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COUNTY PRODUCT ENRICHMENT PROGRAM FINAL EVALUATION REPORT

Prepared for: Hawaii Tourism Authority

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EXECUTIVE SUMMARY

The Hawaii Tourism Authority's (HTA) Product Enrichment Program (PEP) was established to foster the development of new tourism-related products and to improve existing products to enhance Hawaii's overall visitor experience. It aims to support community-based tourism events and attractions in Hawaii's targeted niche areas—agritourism, cultural tourism, ecotourism, educational tourism, health and wellness tourism, and technotourism.

This report attempt to summarize the data collected from the chosen festivals funded in 2005 and to investigate the changes that occurred in the focal indicators compared with 2004. The report presents the outcomes of the 14 events in 2005, and then some comparisons are made only among the five events that have two-year data. SMS Research independently evaluated all of these events.

In addition, HTA explored an alternative method to evaluate some of the events using cooperative approach with event managers. The procedures of this evaluation methodology are also evaluated.

The data found that all types of the events have unique contributions to widely addressed PEP objectives. The 2004-2005 comparisons among the five events found that attendance of both residents and visitors increased, and the unit cost of HTA funds per visitor slightly decreased. However, the economic impact of these events declined, and overall satisfaction among visitors slightly lowered in 2005.

The collaborative evaluation process did not produce expected information, and it was overall unsuccessful. The analysis concludes that making strategic decisions of HTA based on data collected through this method is risky.

In conclusion, the report determines that the current HTA's broadly-addressed objectives challenges a program-wide evaluation system, therefore, measuring the overall success of the PEP program is difficult.

Based on these findings, the report makes two recommendations:

1. Fine tune the objectives of PEP; and
2. Establish PEP program logic model and evaluation system.

INTRODUCTION

BACKGROUND

The Hawaii Tourism Authority (HTA) is responsible for tourism strategic planning and marketing in Hawaii today. Responding to that mandate¹, HTA established four programs to manage State tourism resources and produce desired results. One of those programs is the Product Development Program (PDP). The PDP manages development and coordination of Hawaii's tourism product, including major festivals, safety and security programs, Hawaiian cultural programs, greetings activities, workforce development and educational offerings, natural resource amenities, and community-based projects. All of PDP's work is aimed at developing new products and enhancing existing tourism products that are: (1) unique and contemporary for Hawaii's visitors; (2) reflective of Hawaii's citizen values; (3) programmatically effective and economically efficient; and (4) sustainable and environmentally sound.

The "Hawaii Tourism Strategic Plan: 2005-2015" (TSP) acknowledges that enhancing the tourism product inventory can be a means of encouraging repeat visitation or attracting new visitors, as well as a way to increase visitor expenditures. It further states that "private infrastructure to diversify experiential activities" offered to visitors in Hawaii is its strategic focus of the tourism product development.² HTA, through PDP, has since funded many types of events and programs in different areas as part of the TSP initiatives. One of these areas is Product Enrichment Program.

OBJECTIVE OF THE PRODUCT ENRICHMENT PROGRAM (PEP)

The HTA's Product Enrichment Program (PEP) was established to foster the development of new tourism-related products and to improve existing products to enhance Hawaii's overall visitor experience. More specifically, the program is intended to support community-based tourism events and attractions that relate to six targeted niche areas for tourism in Hawaii—agritourism, cultural tourism, ecotourism, educational tourism, health and wellness tourism, and technotourism. These programs are expected to:

- ❑ Provide a year-round calendar of events, activities and experiences, with special attention given to "shoulder" periods;
- ❑ Provide an equitable distribution of events, activities and experiences throughout the county;
- ❑ Support programs that preserve, perpetuate and/or promote Hawaii's host culture;
- ❑ Provide a diverse range of "value-added" experiences for visitors;
- ❑ Provide information for visitors through marketing and promotional efforts;
- ❑ Provide venues for increased resident-visitor interaction;
- ❑ Support community-based tourism initiatives;
- ❑ Provide entrepreneurial opportunities for residents;
- ❑ Foster public-private sector partnerships;
- ❑ Support HTA's goal of increasing visitor expenditures and length of stay; and
- ❑ Assist in the diversification of Hawaii's economy.

¹ Hawaii Tourism Authority Mandates, per Act 143, SLH 2002, *Hawaii Tourism Strategic Plan, 2005-2015*

² State of Hawaii, Hawaii Tourism Authority, *Hawaii Tourism Strategic Plan 2005-2015*.

PEP provides funding, technical assistance, and other support to program managers whose activities are consistent with PDP objectives. The PEP seeks first to expand and enhance the product line through cooperative effort with tourism authorities in each of Hawaii's four counties. This partnership approach is central to all aspects of PEP operations. It exemplifies a shared desire to provide a broad diversity of experience for Hawaii's visitors, an opportunity for visitors to get out into the communities and share Hawaii's culture, and to do that in a manner that is consistent with the values and lifestyles of local residents. While the central strategy is to partner with individual counties in this endeavor, PEP does not ignore the needs of events with statewide or multi-island venues. They are incorporated within the broad objectives of optimizing tourist and resident experiences by enriching and invigorating the Hawaii tourism product line.

PURPOSE OF THE EVALUATION

In an effort to gather objective and comparable information across all projects to aid in assessing overall program objectives and criteria, HTA contracted for an external evaluation of the program in general. In addition, the evaluation was intended to provide information to individual events selected for the survey, giving them information they could use to improve their events. This evaluation was designed to give HTA a base of information from which they could make strategic planning decisions. The evaluation was not designed to focus on event specific funding decisions.

Above all, PEP events are unique. Each exists to serve the interests of its niche audience and each makes use of specific human resources available in the community. They have different themes, different agendas, different venues, and different expectations. Although they have their own sets of event objectives, all of them are consistent with at least some of the objectives of HTA as expressed in the PDP agenda. The age of the events (in years since inauguration) differs widely, and they have different levels of experience with evaluation. This kind of uniqueness serves PDP's objectives well. It provides exactly the kind of diverse experience that is central to HTA marketing strategy. It also provides an interesting challenge for a program-wide evaluation system.

OBJECTIVE OF THIS REPORT

This report will attempt to summarize the data collected from the chosen festivals funded in 2005 and to investigate the changes that occurred in the focal indicators compared with 2004. However, the year-to-year comparison is a particular challenge. In 2004, our evaluation covered 29 events. In 2005, only 14 events were independently evaluated, and only 5 of them were evaluated in both years. Ideally, the same 29 events covered in 2004 would be evaluated in 2005 in order to investigate the changes of the Product Enrichment Program as a whole. This is not possible due to the given evaluation design. The report will present the outcomes of the 14 events in 2005, and then some comparisons will be made only among the five events that have two-year data. In addition, HTA explored an alternative method to evaluate some of the events using cooperative approach with event managers. The process and procedures of this cooperative evaluation will be evaluated in later section.

Although the PEP addressed a wide range of objectives, this report focuses on the fundamental elements of PEP—the extent to which the events attracted visitors, and whether the events provided enriched or “value added” experiences for visitors. It is hoped these summary data

provide important and useful implications for HTA's program improvements, accountability, and strategic planning.

From these PEP evaluation objectives, the evaluation team generated the following set of research objectives patterned after the Major Festivals evaluation plan.

PEP Research Objectives

Primary Objectives

- To produce accurate and comparable estimates of total event attendance
- To produce accurate and comparable estimates of visitor attendance
- To measure "diversity," the role of the event in visitor itineraries

Secondary Objectives

- To measure important characteristics of attendees
- To identify motivations, likes and dislikes among attendees
- To provide comparable measurements of attendee satisfaction
- To provide information for event management
- To investigate the economic impact of the event

Measuring attendance is crucial to evaluation. The 2004 evaluation produced standard definitions and measuring techniques that were comparable across all events surveyed. This evaluation procedure continued in 2005.

Visitor attendance was also measured using standard and comparable methods. However, PEP events are not required to draw visitors to Hawaii, as are Major Festivals. Some were supported because they fit PDP intentions to provide visitors with educational, cultural, or entertaining experiences post-arrival and during their stay in Hawaii, or to draw visitors into the community.

The measurement of the events' impact on HTA's diversity strategy became more important as the evaluation progressed. PEP events are expected to contribute to the diversity of enrichment experience among our visitors, and measuring the extent to which that was happening was a challenge.

Measuring specific festival outcomes for visitor and resident demographics, motivations for attendance, consumer preferences, and experiential outcomes (satisfaction) were also standardized after the model of the Major Festivals evaluation. All were tailored to the needs of the PEP evaluation.

The evaluation was also designed to provide specific information to event managers for use in improving their events. Early in the year, instruments were developed to measure attendee perceptions of what worked and did not work at the events, how individuals came to be at the events, sources of information on vacation activities, and demographic and economic characteristics of those who attended. We were even able to incorporate event-specific survey questions in our data collection instruments. Some of these data are presented in this report.

Estimating economic impact is another feature borrowed from the Major Festivals Evaluation. PEP events are not necessarily expected to demonstrate positive economic impact on a Statewide scale. Nevertheless the results are reported here as they do represent one quantitative measure.

APPROACHES AND METHODS

This section of the report presents a brief overview of the methods used to conduct the PEP Evaluation. We discuss the specific events selected for evaluation this year, methods for estimating attendance, and data collection procedures.

Event Selection

In 2005 HTA supported over 100 different PEP projects statewide. 33 of those events were selected for some sort of evaluation activities. The method of selection was a kind of non-probability, purposeful sampling. As such it was not intended to be rigorously representative of the entire set of funded festivals for 2005. Therefore, the results of this year's evaluation cannot be applied to the total number of events funded in 2005. The selection method was intended to produce a set of festivals that would provide information for accountability, gather some information for individual event managers, and would support the development of an evaluation system for PEP events.

Estimating Attendance

If an event was ticketed, attendance was based on tickets collected. Most events, however, had at least some components that were not ticketed. For those events, two techniques were used to estimate attendance: point-in-time counts (sweeps), and counts of persons entering and exiting the event (flow counts).

For sweeps, the venue map was divided into sections on a grid. Trained personnel were assigned to each section and counted all persons in that section. The total point-in-time attendance was calculated by summing the people in each grid square. Sweeps were conducted several times throughout the duration of the event, typically once every hour.

For flow counts, counters were positioned at each entrance to the venue. They counted all persons entering and leaving through that entrance for a set period of time, usually 10 or 15 minutes. Flow counts were conducted at every entrance, once an hour, throughout the duration of the event.

Using the sweeps and the flow count data, one can estimate the total number of attendees, the size of the crowd at any given time, and turnover rates throughout the day.

Data Collection Methods

Three data collection methods were used for the Product Enrichment Program Evaluation in 2005—intercept surveys, self-administered surveys, and project reports. Intercept surveys were used at all events. In this type of survey, an interviewer would approach an event attendee, ask that person a series of questions, and record their answers on a survey form. Intercept surveys typically included 15 to 20 questions, not all of which were asked of every respondent. The

surveys were kept short – no more than 5 minutes – to maximize response rates and gather a large number of surveys during the event.

Events that include many small sessions may require self-administered session evaluation forms. These surveys were designed specifically for individual events and asked respondents to rate a set of 10 to 15 facets of the session and provide an overall satisfaction rating for each respective session.

As part of their funding requirements, each event must submit a report summarizing key outcomes for their event. Data include attendance, number of visitors, economic impact, etc. The events would submit their best estimate of attendance, visitors attending, and economic impact, and each event would come up with their estimates in slightly and sometimes significantly different ways. For instance, some events would use police estimates of attendance, or would base attendance on food and beverage sales. This evaluation process made the reporting consistent.

Event Classification

Reporting total or average scores for all the evaluated events is not useful for either accountability or program management. Reporting results for over 30 very different events is confusing and produces no program-level management information. Clearly there was a need for one or more classification schemes that were meaningful for evaluation. In the 2004 Final PEP Evaluation Report, several classification typologies were tested, and it found that the most useful way of categorizing the events is by event types. This classification scheme will be used throughout this report to analyze the information that we collected.

Type: Events are categorized by content, purpose, or subject matter.

| | |
|-------------------------------|--|
| Hawaiian Cultural: | Mostly hula-related events; |
| Non-Hawaiian Cultural: | Events that showcase a single culture other than Hawaiian culture, and those that feature several cultures or cultural diversity in Hawaii. Multicultural events may include Hawaiian culture; |
| Themed: | Non-cultural festivals, typically with a theme of some sort (i.e., Pineapple Festival), that have the basic festival structure: crafts, food booths, some kind of stage entertainment, and fun for the kids; |
| Health & Wellness: | Events whose primary objective is promotion of healthy lifestyles, foods, alternative healing techniques, etc. |
| Art: | Art events significantly featured exhibition of arts. |

Defining Common Terms

To further standardize the evaluation process, it is necessary to clarify commonly used terms throughout this report.

Attendance: Attendance is the number of people who showed up at the events.

Visitor: Visitors are people who came from outside of Hawaii to visit Hawaii. For the purpose of this research, people who identify themselves as “part-time resident” are considered visitors.

Resident: Residents are people who reside on one of the Hawaiian Islands.

OVERVIEW OF THE PRODUCT ENRICHMENT PROGRAM EVALUATION IN 2005

In 2005, HTA's Product Enrichment Program provided funds to 109 events at various locations across the state, virtually on all the Hawaiian Islands, throughout the year. The total amount of funds awarded totaled \$1,674,460. Unlike events in the Major Festivals Program, these events were typically smaller in size and scope. Most, but not all, were local events, intended to serve visitors and residents in targeted areas of each county. All were associated with one or more of the target niche markets supported by HTA, and featured local talent, products, arts, crafts, cultural exhibits or educational opportunities.

Out of these events, 33 events were chosen to be subject to one of the three forms of evaluations: (1) Independent evaluation, in which festivals are independently evaluated by SMS Research for estimating attendance, interviews, and analysis; (2) Cooperative evaluation, in which SMS works with event managers to design surveys for data collection, and methods for estimating attendance, but the event does the actual implementation; and (3) Auditing, in which SMS scrutinizes the reports prepared by the events to analyze the accuracy of data as a check. Table 1 shows lists of the festivals that were chosen for these evaluation activities.

Table 1: Product Enrichment Program 2005

| Independent Evaluation | | | | |
|--|---|-------------------|------------------------|----------|
| Festival | Organization | Type | County | Award |
| Waimea Cherry Blossom Heritage Festival | County of Hawaii Parks and Recreation | Culture | Hawaii | \$13,000 |
| May Day is Lei Day Festival | Friends of Palace Theater | Culture | Hawaii | \$7,500 |
| Ke Kumu o Mauna Lani | Mauna Lani Bay Hotel & Five Mountains Hawaii | Health & Wellness | Hawaii | \$35,000 |
| Eo Emalani Festival | Hui O Laka | Culture | Kauai | \$18,000 |
| Kauai Polynesian Festival | Kauai Polynesian Festival | Culture | Kauai | \$30,000 |
| Kauai Mokihana Festival | Kauai Mokihana Festival | Culture | Kauai | \$40,000 |
| LifeFest Kapalua | Kapalua Marketing Association | Health & Wellness | Maui | \$20,000 |
| International Festival of Canoes | Lahaina Town Action Committee | Culture | Maui | \$45,000 |
| Sister Cities Festival | Wailuku Centennial Hui | Culture | Maui | \$15,000 |
| Downtown Honolulu Gallery Walk & First Friday, Phase 2 | Hawaii Alliance for Arts Education/The Arts at Marks Garage | Culture | Oahu | \$15,000 |
| Wahiawa Pineapple Festival | Hawaii Marketing Alliance | Agriculture | Oahu | \$20,000 |
| E Hoi Mai I Ka Piko Hula | World Invitational Hula Festival | Culture | Oahu | \$10,000 |
| Outrigger Canoe/Polynesian Festival | Honukai Sports Marketing | Culture | Statewide | \$30,000 |
| North South East West Festival | Ebb & Flow Arts | Culture | Statewide | \$15,000 |
| Total 14 events | | | \$313,500 (19%) | |
| Hawaii Health Guide ³ | Hawaii Health Guide | Health & Wellness | Statewide | \$30,000 |

³ Hawaii Health Guide proposed to establish a website that promotes health and wellness related activities available in Hawaii, provides other resources that are helpful to plan Hawaii visitation, as well as highlights events across the state. The full evaluation of the Hawaii Health Guide will be presented in a separate report.

| Cooperative Evaluation | | | | |
|--|---|-------------|------------------------|--------------|
| Festival | Organization | Type | Location | Award |
| Big Island Hawaiian Music Festival | East Hawaii Cultural Center | Culture | Hawaii | \$15,000 |
| North Kohala Kamehameha Day Celebration | North Kohala CRC | Culture | Hawaii | \$20,000 |
| Waimea Town Celebration | WKBPA | Culture | Kauai | \$25,000 |
| Pineapple Festival | Lanai Chamber of Commerce | Culture | Lanai | \$15,000 |
| He Makana Aloha | Moana's Hula Halau | Culture | Molokai | \$7,000 |
| North Shore Sunset at the Beach | Haleiwa Main Street dba North Shore Community Chamber of Commerce | Culture | Oahu | \$18,000 |
| Sunset in the Park at Schofield | Lion's Club International/ Wahiawa Lions Club, Inc. | Culture | Oahu | \$18,000 |
| West Oahu Sunset on the Plains | Seagull Schools | Culture | Oahu | \$18,000 |
| Wai'anae Coast Sunset on the Beach 2005 | Valley of Rainbows | Culture | Oahu | \$18,000 |
| Rediscover Oahu - Waimanalo Sunset on the Beach 2005 | Waimanalo Construction Coalition | Culture | Oahu | \$18,000 |
| Total 10 events | | | \$172,000 (10%) | |

| Auditing Analysis | | | | |
|--|---|-------------|------------------------|--------------|
| Festival | Organization | Type | Location | Award |
| Heritage Ranch Interpretive Play | Kona Historical Society | Culture | Hawaii | \$17,000 |
| Educational Programs & Hawaii's Cultural and Natural Landscape Program | The Kohala Center | Education | Hawaii | \$25,000 |
| Kanikapila Kakou | Garden Island Arts Council | Education | Kauai | \$22,500 |
| West Kauai Vis Center Cultural Programs | Kauai Economic Development Board | Education | Lanai | \$25,000 |
| Local Voices | Maui Arts and Cultural Center | Culture | Molokai | \$10,000 |
| Theatre on the Isle | Maui Community Theater dba Maui On Stage | Culture | Oahu | \$30,000 |
| Na Keiki Aloha-The beloved children | Temari Center for Asian Pacific Arts | Culture | Oahu | \$10,000 |
| Marketing the 'Living Village' - Continuation of Phase II | Waipahu Cultural Garden Park, dba Hawaii's Plantation Village | Culture | Oahu | \$50,000 |
| Total 8 events | | | \$189,500 (11%) | |

Overall 46 percent of the total PEP funds distributed to local events were subject to some sort of evaluation. In this report, the results of the independent evaluation and cooperative evaluation will be presented. At the time when this report is being prepared, we have not received event reports from counties that are necessary to conduct the auditing analysis. Therefore, auditing report will be presented in a separate report.

FINDINGS

INDEPENDENT EVALUATION

The independent evaluation's selection method was intended to produce a set of festivals that would provide information for accountability, gather some information for individual event managers, and would support the development of an evaluation system for PEP events.

Table 2: Summary of Independently Evaluated Events in 2005

| Event Type | Event | County | Funding |
|-----------------------|----------------------------------|------------|----------|
| Hawaiian Cultural | May Day is Lei Day Festival | Big Island | \$7,500 |
| | World Invitational | Oahu | \$10,000 |
| | Emalani Festival | Kauai | \$18,000 |
| | Mokihana Festival | Kauai | \$40,000 |
| Non-Hawaiian Cultural | Waimea Cherry Blossom Festival | Big Island | \$13,000 |
| | Kauai Polynesian Festival | Kauai | \$30,000 |
| | International Festival of Canoes | Maui | \$45,000 |
| Art | Haleiwa Arts Festival | Oahu | \$10,000 |
| | Art Gallery Walk | Oahu | \$15,000 |
| | Ebb and Flow Arts | Statewide | \$15,000 |
| Health and Wellness | LifeFest | Maui | \$20,000 |
| | Ke Kumu O Mauna Lani | Big Island | \$35,000 |
| Theme | Sister Cities Festival | Maui | \$15,000 |
| | Wahiawa Pineapple Festival | Oahu | \$20,000 |

In 2005, 14 events were selected for independent evaluation, which consist of a balanced number of events across all counties. These events are classified into five different categories depending on the main theme of each event—4 Hawaiian Cultural events, 3 cultural events that featured other culture than Hawaiian, 3 Art-related events, 2 Health and Wellness events, and 2 other themed events. The funding amount they received ranged from \$7,500 to \$45,000, approximately averaging \$21,000. The total amount of \$313,500, 19 percent of the total PEP fund, is subject to the independent evaluation.

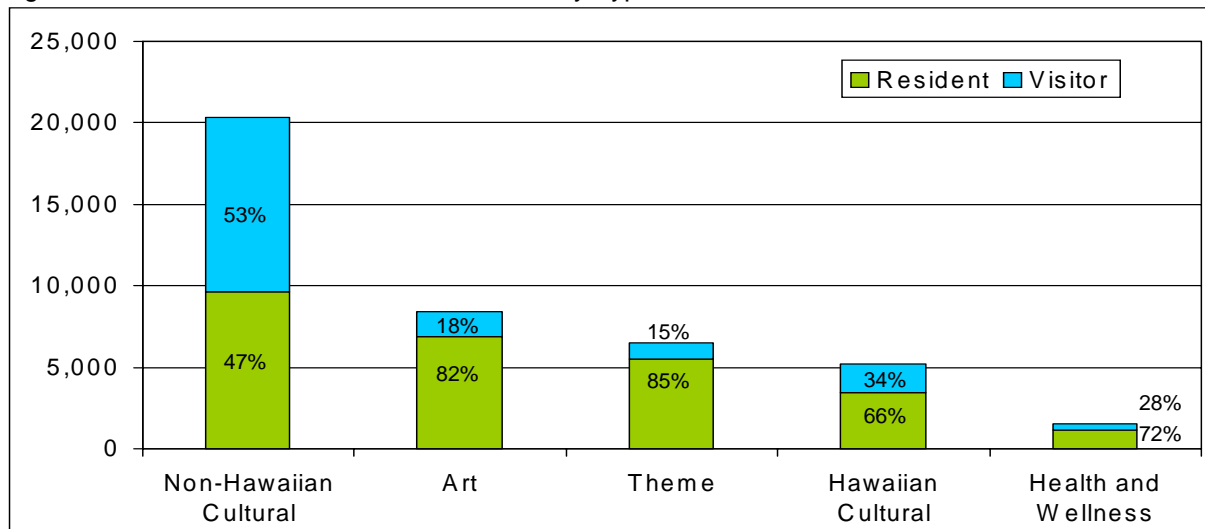
Attendance

The attendance counts the number of people who attended the event and the number of visitors. The total attendance is estimated by ticket sales and/or on-site counting. The percentage of visitors is calculated by randomly collected surveys. This is then translated into the estimated total number of visitors.

Figure 1 shows the total attendance as well as resident and visitor compositions by type of events. Although almost all the events had some sort of culture associated with it, only the events that significantly featured culture were categorized as such. Non-Hawaiian Cultural events, with events like the International Festival of Canoes, the Kauai Polynesian Festival, and Waimea Cherry Blossom Festival, had noticeably higher attendance than other types of events. Events that featured arts were the next highest, closely followed by those with other types of themes. Hawaiian cultural events were the second lowest, although this category had more

events than other categories. Health and Wellness events had noticeably lower overall attendance.

Figure 1: Attendance of Residents and Visitors by Types of Event



Note: Art Gallery Walk is an on-going event that is held on the first Friday of every month. Since all the other events considered in this independent evaluation were average-2-day events, Art Gallery Walk’s attendance was calculated by multiplying the average attendance by two.

When the composition of residents and visitors is considered, more than half of the people attending the Non-Hawaiian Cultural events were visitors (53 percent). Though the total attendance at the Hawaiian cultural events was one of the lowest, they had a relatively higher percentage of visitors (34 percent). Other types of events had a much smaller percentage of visitors. Overall, the percentage of visitors at these events was approximately 30 percent.

Visitors

One of the primary goals of these evaluations was determining the number of visitors that attended each event. One of the expectations of the events in the Product Enrichment Program was to create a place where visitors and residents come together. The underlying assumption was that the visitors’ experience is enhanced by this interaction, because it was a community-based event, and they wanted to be in that kind of environment.

Figure 2 isolates only visitors from all attendance (Figure 1), and it shows further breakdown of types of visitors—visitors who came to Hawaii for the event and other visitors. The number of visitors who came for the event was estimated using the survey question “How important was attending this festival to you in deciding to come to Hawaii?” Those who said the festival was the “main factor” or “one of several factors” were considered as visitors who came to Hawaii for the events (Figure 3).

Figure 2: Visitor Attendance by Type of Events

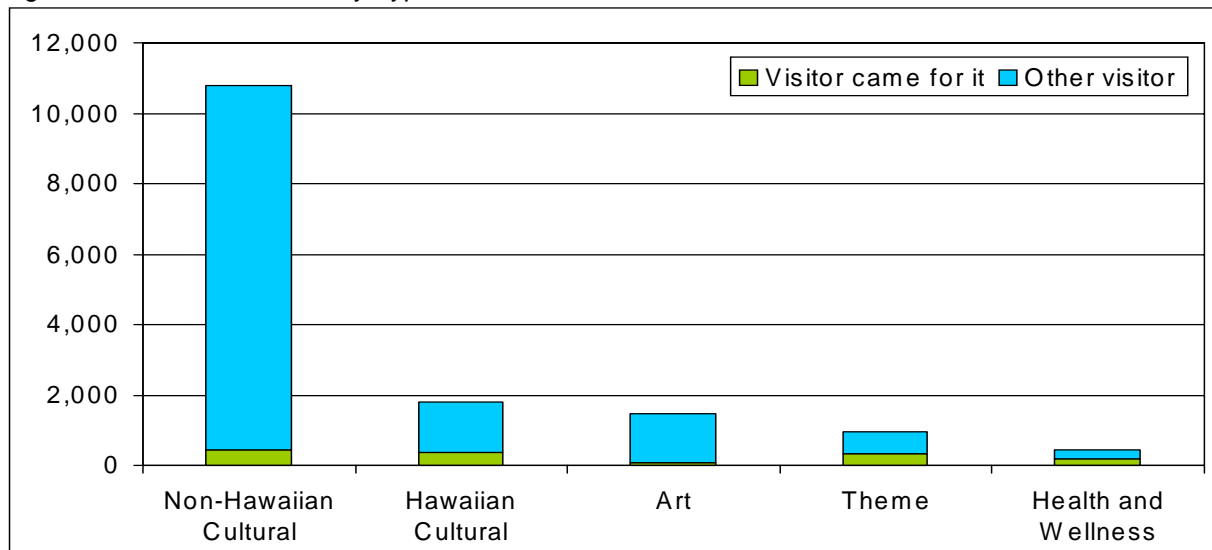
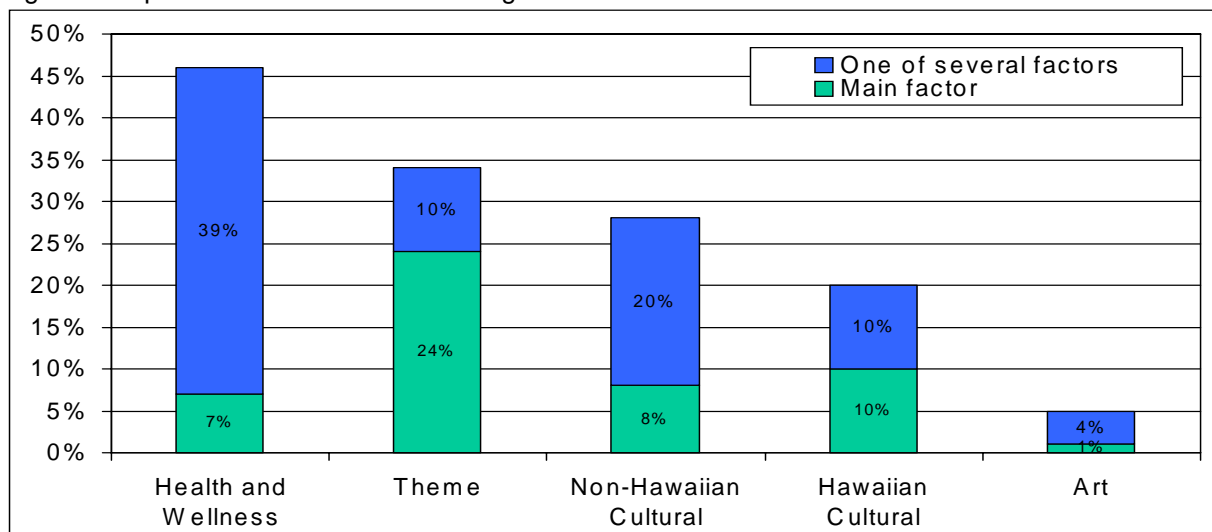


Figure 3: Importance of Festival in Deciding to Come to Hawaii



The visitor attendance at the Non-Hawaiian Cultural events was by far the largest compared with other types of events, among which about 4 percent came to Hawaii to attend these events. Hawaiian Cultural events, which were typically smaller events, had a relatively low total attendance, but had the second largest overall number of visitors. 20 percent of these visitors reported that they came to Hawaii for the event. At Health and Wellness events and themed events, the number of overall visitors was small. However, a large percentage of these visitors came to Hawaii for the events. At Health and Wellness events, 46 percent of the visitors, and at themed events, 35 percent of the visitors, came to Hawaii specifically to attend these events. At Art events, although there were a few visitors, an extremely small number of them came to Hawaii to attend the events.

Overall, a very small number of visitors came to Hawaii for these events. The majority of the visitors came to Hawaii for other purposes. However, unlike the Major Festivals Program, PEP's

primary objective is to create more opportunities for visitors and residents to interact, and these events were not expected to significantly contribute to bringing visitors to Hawaii.

Attendee Characteristics

The evaluations were designed to yield information to support decision-making for strategic planning purposes. Of particular interest is knowing who attends certain types of events.

Age

Figure 4: Age of Attendees by Type of Events

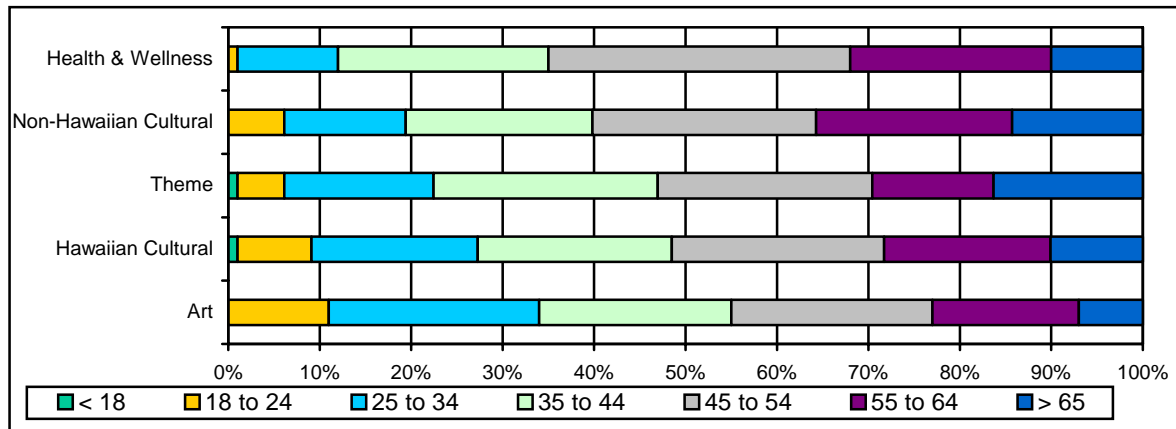
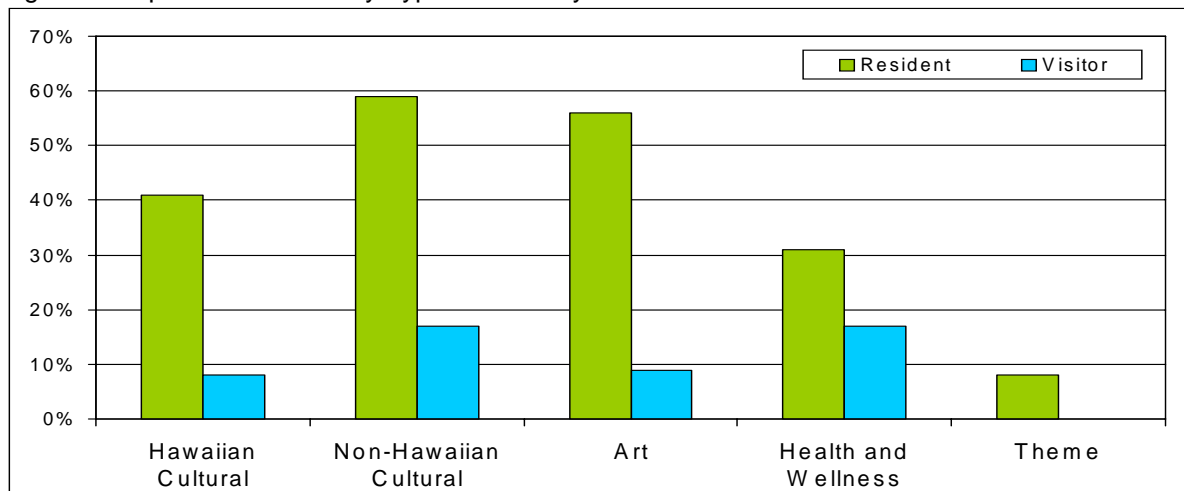


Figure 4 illustrates the age distribution of attendees by type of events, and it shows that the Art events had a younger audience, and Health and Wellness events had an older audience. Although each event type had attendees in wide age groups, different types of events had more appeal to certain age groups. Health and Wellness and Non-Hawaiian Cultural events appealed more to older people, Themed events and Hawaiian Cultural events appealed to balanced age groups, and Art events appealed more to younger people.

Repeat Attendance

Figure 5: Repeat Attendance by Type of Event by Resident/Visitor



The Non-Hawaiian Cultural events had the highest repeat attendance rates among both residents and visitors. Art events had the second highest repeat attendance among residents. Health and Wellness events also had the highest repeat attendance among visitors.

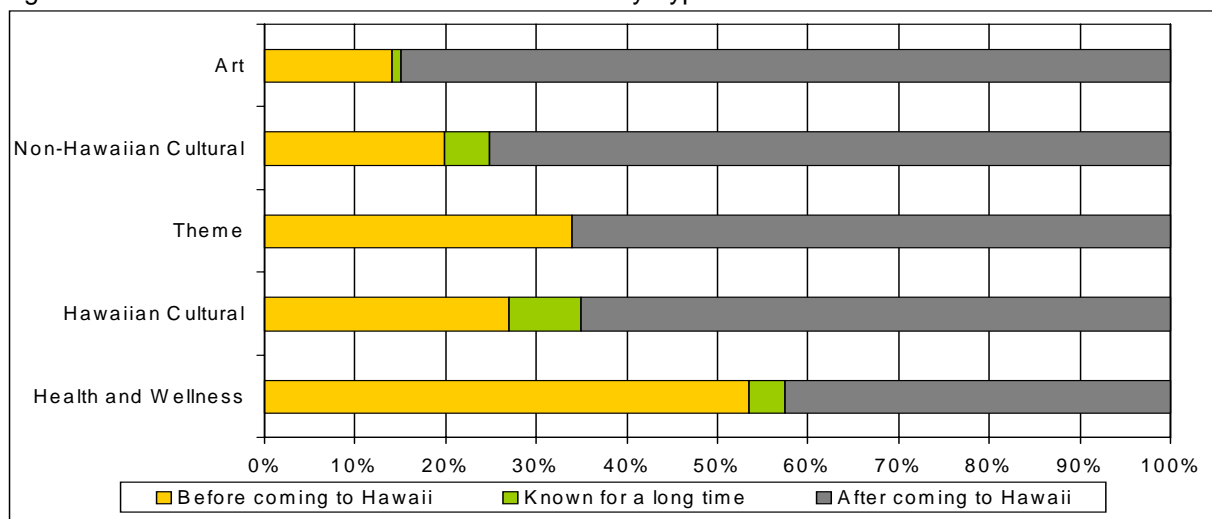
Impacts

When visitors first knew about the festival

Although PEP events were not expected to generate significant economic impact, most events did have some visitors who came to Hawaii specifically for the event.

PEP events did not heavily promote their events abroad, but most had a presence on the Internet and typically listed their events on numerous websites that maintained calendars of events happening in Hawaii. Overall, about 27 percent of visitors that attended these events knew about the events before arriving in Hawaii. The percentage was highest for Health and Wellness events, followed by Hawaiian Culture and Themed events. Art events had the lowest percentage of visitors who knew about the events before their arrival.

Figure 6: When Visitors First Knew About the Event by Type of Event



Economic Impact

Economic impact was computed based on the estimated amount of spending for the Hawaii trip of visitors who came to Hawaii for the events. This total spending includes airfare, hotel, shopping, etc. It should be noted that the economic impact does not include the effects of advertising and PR efforts in major visitor markets. Tax dollars are then computed using the standardized rate (9.9 percent) of the visitors' spending.

Figure 7: Economic Impact by Type of Event

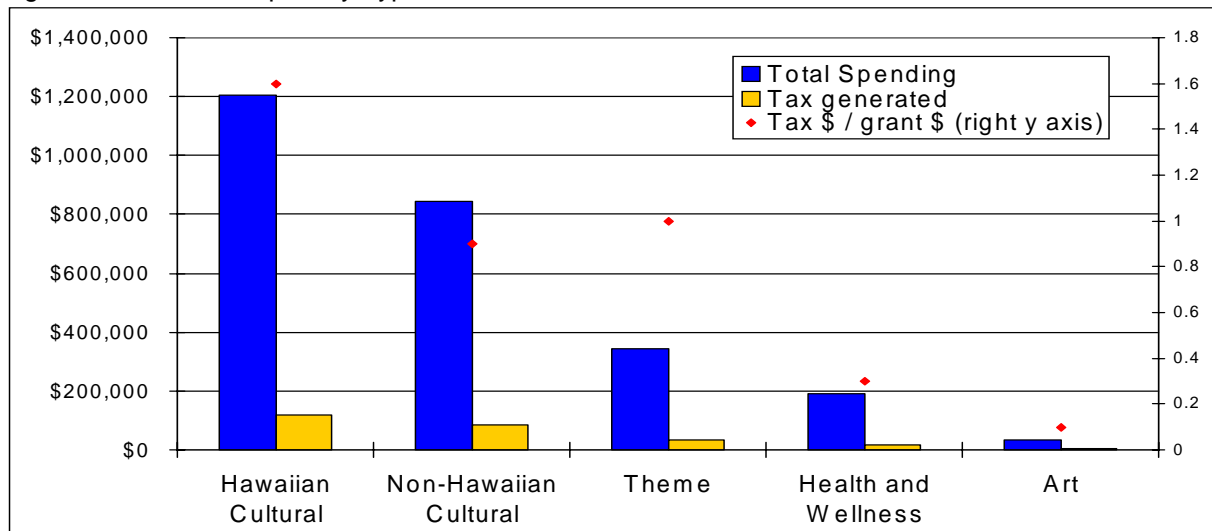


Figure 7 shows visitors' spending and tax dollars generated by these events in 2005. Hawaiian cultural events had the largest economic impact with \$1.2 million visitor spending, generating more than \$100,000 in tax revenue. Non-Hawaiian events had the second largest economic impact, followed by Themed events and Health and Wellness events. Art events brought an extremely small economic contribution. The number of visitors who came to Hawaii for these events is usually proportionate to the economic impact. Although Figure 2 illustrates that the number of these economic contributors are almost the same among Hawaiian, Non-Hawaiian, and Themed events, the economic contributions of these events significantly varied. This is because there was a wide range of average spending per visitor across these event types.

Figure 7 also shows the tax-grant ratio of each event type with red dots. Tax to grant ratio measures an immediate financial return of investment from the HTA's point of view. If the ratio is 1.0, the event was at breakeven. Hawaiian Cultural and Themed events were above breakeven, and other events had a tax-grant ratio of less than 1. When all the events are considered, the ratio was at 0.8, slightly lower than breakeven.

Satisfaction

The primary purpose of the Product Enrichment Program was not to generate significant economic impact. Its focus is to provide something fun and entertaining to do for visitors, even for those who did not come to Hawaii for these events. The underlying assumption of the PEP is that if the festivals' qualities are high, visitors' experience will be enriched and ultimately this will bring more visitors to Hawaii. Therefore, knowing to what extent these events impacted visitors' trips to Hawaii was one of the main objectives of this evaluation. The survey asked a couple of questions that relate to this assumption: (1) Was the festival a highlight of your trip? (2) How likely will you be to attend the festival in the future?

Highlight/Diversity

The primary function of the PEP events is to increase “diversity” of visitor attractions—whether the festivals enriched their experience and provided added value even for visitors who did not come to Hawaii for the events. A question was asked of visitors if the event was the “highlight of their trip” to investigate if these events played any role in diversifying visitor attractions. If a person perceived the festival as their trip’s highlight, the more likely they perceived that Hawaii offers something fun and exciting to do no matter what their interests may be, therefore indicating that the events helped provide visitors with enriched and value-added experiences in Hawaii.

Figure 8: Highlight of Visitor Trip by Type of Event

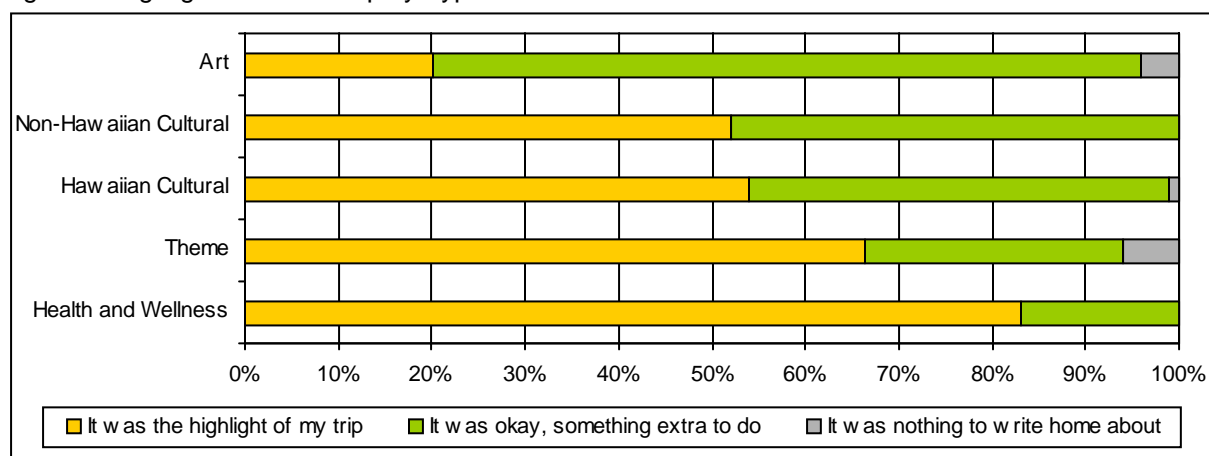


Figure 8 shows the answers to this question. More than 80 percent of the visitors who attended the Health and Wellness events perceived the events as the highlight of their trip, the highest among these event categories. Themed events scored the second highest. At the Hawaiian and Non-Hawaiian Cultural events, 52-54 percent of visitors said the events were the highlight of their trip. Art events scored the lowest.

Overall, Health and Wellness events appear to be providing value-added experiences to visitors to the highest degree. However, when the answers “it was okay, something extra to do” are considered, more than 90 percent of the visitors at all types of events perceived the events positively, indicating that all types of events helped visitors to have enriched experiences to some degree.

Likelihood to Return

Likelihood to return is an important figure, and is an indirect measure of the festivals’ quality and people’s satisfaction. If a person were more satisfied with the event, the more likely it is they would be coming back to the event. This question was asked for both residents and visitors.

Figure 9: Likelihood to Return to the Event by Type of Event

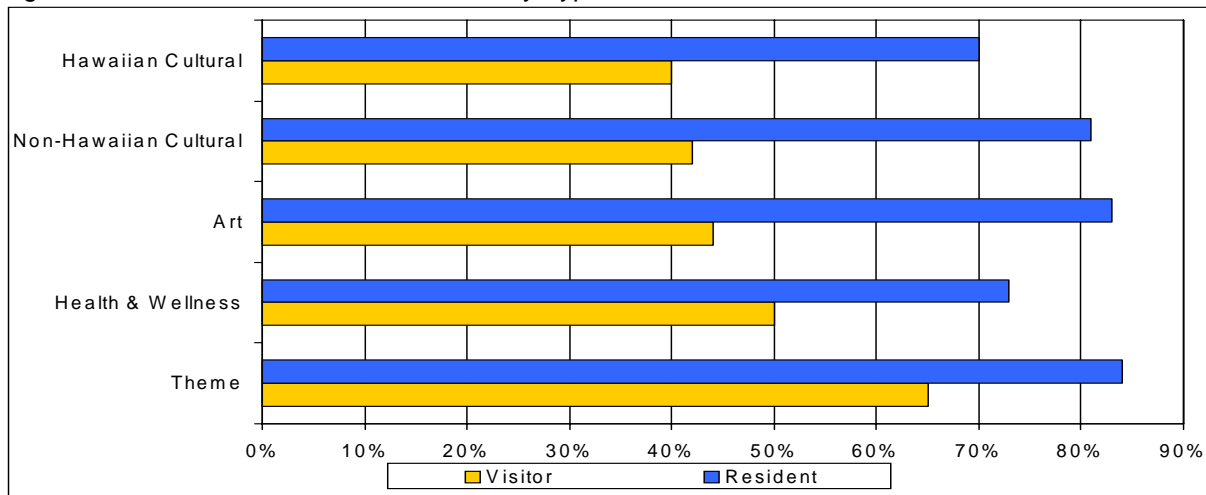
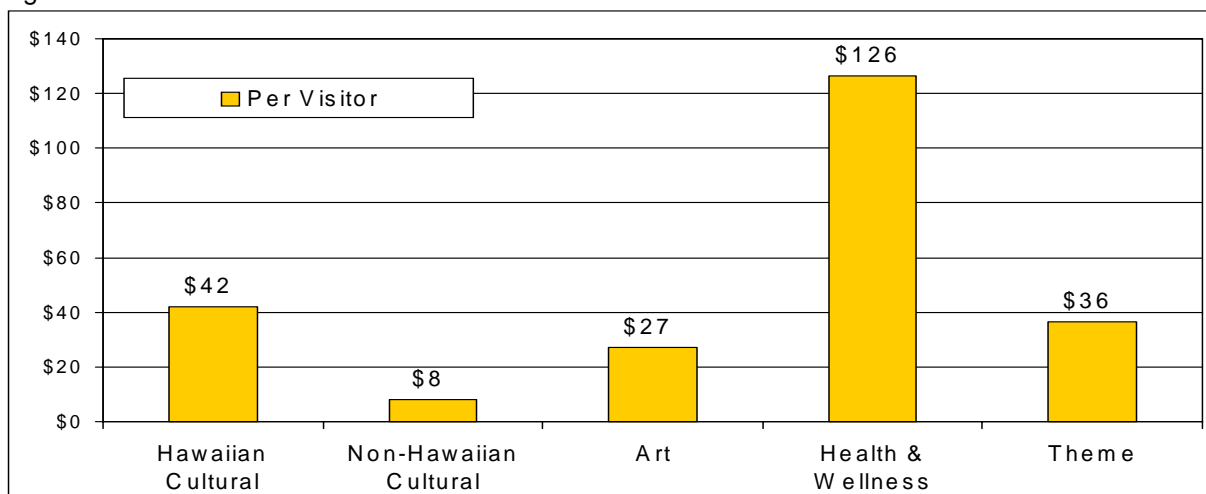


Figure 9 provides the answers to this question by type of events. It appears that residents and visitors have quite different responses. Likelihood to return of residents is much higher than visitors. Non-Hawaiian events, Art events, and other Themed events received higher rates of “very likely” answers. On the other hand, higher percentage of visitors gave “very likely” answers to Health and Wellness events and other themed events.

Unit Cost Analysis

One of the primary focuses of PEP events is to provide enriched experiences for visitors regardless of the purposes of their Hawaii trip. Unlike the Major Festivals Program, attracting visitors who come to Hawaii specifically to attend the events is not a goal of PEP. Our question then is how much it costs for HTA to serve one visitor at each type of event. Figure 10 illustrates the unit cost of HTA grants per visitor that attended the festivals by types of events. This unit cost analysis provides an important and interesting measure to analyze the effectiveness of HTA funding because HTA is essentially investing its funds in the form of grants to increase visitor attendance at these events.

Figure 10: Unit Cost of HTA Grant Per Visitor



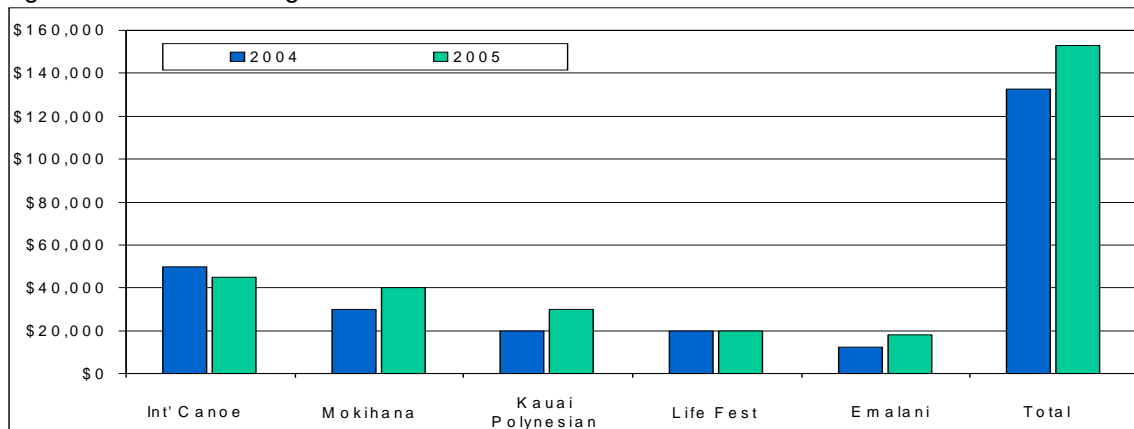
Non-Hawaiian Cultural events appear to be the most cost-efficient for HTA, costing \$10 to serve one visitor at the events. At Art, Themed, and Hawaiian Cultural events, the costs for HTA were moderate, ranging from \$27 to \$42. The Health and Wellness events seem to be very costly events to draw visitors.

Comparing 2005 Results with 2004

In the previous section, results of all the 14 events in 2005 that were independently evaluated by SMS Research were presented. Out of the 14 events, 5 were evaluated in 2004 against the comparable measures used in 2005, therefore two-year data is available for these five events. In this section, some findings of the 2004-2005 comparison data are presented.

Grant Size

Figure 11: Grant Funding of the Selected Events in 2004 and 2005

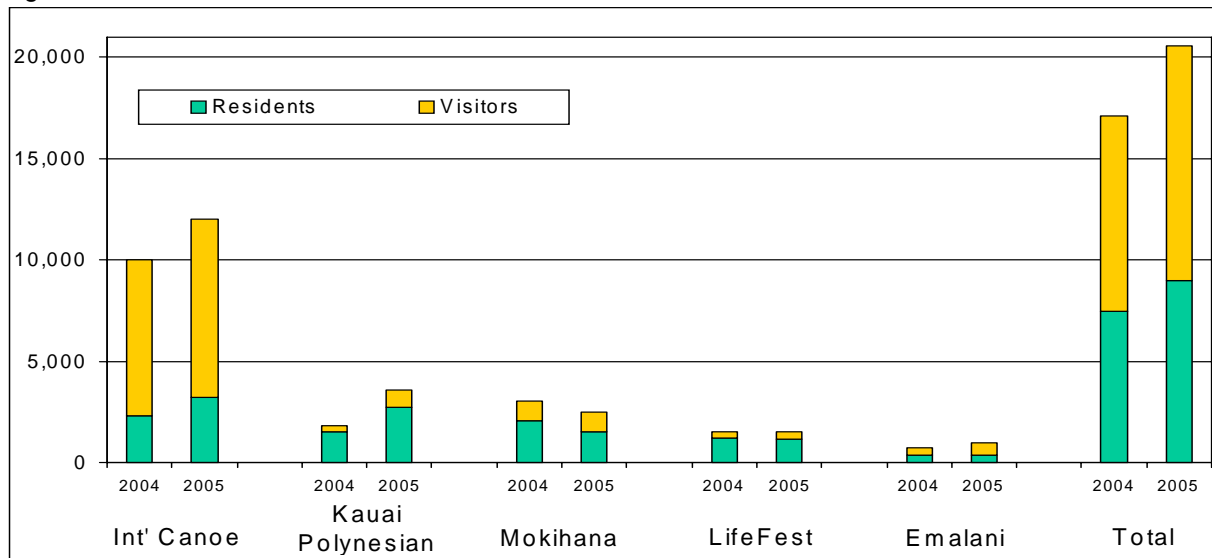


The International Festival of Canoe received less funding in 2005 by \$5,000 comparing with 2004. The other four festivals received the same or an increased amount of funding in 2005. In total, the funding amount increased by more than \$20,000 in 2005.

Attendance

Figure 12 illustrates the total attendance at the five events as well as resident and visitor mix in 2004 and 2005. As a whole, there was a higher attendance in 2005, and there were increases both in resident and visitor attendance. By individual events, all five events increased the attendance of visitors in 2005. International Festival of Canoe had notably higher attendance than other events with a substantially higher percentage of visitors (73 percent in 2005). Though the total attendance is small, Emalani Festival also had a high concentration of visitor attendance (65 percent in 2005). Overall, 44 percent of the total attendance of all the events was visitors.

Figure 12: Attendance of Residents and Visitors at Selected Events in 2004 and 2005



Visitor

Figure 13: Visitor Attendance and Breakdown at Selected Events in 2004 and 2005

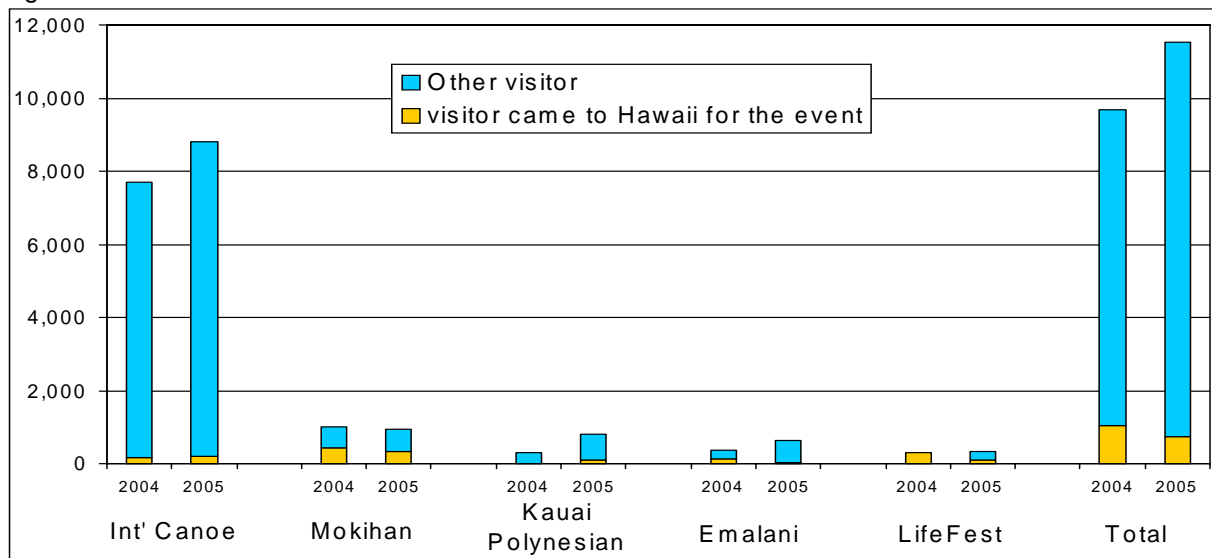


Figure 13 shows the visitor attendance and types of visitors at these five events in 2004 and 2005. Overall, there was higher attendance of visitors in 2005. The increase was attributed to visitors who attended the events but came to Hawaii without knowing that the events were happening. On the other hand, the number of visitors who came to Hawaii for the events declined in 2005. Across the events, there is a small number of these visitors, totaling approximately 15 percent of the total visitors. By individual events, the International Festival of Canoes continued to have large visitor attendance. Although other events had relatively small attendance, some of them had a large draw of visitors who came to Hawaii specifically to attend

the events. Those are Mokihana Festival and LifeFest, respectively 35 percent and 29 percent of these visitors.

Unit Cost Per Visitor

Table 3: Unit Cost Per Visitor at Selected Events in 2004 and 2005

| | 2004 | 2005 | Total |
|---------------------------------|-------|-------|---------|
| Emalani | \$ 33 | \$ 28 | -\$4.9 |
| Mokihana | \$ 30 | \$ 42 | \$12.2 |
| International Canoe Fest | \$ 6 | \$ 5 | -\$1.4 |
| Kauai Polynesian | \$ 69 | \$ 37 | -\$32.4 |
| LifeFest | \$ 67 | \$ 60 | -\$7.1 |
| Total | \$ 14 | \$ 13 | -\$0.4 |

Table 3 shows the unit costs of the HTA grant per visitor that each festival brought in 2004 and 2005. LifeFest was the most costly to bring visitors. While the Kauai Polynesian Festival reduced the unit cost almost by half, Mokihana Festival increased the cost per visitor in 2005 by \$12. The most cost-efficient event to draw visitors was the International Canoe Festival. The average unit cost of the five festivals was \$13, and this was down by \$0.40 from 2004.

Economic Impact

Figure 14: Economic Impact of Selected Events in 2004 and 2005

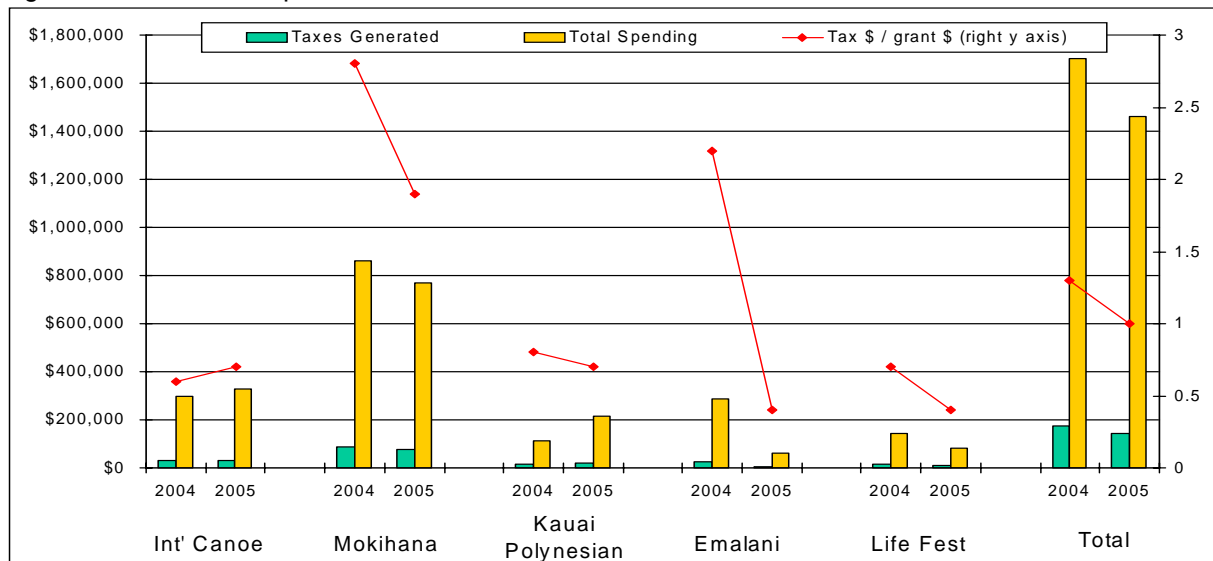


Figure 14 shows the economic impact of the five events as well as the tax dollar-grant ratio in 2004 and 2005. As a consequence of the declined number of visitors who came to Hawaii for the events (economic contributor), the total economic impact of the five events declined. Tax dollar-grant ratio is an indicator that measures the size of economic impact considering the HTA's input in the form of grant funding. If for example the ratio was 1, the event was at

breakeven with equal amounts of HTA input (grant) and output produced by the event (tax generated). Overall, at these five events this ratio was at breakeven in 2005, slightly down from 2004. Mokihana Festival was the only event whose ratio was above the breakeven point for consecutive years. All the other events had continuously low ratio with less than breakeven in 2005.

When visitors first knew about the festival

Figure 15: When Visitors First Knew About the Festival in 2004 and 2005

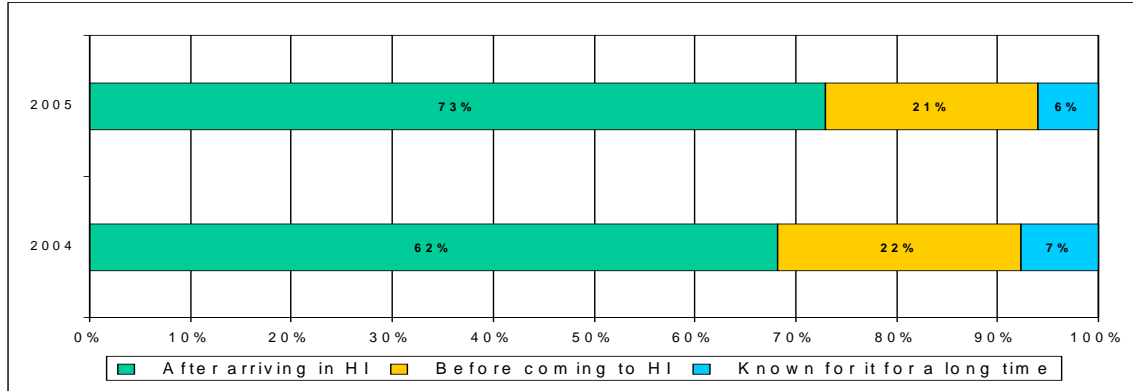


Figure 15 illustrates when the visitors first knew about the events in 2005 with comparison of 2004. A smaller percentage of visitors were informed about these festivals before coming to Hawaii. Most of them first heard of the events after arriving in Hawaii. This percentage increased by 11 percent in 2005.

Figure 16: Media Reached Visitors

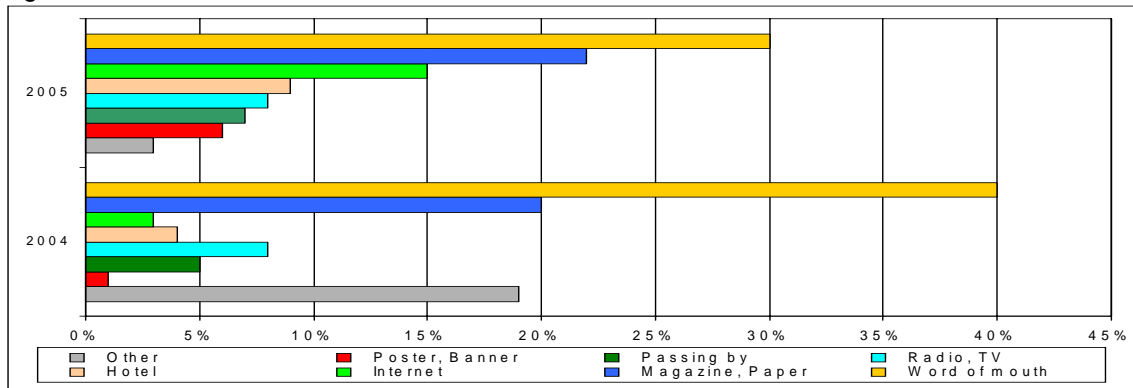
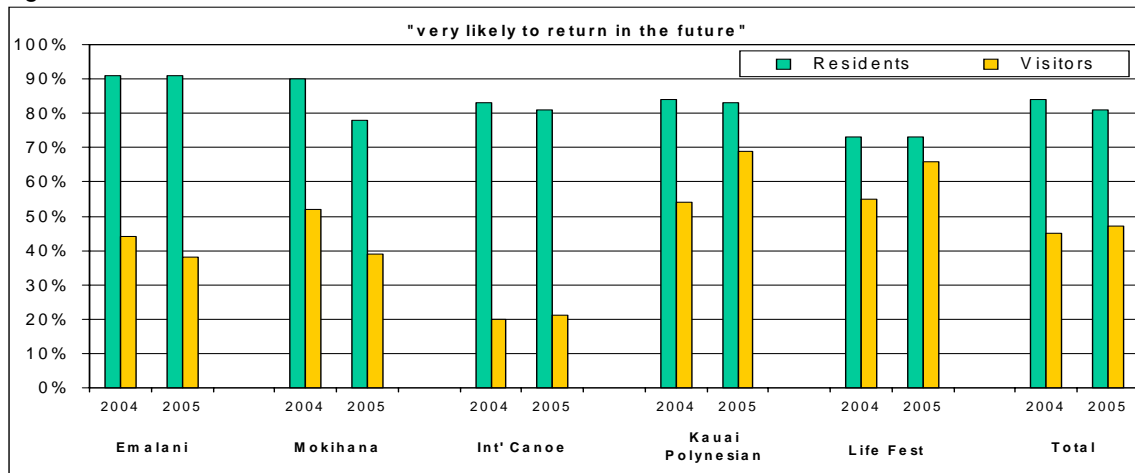


Figure 16 shows how visitors heard about these events. Word of mouth appears to be the most common way visitors hear about the event. Paper media was also rated high (20-22 percent). It seems that an increasing number of people receive information on the Internet.

Likelihood to Return

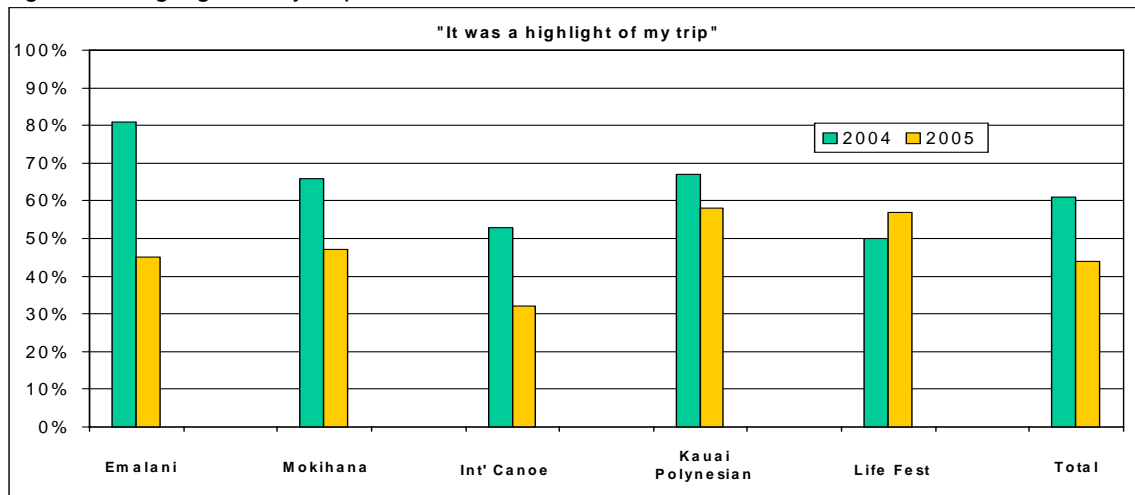
Figure 17: Likelihood to Return at Selected Events in 2004 and 2005



Likelihood to return was high among residents at all the events. Overall, more than 80 percent of them said “very likely to return” to the events in both years. This rating among visitors varies widely across the events. Kauai Polynesian Festival and LifeFest, which have smaller attendance than others, have maintained this higher rating more than other events. In 2005, more than 65 percent of the visitors at both events rated “very likely” to return. In contrast, the International Festival of Canoes attracted many visitors but their likelihood to return rate has been quite low, approximately 20 percent in both years. In total at these five events, approximately 45 percent of the visitors said they are “very likely to return.”

Highlight

Figure 18: Highlight of My Trip at Selected Events in 2004 and 2005



When the respondents were asked how the events impacted their trip, higher percentages of visitors who attended the Kauai Polynesian Festival (58 percent) and LifeFest (57 percent) said

“it was a highlight” of their trip. The visitors at the International Festival of Canoes had the lowest percentage on this rating (32 percent). At average, these events provided 44 percent of the visitors with their trip highlights. However, these rates declined at all the events in 2005 but LifeFest, with an overall 17 percent point decline.

These findings may suggest that even the events that have smaller attendances, such as LifeFest in Maui, serve well in the niche market tourism strategy. Compared with events that have larger attendances, these smaller events seem to fulfill more specific needs of a well-targeted audience. Figures 17 and 18 demonstrate that these events have a higher concentration of highly satisfied visitors.

COOPERATIVE EVALUATION

The HTA explored an alternative method to evaluate their festival grantees in 2005 through cooperative evaluation. Cooperative evaluation is a method in which SMS and event managers collaboratively gather data—SMS works with the event managers to design surveys for data collection, and methods for estimating attendance, but the event does the actual implementation (counting and the interviewing). It was expected that HTA is able to gather consistent and comparable information on the events with a lower cost. In this section, we will evaluate the process and procedures of the cooperative evaluation.

Table 4: Festivals Chosen for Cooperative Evaluation in 2005

| Event | Type | County | Funding |
|-------------------------------------|-----------------|----------|----------|
| Big Island Music Festival | Hawaiian | Hawaii | \$15,000 |
| North Kohala Kamehameha Celebration | Themed | | \$20,000 |
| Waimea Town Celebration | Non-Hawaiian | Kauai | \$25,000 |
| Schofield Sunset in the Park | Sunset | Honolulu | \$18,000 |
| North Shore Sunset on the Beach | | | |
| Waianae Sunset on the Beach | | | |
| Waimanalo Sunset on the Beach | | | |
| West Oahu Sunset on the Plains | | | |
| Lanai Pineapple Festival | Non-Hawaiian | Maui | \$15,000 |
| He Makana Aloha | Health/Wellness | | \$7,000 |

HTA selected ten events for the cooperative evaluation (Table 5). All types of events were covered including Sunset events. With each event manager, SMS discussed the survey instrument and method of estimating attendance well before the event dates. SMS also provided training on on-site counting and interviewing at every island for these event managers. When necessary, SMS conducted additional trainings at the festival site individually before the event. Before the dates of each festival, SMS coordinated sending the evaluation packet that included survey sheets, clip boards, counting devices, etc. Despite this coordination, SMS faced several unexpected challenges to obtain accurate information.

Counting Issue: The biggest problem was inaccurate counting to estimate attendance. Estimating attendance is not difficult if a proper method is applied. This is especially easy if the event was ticketed. Table 6 shows the estimates done by the events and by SMS in 2004 and 2005 as well as differences between these estimates. At Big Island Music Festival, North Kohala, and Waimea Town Celebration, estimates by SMS and by the events were almost equal suggesting that the counting was done fairly accurately. However, at all the Sunset events, differences between SMS estimates and events estimates, as well as differences between 2004 estimates and 2005 event estimates, are inconceivably large. Judging from the physical capacity of these event sites, it is reasonable to conclude that the estimates done by the events are far from accurate.

Table 5: Cooperative Evaluation Attendance Estimate

| Event | 2004 Attendance | 2005 Count by Event | 2005 Count by SMS | SMS minus Event | Event minus 2004 |
|--------------------------------------|-----------------|---------------------|-------------------|-----------------|------------------|
| Big Island Music Festival (ticketed) | 710 | 830 | 830 | 0 | 120 |
| North Kohala Kamehameha Celebration | 1,700 | 2,000 | 2,000 | 0 | 300 |
| Waimea Town Celebration | | 7,700 | 7,700 | 0 | |
| Schofield Sunset in the Park | | 4,800 | 3,000 | 1,800 | |
| North Shore Sunset on the Beach | 8,000 | 15,000 | 6,000 | 9,000 | 7,000 |
| Waianae Sunset on the Beach | 11,400 | 24,000 | 16,000 | 8,000 | 12,600 |
| Waimanalo Sunset on the Beach | 4,000 | 42,000 | 4,000 | 38,000 | 38,000 |

Survey implementation:

In order to capture a fair representation of people attending an event, a large number of surveys need to be collected from general attendees. However, at some events, surveys were passed out mainly to event supporters and volunteers, thus the total sample was partial. At Sunset events, the percentage of surveys collected from volunteers ranged from 11 percent to 29 percent, which is a much higher rate than the actual judging from our experience working with many festivals.

No Participation: A few festivals simply did not implement the surveys. Most of these events rely heavily on volunteers and they do not have other resources available to administer evaluation activities. At least 2-4 people need to be solely designated to counting and conducting interviews in order to obtain accurate information. This is often too much of a burden for festival coordinators.

Overall, cooperative evaluation did not work as well as expected. On-site counting estimated inaccurate attendance, collected samples were partial, and some events could not participate in this collaborative effort. Judging from our overall observation, the primary reason this method did not work boils down to the fact that the festival coordinators were asked to perform two different types of duties—event operation and program evaluation. The festival grantees are highly focused on areas surrounding program delivery, such as tasks and activities. The grantees are primarily process oriented, and tend to neglect the need to become more outcome oriented. Consequently, program evaluation is a secondary consideration for most of the grantees, primarily because of resource limitations and a lack of experience. A lack of objectivity also contributed to heavily biased reporting results.

CONCLUSION

Hawaii Tourism Authority's Product Enrichment Program provided funds to 109 events at various locations across the state throughout the year in 2005 through cooperative effort with the tourism authority in each of Hawaii's four counties. By distributing funds to local groups, PEP aims to foster the development of new tourism-related products and to improve existing products to enhance Hawaii's overall visitor experience. In this year, 14 events were chosen to be independently evaluated by SMS Research. In addition, another 10 events were subject to the cooperative evaluation, which is a trial method of evaluation.

Our evaluation found that all types of events have unique contributions to PEP objectives:

- ❑ Hawaiian Cultural events had one of the lowest attendances but it had a higher rate of visitor participation, therefore, it had the highest economic contribution. Satisfaction among visitors was moderately high, but the unit cost to serve visitors was higher than most.
- ❑ Non-Hawaiian Cultural events had much higher attendance of both residents and visitors, and economic contribution was large. Additionally, it was the most cost effective type of event to bring visitors. Level of satisfaction among visitors was moderately high.
- ❑ Art events had a decent level of visitor presence, and it served them with moderately efficient cost. However, the economic contribution of these events was quite low. The level of satisfaction was one of the lowest, and they were perceived to be the "highlight" of visitors' experience to the lowest degree.
- ❑ Health and Wellness events were attended by an extremely small number of visitors as well as residents, consequently generating small economic impact and with a high cost to serve visitors. The plus side is a high satisfaction level among visitors—a high concentration of visitors came to Hawaii specifically to attend these events, and they provided the highest degree of value-added experiences.
- ❑ Attendance at Theme events was mostly by residents with a small number of visitors. The plus side of these events was high satisfaction among visitors. The likelihood to return rate was the highest and it provided a high degree of value-added experience for them.

In addition, 2005 results were compared with 2004 data among 5 events that were evaluated in both years. These events were operated with slightly increased funding from HTA in 2005. Attendance of both residents and visitors increased, and the unit cost of HTA funds per visitor slightly decreased. However, the economic impact of these events declined in 2005 with tax-grant ratio at breakeven. Satisfaction among visitors had mixed results. The rate of likelihood to return stayed almost constant, but a lower percentage of them perceived these events as their trips' highlight.

The new collaborative evaluation process hoped to produce consistent and comparable information with lower costs, but overall it was unsuccessful. Attendance counts and collected data were largely biased and inaccurate. Some events could not participate in this process due to their resource limitation. Making strategic decisions of HTA as well as individual events based on data collected through this methodology is risky. We conclude that the cooperative evaluation method does more harm than good.

Finally, every PEP event uniquely addresses the interests of its niche market. They have different themes, agendas, expectations, and objectives. HTA's objectives through PEP are also broadly addressed. HTA's current wide-focused strategy provides substantial challenges for a program-wide evaluation system, and it is difficult to determine the overall success of the PEP.

RECOMMENDATIONS

1. Fine tune the program objectives of PEP

The current PEP objective statements found in the RFP are many, and they are addressed very broadly. Stating crystal clear objectives of the program is important in order to set HTA's expectations to festival grantees, and to guide their activities that clearly lead to HTA's strategic goals.

2. Establish PEP program logic model and program-wide evaluation system

Our findings concluded that the current wide-focused PEP strategy provides a challenge for program-wide evaluation system, and it is difficult to determine the overall success. Based on the clearly set objectives, HTA must establish a program logic model and evaluation system that allows to monitor whether the program is making progresses as a whole toward achieving the objectives. Logic model is widely used for planning, implementation, and evaluation of various social programs setting that seek result-based performance. It displays the sequence of actions that describes what the program is and will do—how investment link to result. Evaluation system then should be designed to measure if this linkage is really occurring as expected by designing appropriate indicators to measure each of the steps.