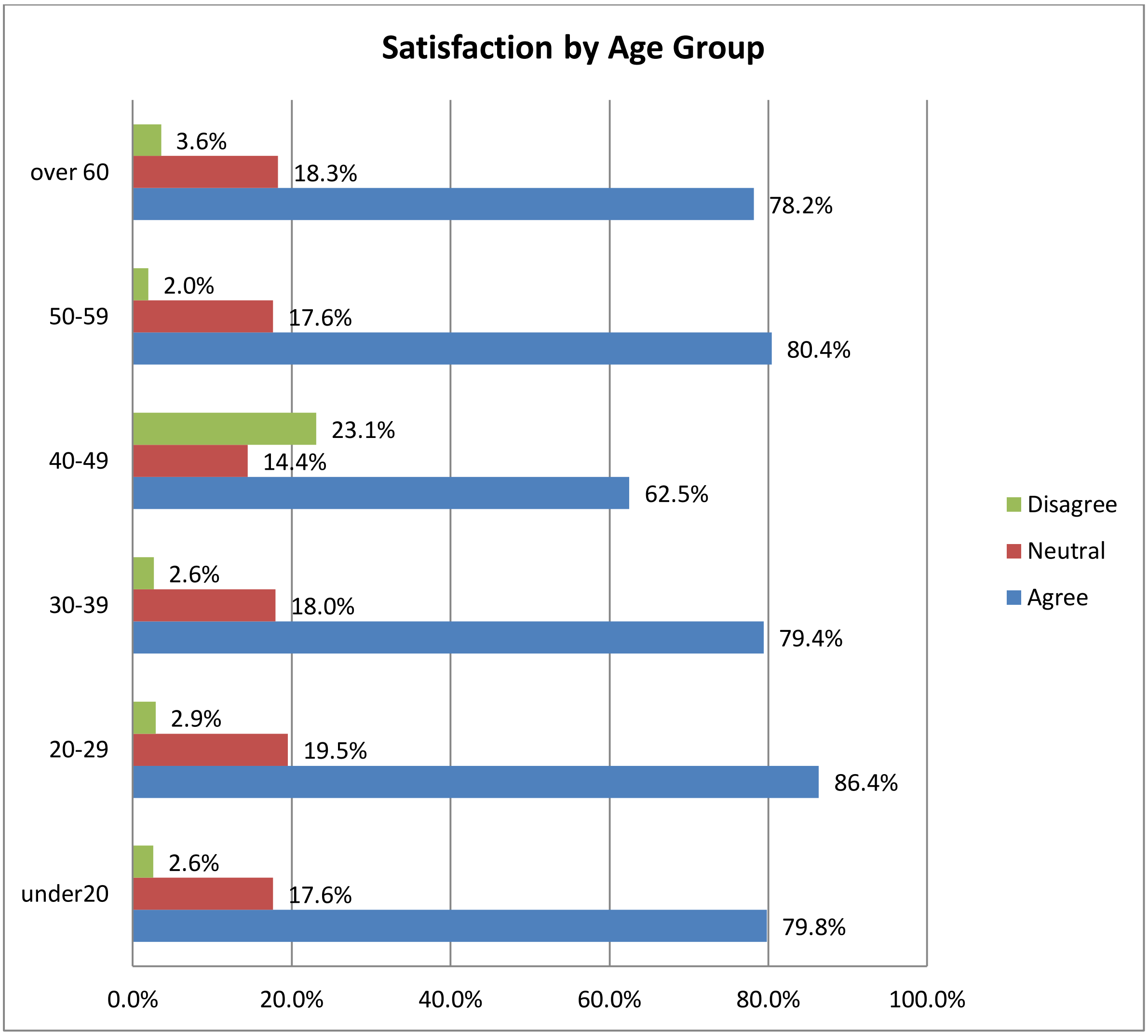
Further, event dissatisfaction has decreased 11.4% since 2010; however, has risen 0.6% since 2011.

Figure 31 Overall Event Satisfaction By Gender



Overall satisfaction between males and female spectators is relatively uniform.

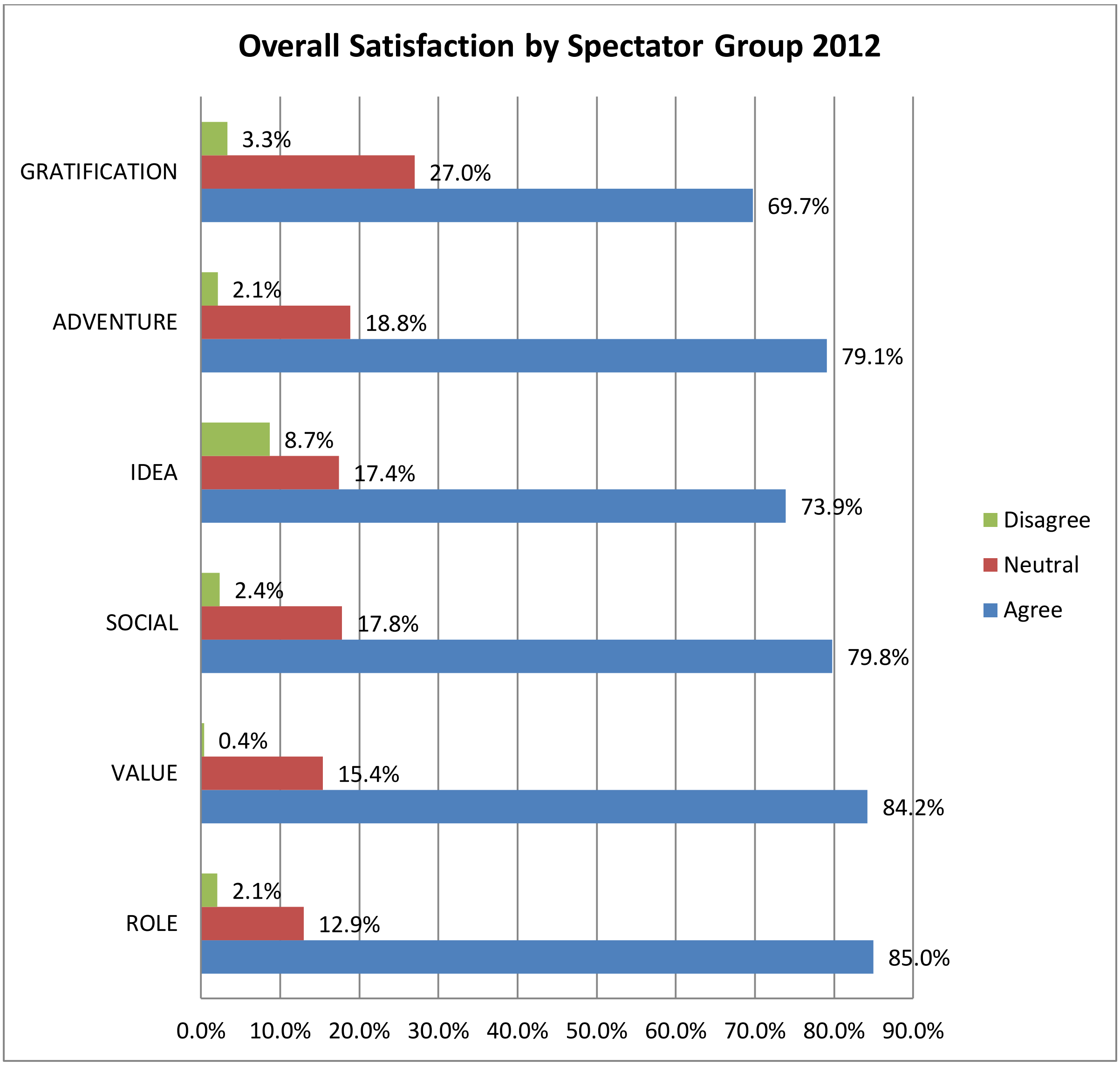
Figure 32 Overall Event Satisfaction by Age Group



The lowest satisfaction response at 62.5% is from the highest attending age group, 40-49 years. Further, this age group recorded the highest disagree response of 23.1%.

The highest satisfaction response rate of 86.4% was recorded by the 20-29 year age group which is the fourth highest attending age group. This age group's attendance has been have remained relatively constant since 2009 at around 19% per year.

Figure 33 Overall Event Satisfaction by Spectator Group



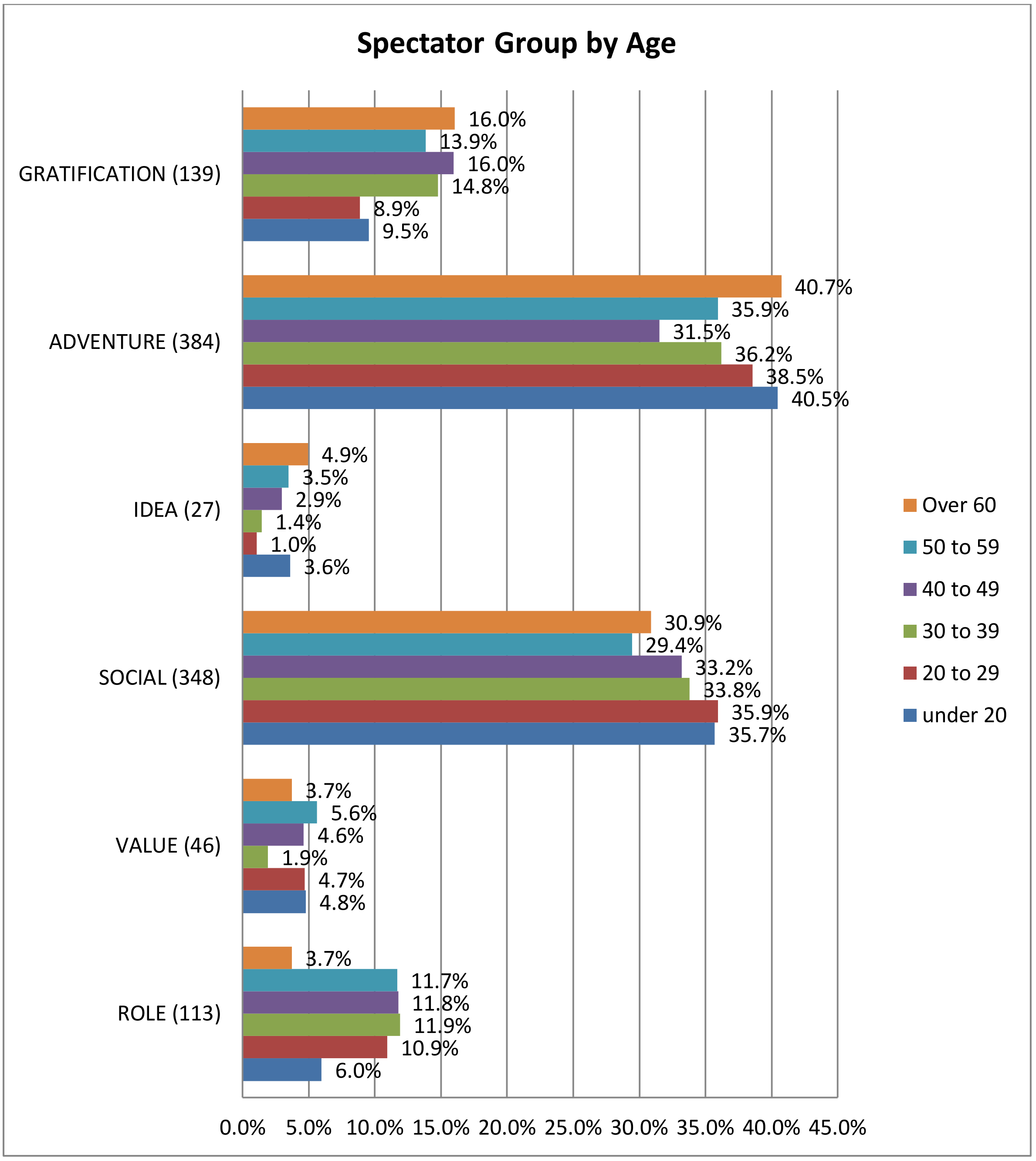
Role spectators recorded the highest spectator group satisfaction, however; are the fourth highest spectator group at 10.7%.

Value spectators recorded the second highest spectator group satisfaction, however; are second lowest spectator group at 4.4%.

The two highest attending spectator groups Adventure (36.3%) and Social (32.9%) recorded the fourth and fifth highest satisfaction levels.

This would suggest that event organisers (and by implication Townsville) should review event and the supporting Townsville experience as a matter of priority.

Figure 34 Overall Event Satisfaction by Spectator Group and Age



Adventure and Social groups are the two largest spectator groups.

The largest spectator age group (40-49 years) is the least satisfied overall of the Adventure group; though rate fourth in the Social spectator group.

The under 20 to 29 years age group is the most satisfied of the Social spectator group.

The over 60 year age group is the most satisfied of the Adventure spectator group followed by the under 20 to 29 years age group.

CONCLUSION - SATISFACTION INDICATORS

- Customers attend the event to have a fun day, see exciting racing, enjoy the day(s) with friends and/or family and share relevant experiences with others.

- Customers expect to see different types of racing and non-stop interesting activities within a fun atmosphere, and with events climaxing towards the main V8 race event.

- Customers strongly relate these features to the quality of the organization, the quality of the services provided and experienced (such as personal contacts with others, and with sellers of merchandise and foods), and with the convenience of toilet and wash facilities (expect sufficient and clean).

- Customers want performance – excitement and like-minded, convivial discussions, and a family-friendly environment.

- Provided customers experience quality and performance at the event precinct then they are more likely to accept the servicing offered (product knowledge transmission, safe kids zones, information on events from many sources (sound, visuals, programs, ambassadors, specific event recognition and regular website updates). Together these support the customer's perception of their economic value received. Customers are happy when they know they can operate within 10% of their planned budget, see they are receiving value-for-money expended (suitably priced merchandise and foods), and when they hold a good viewing position (for the price of the ticket they purchased).

- If the above are all delivered then the customer is likely satisfied with the day's events-mix, the day as an entertaining time, and the competitiveness they share with their chosen racing teams.

- When the customer perceives: value-for-money, a high performance day, and an overall satisfying time they are more likely to become loyal and to schedule (as high priority) a revisit for their family and/or friends next year, or at the next V8 event on the circuit. These satisfied customers are typically happy to revisit the event next year - even if no changes arise and even if the entrance fee is marginally increased (under 10% increase and ideally around CPI).

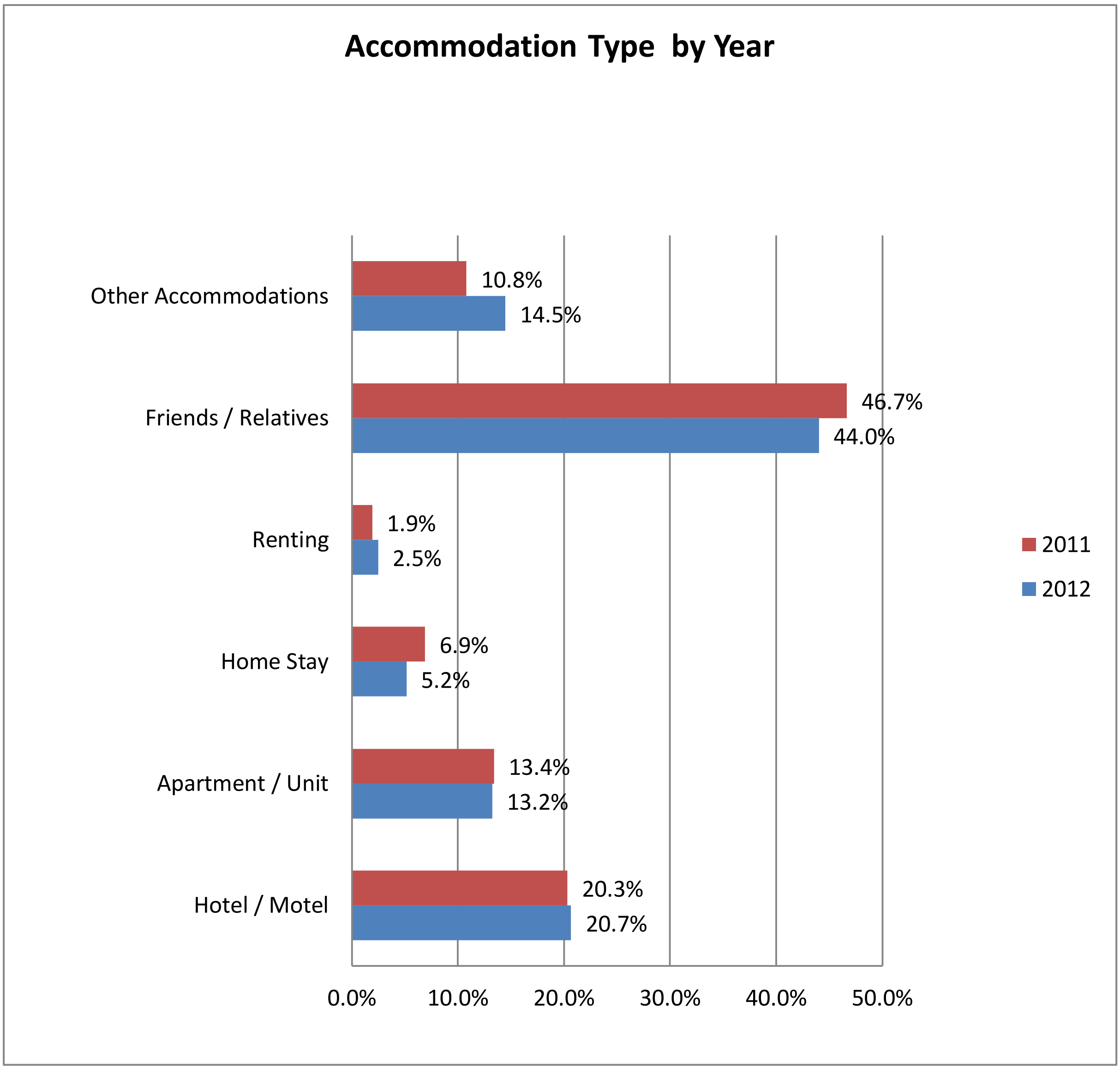
TOWNSVILLE400 - 2012

VISITOR STAYS

The high cost of accommodation in Townsville during the Townsville400 period has contributed to a reduction in the number of nights stay before and after the event.

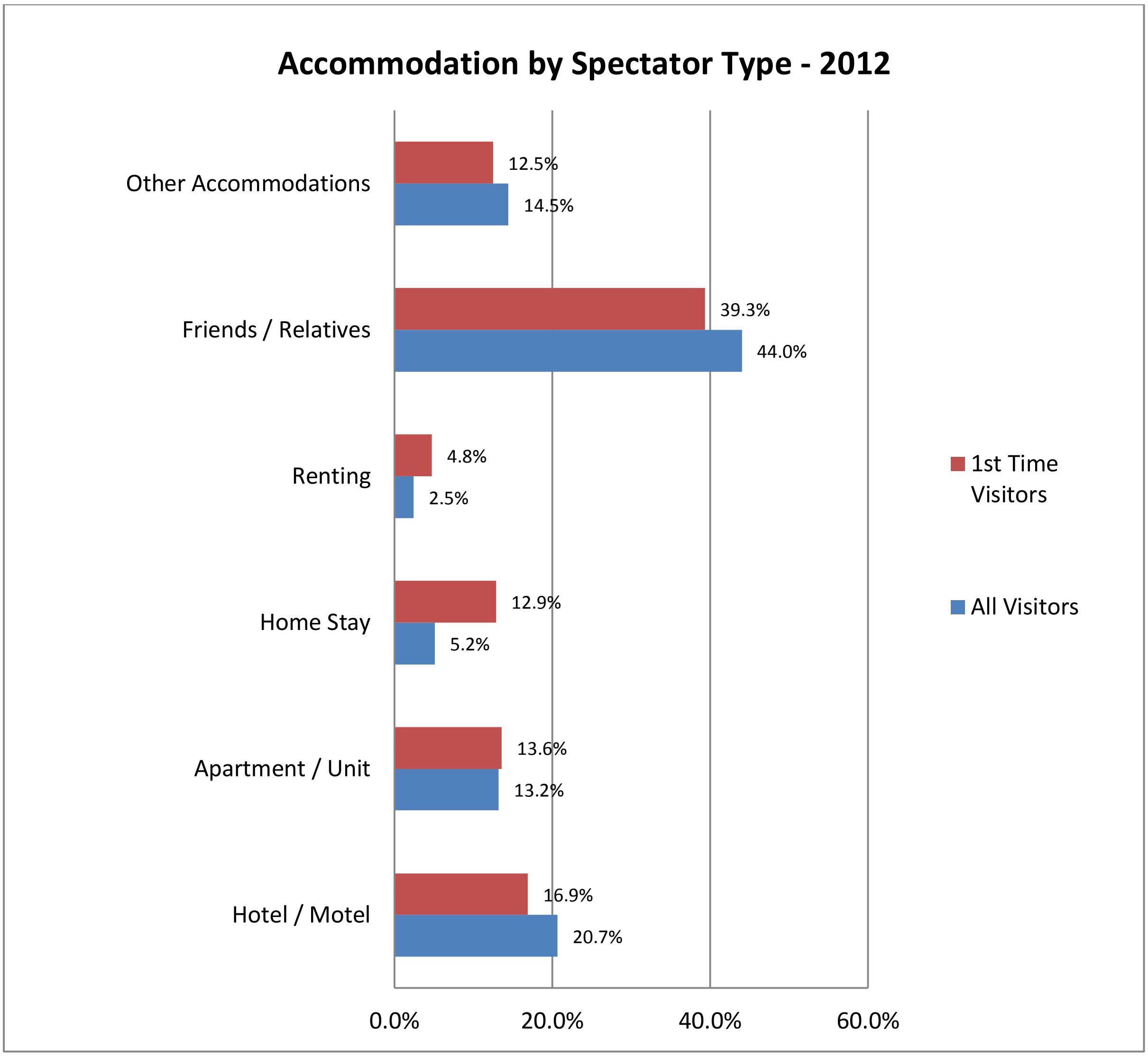
Accommodation is a critical factor influencing the attractiveness of the event for visitors. Visitors represent the key driver of positive economic impact of the event. Price, pattern of stays and number of accommodation nights before and after the event are important indicators of future attractiveness of the event and Townsville to future spectators.

Figure 35 Where All Visitors Stayed – 2012 and 2011 Comparison



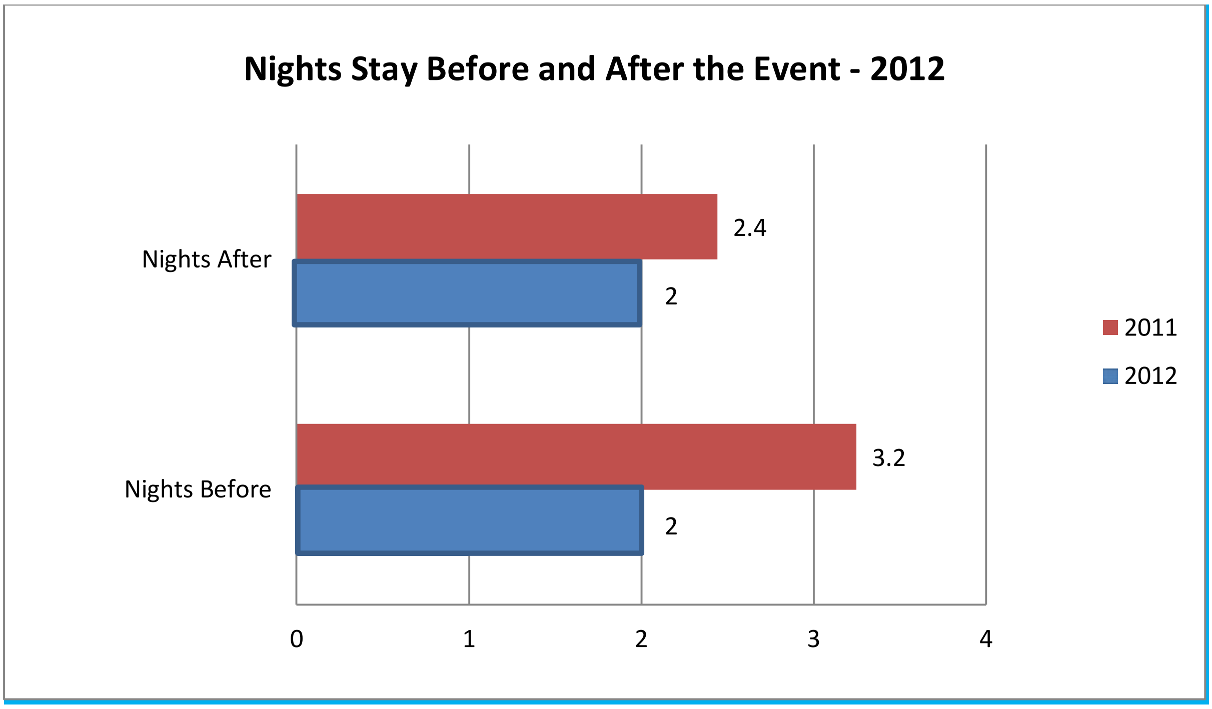
Whilst it is expected that patterns of accommodation will fluctuate each year a comparison of the 2011 and 2012 data indicates that there has been an increase in visitors seeking 'other accommodation' Also noticeable is the decline in the friends and relatives and home stay segments.

Figure 36 Where Visitors Stayed First Time Visitors Compared to Repeat Visitors



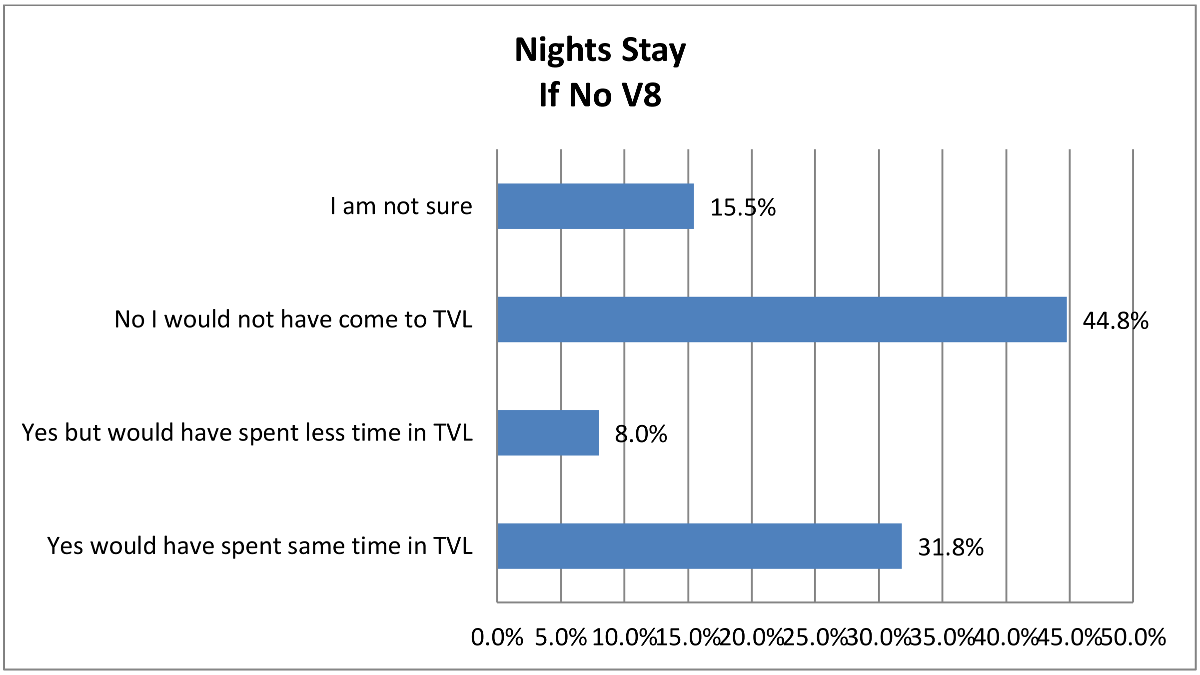
The accommodation pattern for first-time visitors shows some variation to the total visitor pattern. The number of stays by first-time visitors in 'other accommodation', friends and relatives, and hotel/motel accommodation is higher than for returning visitors. Renting and home stay accommodation stays are lower than for returning visitors.

Figure 37 Nights Stay 2012 and 2011 Comparison



The number of nights stay for all visitors in 2012 is lower than in 2011. The night's stay before the event declined to 2 nights from 3.2 nights in 2011.

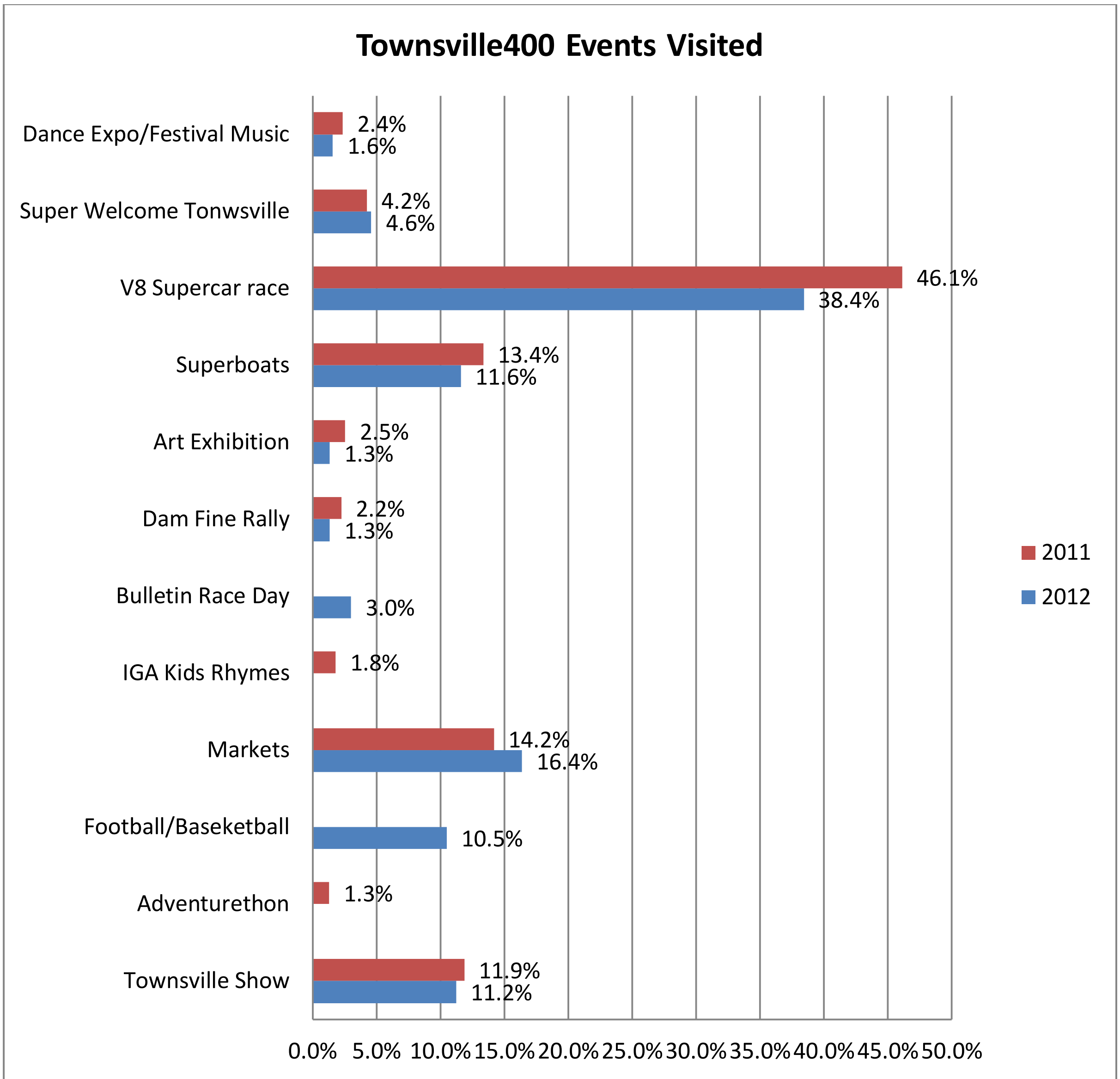
Figure 38 Would Visitors If race Event Not Held



44.8% of visitors attending the Towsnville400 indicated that they would not have visited Townsville of the Townsville400 event had not been on. A further 15.5% indicated that they were not sure. In total, over 50% of visitors are unlikely to have visited Townsville in the absence of the event.

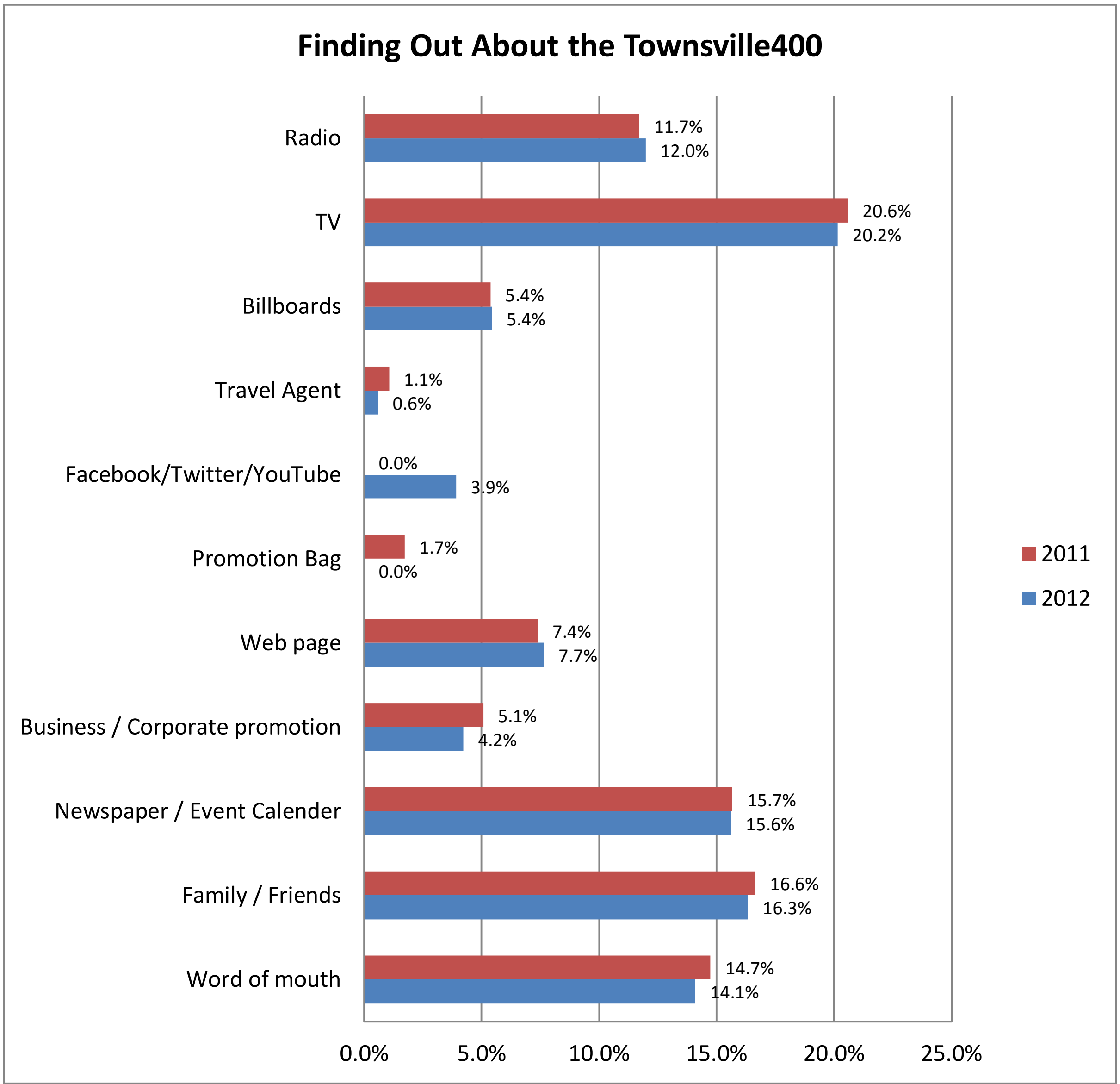
Visiting Other Events

Figure 39 Festival400 Events Visited



Of the Festival400 events identified in the questionnaire football/basketball, markets and the super welcome to Townsville were the only events to record an increase in attendance in 2012 compared to 2011. This would suggest that the format of Festival400 may need to be reviewed and refocused if it is to continue to support future Townsville400 race events.

Figure 40 How Spectators Learnt About the Race Event



TV remains the dominate medium for marketing the event. However, family and friends, newspaper, word of mouth and radio are important communication channels. Of particular note, is the rapid rise of Facebook/Twitter and YouTube, the relative strength of billboards and the absence of the Festival400 promotion bag in 2012. This suggests that particular focus be directed toward family and friends, word of mouth and social marketing channels for future events as a cost effective means of promoting the event and Townsville to visitors.

SPECTATOR VIEWS ABOUT TOWNSVILLE

Visitor experience in the hosting city contributes to the overall satisfaction of the event and influences the decision to attend future events in that city.

The research attempted to gain an understanding of the key issues influencing visitor experience in Townsville as part of their total event experience. Three main themes identified from the literature, focused the data collection; (1) Anticipation – 'when visiting places, I like to'; (2) Service Experience – 'overall, in [Townsville], I think'; and (3) Place Experience – 'during my visit to [Townsville], I'.

All Visitors

Figure 41 Overall Visitors Views About Townsville

When visiting places, I like to (467)	Agree	Neutral	Disagree
discover new places and things	82.2%	15.4%	2.4%
expand my knowledge about places I visit	81.5%	16.1%	2.4%
do other exciting and unique activities	78.4%	19.7%	1.9%
visit historical attractions and events	75.8%	21.7%	2.6%
visit cultural attractions and events	61.6%	30.6%	7.8%
be surprised with different activities	54.6%	36.4%	9.0%
Overall, in Townsville, I think (467)			
restaurant prices are reasonable	63.5%	30.6%	5.9%
restaurant are value for money	58.4%	32.6%	9.0%
accommodation prices are reasonable	43.2%	37.1%	19.7%
accommodation is value for money	43.3%	38.3%	18.4%
service delivery is satisfactory	53.8%	41.3%	4.9%
public transport, is convenient to get to events (only if you used it)	46.6%	46.0%	7.5%
During my visit in Townsville, I (467)			
learnt new things about Townsville	51.0%	40.3%	8.7%
obtained sufficient information about Townsville	56.7%	37.6%	5.7%
enjoyed Townsville's tropical lifestyle	71.8%	24.7%	3.5%
visited historical and cultural attractions and events	33.3%	49.6%	17.1%
discovered new and unusual things about Townsville	41.2%	47.1%	11.7%
enjoyed the excitement of the Townsville Festival400 events	67.1%	28.0%	4.9%

Of particular note:

- In the category ‘when visiting places, I like to’, visit cultural attractions and events and be surprised with different activities is of least importance to visitors attending the event. This suggests that attention should be paid to enhancing the attractiveness of the other factors.
- In the category ‘overall, in [Townsville], I think’, each factor is poor. This is consistent with similar data collected in previous years. This suggests that if these factors are not addressed they will continue to influence a negative impact on the attractiveness of the city and the event as a whole.
- In the category ‘during my visit to [Townsville], I’, enjoyed Townsville’s tropical lifestyle and enjoyed the excitement of the Townsville Festival400 events rated highest; though demonstrate significant opportunity for improvement. This suggests that attention should be paid to enhancing the attractiveness of the other factors.

Anticipation

Figure 42 Visitors Anticipation When Visiting Places – First Time and Repeat Visitors

Repeat Visitors (263)	**Agree**	**Neutral**	**Disagree**
discover new places and things	77.6%	19.4%	3.0%
expand my knowledge about places I visit	76.8%	20.2%	3.0%
do other exciting and unique activities	72.0%	25.7%	2.3%
visit historical attractions and events	71.3%	25.7%	3.0%
visit cultural attractions and events	56.9%	34.4%	8.8%
be surprised with different activities	50.4%	39.9%	9.7%
First Time Visitors (204)			
discover new places and things	88.2%	10.3%	1.5%
expand my knowledge about places I visit	87.6%	10.9%	1.5%
do other exciting and unique activities	86.6%	11.9%	1.5%
visit historical attractions and events	81.6%	16.4%	2.0%
visit cultural attractions and events	67.8%	25.6%	6.5%
be surprised with different activities	60.6%	31.4%	8.0%
All (467)			
discover new places and things	82.2%	15.4%	2.4%
expand my knowledge about places I visit	81.5%	16.1%	2.4%
do other exciting and unique activities	78.4%	19.7%	1.9%
visit historical attractions and events	75.8%	21.7%	2.6%
visit cultural attractions and events	61.6%	30.6%	7.8%
be surprised with different activities	54.6%	36.4%	9.0%

Of particular note, repeat visitors have a lower anticipation across all factors compared to first-time visitors. Further, first-time visitors are more interested in discovering 'things' about the city than repeat visitors though interest in cultural attractions and different activities is low, though consistently higher than repeat visitors. This is expected as repeat visitors are likely to have experienced such attractions on previous visits and are more focused on the event.

Experience Service, Accommodation, Food and Beverage and Public Transport

Figure 43 Visitors Townsville Experience – First Time and Repeat Visitors

Repeat Visitors (263)	Agree	Neutral	Disagree
restaurant prices are reasonable	60.6%	33.9%	5.6%
restaurant are value for money	55.7%	35.4%	8.9%
accommodation prices are reasonable	38.6%	40.7%	20.7%
accommodation is value for money	39.3%	41.4%	19.2%
service delivery is satisfactory	51.0%	44.8%	4.1%
public transport, is convenient to get to events (only if you used it)	42.9%	51.3%	5.8%
First Time Visitors (204)			
restaurant prices are reasonable	67.4%	26.4%	6.2%
restaurant are value for money	62.0%	28.9%	9.1%
accommodation prices are reasonable	49.2%	32.4%	18.4%
accommodation is value for money	48.4%	34.2%	17.4%
service delivery is satisfactory	57.4%	36.7%	5.9%
public transport, is convenient to get to events (only if you used it)	50.9%	39.6%	9.4%
All Visitors (467)			
restaurant prices are reasonable	63.5%	30.6%	5.9%
restaurant are value for money	58.4%	32.6%	9.0%
accommodation prices are reasonable	43.2%	37.1%	19.7%
accommodation is value for money	43.3%	38.3%	18.4%
service delivery is satisfactory	53.8%	41.3%	4.9%
public transport, is convenient to get to events (only if you used it)	46.6%	46.0%	7.5%

Of particular note, is that first-time visitors have a generally more positive response to service standards in Townsville than repeat visitors. However, as noted previously, the high intention to not return in 2013by first-time visitors may suggest that the Townsville service experience has influenced that decision.

Experience Place

Figure 44 Visitors Learning About Townsville – First Time and Repeat Visitors

Repeat Visitors (263)	**Agree**	**Neutral**	**Disagree**
learnt new things about Townsville	43.9%	47.5%	8.6%
obtained sufficient information about Townsville	51.6%	43.4%	5.0%
enjoyed Townsville's tropical lifestyle	67.3%	28.8%	3.8%
visited historical and cultural attractions and events	28.5%	53.5%	18.0%
discovered new and unusual things about Townsville	34.4%	52.7%	12.9%
enjoyed the excitement of the Townsville Festival400 events	64.8%	30.8%	4.3%
First Time Visitors (204)			
learnt new things about Townsville	60.3%	30.9%	8.8%
obtained sufficient information about Townsville	63.5%	29.9%	6.6%
enjoyed Townsville's tropical lifestyle	77.8%	19.2%	3.0%
visited historical and cultural attractions and events	39.7%	44.3%	16.0%
discovered new and unusual things about Townsville	50.0%	39.8%	10.2%
enjoyed the excitement of the Townsville Festival400 events	70.1%	24.4%	5.6%
All Visitors (467)			
learnt new things about Townsville	51.0%	40.3%	8.7%
obtained sufficient information about Townsville	56.7%	37.6%	5.7%
enjoyed Townsville's tropical lifestyle	71.8%	24.7%	3.5%
visited historical and cultural attractions and events	33.3%	49.6%	17.1%
discovered new and unusual things about Townsville	41.2%	47.1%	11.7%
enjoyed the excitement of the Townsville Festival400 events	67.1%	28.0%	4.9%

Of particular note:

- The first-time visitor generally has a more positive response to Townsville as a place, than repeat visitors.
- Repeat visitors less likely to visit cultural and historical attractions than first-time visitors.
- Repeat visitors are less likely to participate in Festival400 activities than first-time visitors.
- Repeat visitors are less likely seek out new and unusual things about Townsville than first-time visitors.
- Repeat visitors are more demanding particularly in relation to information needs than first-time visitors.

However, as noted previously, the high intention to not return in 2013 by first-time visitors, may suggest that the Townsville experience has influenced that decision.

TOWNSVILLE400 - 2012

CONCLUSIONS

The Towwnsville400 attracts a significant number of visitors to Townsville and makes a significant positive contribution to the Townsville economy. However, shifts in the underlying issues shaping the event suggest that there is an opportunity to embed changes for the future.

This report presents an analysis to the Townsville400 and supporting Festival and Townsville experience. The analysis will enable event organisers to review the event and supporting festival to continue to make changes to focus the event on the unique needs of the North Queensland community. Continuous improvement is a necessary requirement of any event. Improvements must be a result of understanding the needs of the spectator groups and grasping their unique needs and the elements coalesce to deliver satisfaction and value in the mind of the individual spectator.

Failure to continually improve the event based on the needs, satisfaction and value dimensions of the spectator cohort is likely to see a decline in the event in future years. Business models, marketing and event activities of the past may not adequately reflect future needs of spectators and thus need to be reviewed. The experience of visitors within the hosting city [Townsville] is an important element in continuing to attract both repeat (loyal) spectators and new first-time visitors. Maintaining and growing a strong, and loyal, spectator base is critical to the long-term success of the event.

This report identifies a number of key issues for consideration towards future success of the event:

- Review the timing, length and structure of the Festival400 align with spectator, age and group expectations. The Festival400 should positively add to the richness of the Townsville experience. The under 30 years age group should be a major focus of the Festival400.

- Engage the Townsville business community towards a pricing mind shift that grows overall market share rather than price gouging.

- Engage the Townsville community to be the 'voice' of the event and engage with visitors.

- Engage the Townsville business community to dramatically improve the Townsville service experience.

- Increase linkage with V8 Supercars to actively market the event in conjunction with a reformatted Festival400.

- Engage social marketing tools to build visitor numbers.

- Commence marketing the event in the lead up to Christmas to offer event and Townsville packages as Christmas gifts.

- Develop a 'friends of the V8' site offering accredited operators guaranteeing price, service and value offerings.

- Re-position the event to the middle weekend of the Queensland school break.

- Continue to develop the Sucrogen Townsville400 as a family friendly, family focused event. It is recommended that event managers focus on delivering event outcomes that target the 'four pillars' (fun, family, enjoyment and value) of the Townsville event.

- Target the specific needs of Adventure, Social and Gratification spectators to event and festival activities targeting those groups.

- Investigate the particular needs of under 30 age groups as these age groups represent a key target to increase future event attendances. It should be noted that this 'generation' has different needs, satisfiers, wants and expectations to older age groups.

- Respond to the 'voice of the customer' particularly in terms of the opportunities for improvement identified in the key satisfiers. For continued growth and long-term survivability of the Sucrogen Townsille400, it is imperative to continue to develop and deliver customer value.

TOWNSVILLE400 – 2012

METHODOLOGY

Estimating the economic impact of the TSV400 event on the city of Townsville

We followed the same three step approach as previous years to assess the total economic impact of the 2012Townsville400 event on the Townsville economy. In step 1 we estimated the per person expenditure during the Townsville400 event that was attributable to the event (*i.e.* expenditure that would not have occurred in the absence of the event). In step 2 we estimated the actual number of persons that attended the Townsville400 event, to find the total direct impact of the event. In step 3 we use the results of step 2 to estimate the indirect impact of the event, which together with the direct impact gives an estimate of the total economic impact of the event.

Step 1: Per person attributable expenditure

We included various questions in the survey to complete step 1. Figure 1 shows the procedure. We started off with the origin of the respondents: Townsville based or visitor to Townsville? This distinction becomes meaningful once establishing the share of their expenditure that can be attributed to the Townsville400 event, which we will discuss shortly.

We need to distinguish between expenditures on official Townsville400 goods and services (G&S) (which will not flow into the Townsville economy) and other expenditures on G&S (which will flow into the local economy).

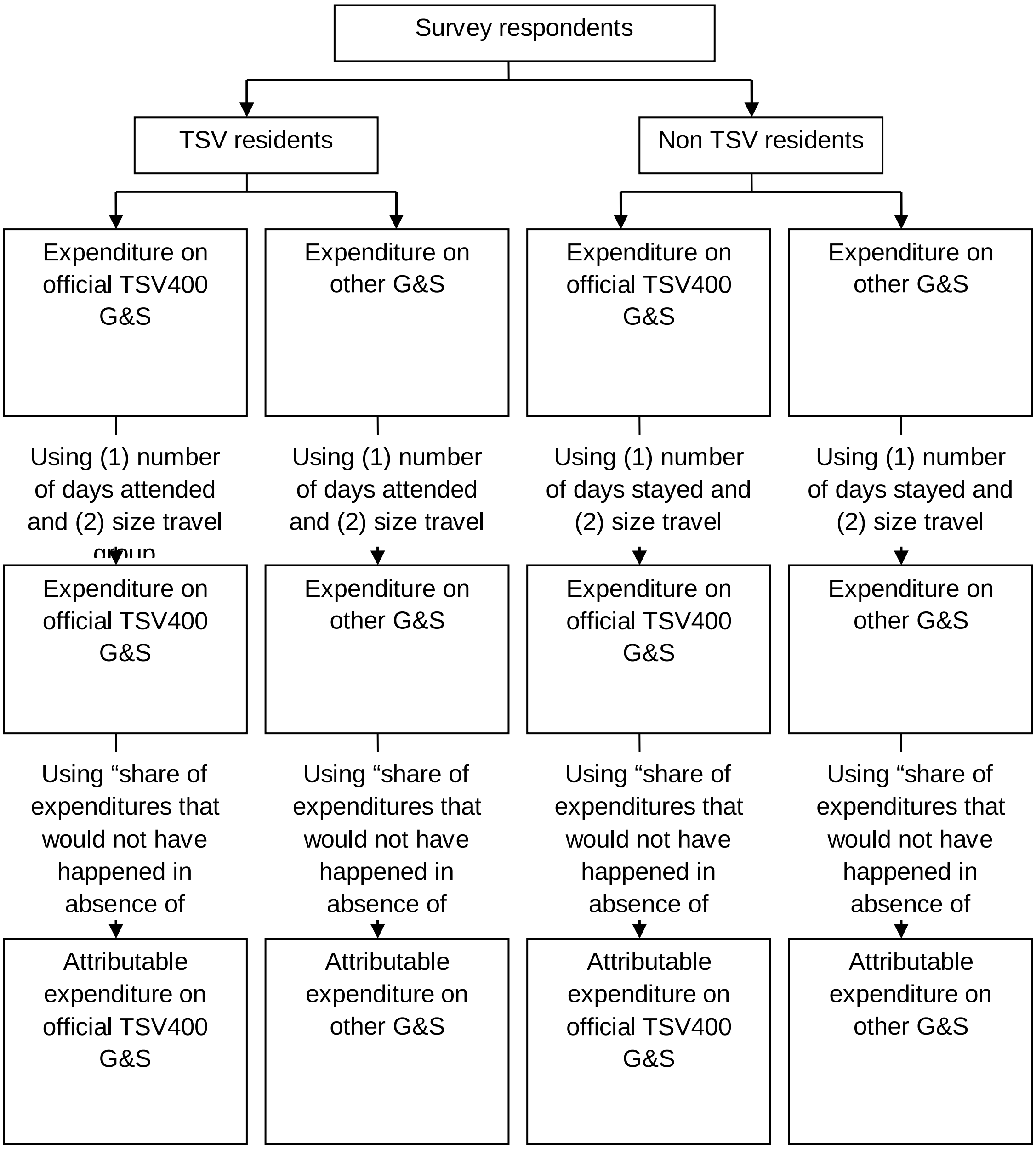
Here we set up a scheme with various expenditure categories where respondents listed their daily average per travel group expenditures. Since expenditures may vary from day to day, we asked for average daily expenditure and since some people attend in groups we asked for expenditure for groups rather than individuals (think of parents filling out the survey finding it hard to determine per person expenditure, while per family expenditure is much easier).

Since we asked how big the travel group was and how many race days they attended (Townsville residents) and how many days they stayed in Townsville (the non-Townsville residents) we can calculate per person expenditure.

That's direct per person expenditure, but we are interested what share of that direct per person expenditure would not have occurred in the absence of the Townsville400 event. To that end we asked Townsville residents "how much of the above expenditure they would have spent anyway in Townsville?" and non TSV residents "how many days they would have spent in Townsville in case the Townsville400 event had not taken place?".

This allows us to estimate the attributable expenditure specified to origin of the spectator and to spending category, which concludes step 1.

Figure 1 Step 1 Towards Estimating the Economic Impact of the Townsville400 Event on Townsville

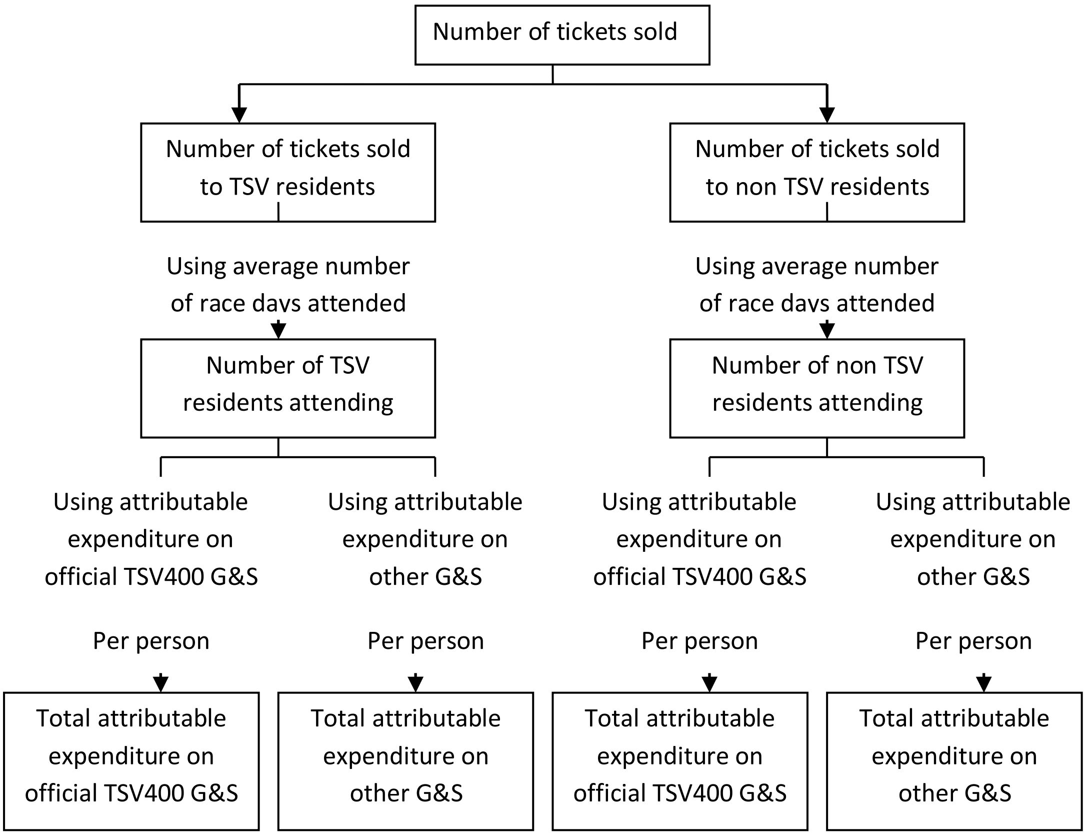


Step 2: Direct economic impact of the* Townsville400 *event on the city of Townsville

To estimate the overall direct economic impact of the Townsville400 event, we need to know how many spectators the event attracted. Figure 2 shows the procedure we followed. We know the number of tickets sold for the event. However, ticket sales do not equate to spectators volumes, since spectators may have attended the race more than one race day. First we split the ticket sales into tickets bought by Townsville residents and non-Townsville residents. Then we use the average number of race days attended by Townsville residents and non-Townsville residents to establish how many Townsville residents and non-Townsville residents attended the Townsville400 event.

Having established that, we can multiply the per person attributable expenditure with the number of spectators to obtain total attributable expenditure per expenditure category and per spectator origin.

Figure 2 Step 2 Estimating the Economic Impact of the Townsville400 Event on Townsville



Now we have sufficient information to estimate the total direct economic impact of the TOWNSVILLE400 event on the city of Townsville. Positive economic impact will only occur if the expenditure (1) is attributable to the TOWNSVILLE400 event and (2) remains locally.

"Total attributable expenditure on official Townsville400 goods and services of Townsville residents" meets only one of the two necessary conditions. It is attributable to the Townsville400 event, but it won't remain locally. That is, though it is money that would not have been spent in the absence of the Townsville400 event, it will be extracted from the Townsville economy as it is money that will go to the Townsville400 organisers to cover their costs, who reside outside of Townsville. Therefore it does not constitute direct economic impact on Townsville.[1] However, the balance of expenditure on

[1] Unless the organisers reinvest that money locally (for example using local constructers to build and/or maintain the race circuit). If so, this expenditure category does represent positive economic impact.

official Townsville400 goods and services of Townsville residents (*i.e.* the non-attributable part) is not neutral to direct economic impact, as it is money that Townsville residents would have spent locally in absence of the Townsville400 event, which – now that we had the Townsville400 event – did not happen. This part represents a loss to the Townsville economy and therefore constitutes negative direct economic impact.

"Total attributable expenditure on other goods and services of Townsville residents" is expenditure that (1) only occurred because of the Townsville400 event and (2) remains locally, *i.e.* positive direct economic impact.

"Total attributable expenditure on official Townsville400 goods and services of non-Townsville residents" is expenditure that (1) only occurred because of the Townsville400 event, but (2) won't remain locally, *i.e.* no direct economic impact.

"Total attributable expenditure on other goods and services of non-Townsville residents" is expenditure that (1) only occurred because of the Townsville40 event and (2) remains locally, *i.e.* positive direct economic impact.

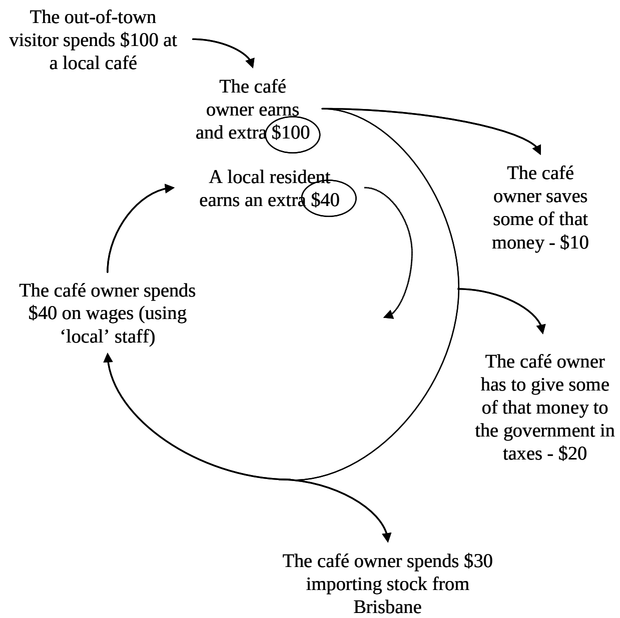
Summing the various (positive and negative) direct economic impacts gives the total direct economic impact of the Townsville40 event on the city of Townsville.

Step 3: Total economic impact of the* Townsville40 *event on the city of Townsville

The analysis so far has treated the Townsville400 event as an isolated event. But when local businesses earn extra income from out of town visitors, they are likely to spend at least some of that money within the Townsville economy – as when, for example, they hire extra staff to help serve the extra customers. This extra within-town expenditure helps increase the overall impact of the expenditure.

We show this in Figure 3, where $100 of 'tourist' expenditure ends up generating a total of $140 of extra income for local residents.

Figure 3 Direct and Indirect Money Flows Associated with the Townsville400 Event



So when out-of-town visitors spend money at local stores, there are many flow-on (or indirect) effects. And the overall size of those effects depends upon the spending-patterns of local businesses (Do they save a lot of money? Do they import goods or purchase things locally?). We used a Townsville input-output model, which is equipped to capture that indirect expenditure resulting from direct economic expenditure to calculate the total (direct plus indirect) economic impact of the Townsville40event on the city of Townsville.