

# **SPILOVER EFFECTS OF GOLF VACATIONS ON ATTRACTIONS, RESTAURANTS, AND RETAIL SHOPPING**

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## **ABSTRACT**

Spillover effects have been studied typically by economists looking at effects of sports stadiums subsidized by government and manufacturing plants built in developing countries. This study looked at a golf marketing affinity program (PassPort) to encourage Visitors to golf on the Grand Strand and its spillover effects into visits to Attractions, Restaurants, and Retail Shopping Locations where Visitors spend money off-course. Greatest spillover was found for Retail Shopping Locations followed by Restaurants and Attractions. It can be concluded that there is economic spillover of golfers who visit the Grand Strand and Myrtle Beach and are members of the PassPort affinity group. This economic spillover is estimated at \$1 billion spent off course attributable to 785,000 golf Visitors who played golf on one or more of the 368 golf courses in the state of South Carolina

## **INTRODUCTION**

Since the opening of America's first golf course in Charleston in 1786, golf has played a significant role in the economy of South Carolina. A study by the Department of Parks, Recreation, and Tourism shows the spillover of economic activity from visiting golfers on and off golf courses created a \$2.72 billion economic impact in 2007 with the Grand Strand (Myrtle Beach) creating more than half of that impact. In the tourism industry, golf creates more income than any single entertainment or other activity in South Carolina. In addition, it has been estimated that golf generates nearly 39% of the state's tax revenues according to the South Carolina Department of Parks, Recreation, and Tourism. Therefore, the spillover effects of the estimated 785,000 trips to South Carolina including a round of golf are an important issue for the State, the Grand Strand, and Myrtle Beach itself [2].

Spillover is a process where one business activity affects a second business activity and creates revenues or costs for the second business activity. Traditionally, economists have studied spillover in high tech industries [1], manufacturing [4], and R&D [5]. More recently a marketing orientation has been adopted regarding spillover in branding [6] [8], target marketing [3], and even entrepreneurship [9]. With all the interest in government subsidies for new sports stadiums in New York City, it is no surprise that spillover in professional sports is a hot topic today [7].

The purpose of this study is to determine if Visitors to the Grand Strand and Myrtle Beach who belong to a golf marketing affinity group known as PassPort sponsored by the Myrtle Beach Golf Owners create spillover economic activity in the areas of Attractions, Restaurants, and Retail Shopping.

## **METHOD**

### **Attractions**

The ten Attractions to Visit are listed below. They cover events for adults and children and represent the main attractions on the Grand Strand and Myrtle Beach.

1. Alabama Theatre
2. Carolina Opry
3. Casino Boat Gambling
4. Comedy Cabana
5. Dixie Stampede
6. House of Blues
7. Legends in Concert
8. Medieval Times
9. Myrtle Waves
10. Ripley's Aquarium

### **Restaurants**

The seven Restaurant Types are listed below and are varied in cost, social status, and themes. Some are in natural groups because of ownership, and they represent a cross section of restaurants available in the Grand Strand area.

1. Theme Restaurants (Planet Hollywood, Hard Rock Cafe, NASCAR Cafe, etc)
2. Italian Restaurants (Olive Garden, Carrabba's, etc)
3. Steakhouse Restaurants (Outback, Carolina Roadhouse, Logan's, etc)
4. Seafood Restaurants (Joe's Crab Shak, Crabby Mike's, Captain George's, etc)
5. Sandwich Shops (Jersey Mike's, Firehouse Subs, Quizno's, etc)
6. Sports Bars (Handley's, Overtime, Spencers, Beef O'Brady's, etc)
7. Mexican Restaurants (El Patio, El Cerro Grande, Burro Loco, etc)

### **Shopping Locations**

The ten Shopping Locations to Visit are listed below and represent both golf specialty retail outlets and general merchandise retail locations.

1. Barefoot Landing
2. Broadway at the Beach
3. Coastal Grand Mall
4. Colonial Mall
5. Golf Dimensions Superstore
6. Inlet Square Mall
7. MacFrugal's Golf (Murrells Inlet)
8. Martin's PGA Tour Superstore
9. Old Golf Shop (North Myrtle Beach)
10. Tanger Outlets

The survey questionnaire was distributed by the Myrtle Beach Golf Owner's Association using their email facility. In addition to a variety of demographic items, the survey participants were asked if they were an occasional visitor, seasonal visitor, part-time resident, or full-time resident to the Grand Strand and Myrtle Beach area. The participants were then grouped into Visitor and Resident segments. For each of the Attractions, Restaurant Types, and Shopping Locations, the participants indicated whether or not they never, rarely, sometimes, or always visited the list of Attractions, Restaurant Types, and Shopping Locations.

The survey yielded responses from 529 Residents, and 199 Visitors for a total sample size of 728. These data were then analyzed for differences between Visitors and Resident segments.

## RESULTS

Overall, the Attractions showed fewer participants willing to always visit them ranging from 1.2% for Myrtle Waves to 8.5% for Carolina Opry. This low level of willingness to visit is in contrast to Restaurant Types which showed a low of 2.3% for Theme Restaurants and a high of 33.7% for Steakhouses as well as a low of 1% for Old Golf Shop and a high of 57.2% for Martin's PGA Superstore in the Retail Shopping Locations category.

Individual significant differences between Residents and Visitors in their willingness to always visit locations on the Grand Strand and Myrtle Beach are summarized below.

### Attractions

The summary table for Attractions appears in Table 1 below.

**Table 1**

### Attractions Visit Frequency by Visitors and Residents

	% Resident	% Visitor	% Total
Alabama Theatre			
Never Visit	29.9	42.1	33.2
Rarely Visit	25.9	28.4	26.6
Sometimes Visit	35.4	27.4	33.2
Always Visit	8.5	2.0	6.7
Carolina Opry			
Never Visit	31.8	51.2	37.1
Rarely Visit	24.4	21.8	23.7
Sometimes Visit	33.0	23.8	30.5
Always Visit	10.6	3.0	8.5
Casino Boat Gambling			
Never Visit	65.5	69.0	66.5
Rarely Visit	21.7	18.2	20.8
Sometimes Visit	10.7	12.1	11.1
Always Visit	1.9	0.5	1.5

Comedy Cabana			
Never Visit	66.0	71.1	67.4
Rarely Visit	19.6	17.5	19.1
Sometimes Visit	12.1	9.2	11.3
Always Visit	2.1	2.0	2.1
Dixie Stampede			
Never Visit	46.5	62.0	50.7
Rarely Visit	33.1	21.0	29.8
Sometimes Visit	18.1	15.8	17.5
Always Visit	2.1	1.0	1.8
House of Blues			
Never Visit	30.4	35.0	31.7
Rarely Visit	28.7	26.0	27.9
Sometimes Visit	35.8	32.0	34.7
Always Visit	5.0	7.0	5.5
Legends in Concert			
Never Visit	42.3	60.2	47.2
Rarely Visit	25.5	21.9	24.5
Sometimes Visit	26.3	14.2	23.0
Always Visit	5.7	3.5	5.1
Medieval Times			
Never Visit	60.4	72.4	63.6
Rarely Visit	29.0	16.8	25.7
Sometimes Visit	8.4	10.7	9.0
Always Visit	2.1	0.0	1.5
Myrtle Waves			
Never Visit	70.6	73.9	71.5
Rarely Visit	19.3	12.2	17.4
Sometimes Visit	8.8	12.2	9.7
Always Visit	1.1	1.5	1.2
Ripley's Aquarium			
Never Visit	38.9	50.0	41.9
Rarely Visit	27.4	30.1	28.1
Sometimes Visit	27.8	17.8	25.1
Always Visit	5.7	2.0	4.7
Base	529	199	728

Significant Chi Squares were found for the six Attractions listed below along with their p values.

- Alabama Theatre (p < .0001)
- Carolina Opry (p < .0001)
- Dixie Stampede (p < .002)
- Legends in Concert (p < .0001)
- Medieval Times (p < .0001)
- Ripley's Aquarium (p < .003)

In all cases, Residents were significantly more willing to visit these Attractions compared to Visitors. However, on average Visitors always went to these attractions 2.3% while in Myrtle Beach and most frequently went to House of Blues (7%) and Legends in Concert (3.5%) most often.

## Restaurant Types

The summary table for Restaurant Types appears in Table 2 below.

**Table 2**  
**Restaurant Types Visit Frequency by Visitors and Residents**

Theme Restaurants	% Resident	% Visitor	% Total
Never Visit	33.8	28.1	32.2
Rarely Visit	40.8	40.2	40.6
Sometimes Visit	22.8	29.6	24.7
Always Visit	2.4	2.0	2.3
Italian Restaurants			
Never Visit	4.5	8.5	5.6
Rarely Visit	15.9	23.5	18.0
Sometimes Visit	50.0	49.5	49.9
Always Visit	29.4	18.5	26.4
Steakhouse Restaurants			
Never Visit	2.6	3.0	2.7
Rarely Visit	11.9	17.6	13.5
Sometimes Visit	51.2	46.4	49.9
Always Visit	34.1	32.8	33.7
Seafood Restaurants			
Never Visit	9.7	7.5	9.1
Rarely Visit	17.5	14.5	16.7
Sometimes Visit	45.7	37.6	43.5
Always Visit	27.0	40.2	30.6
Sandwich Shops			
Never Visit	12.2	19.5	14.2
Rarely Visit	36.6	36.0	36.4
Sometimes Visit	40.9	35.0	39.3
Always Visit	10.1	9.5	10.0
Sports Bars			
Never Visit	15.1	22.6	17.1
Rarely Visit	31.0	26.1	29.6
Sometimes Visit	35.6	34.6	35.3
Always Visit	18.1	16.5	17.7
Mexican Restaurants			
Never Visit	24.9	28.6	25.9
Rarely Visit	28.5	32.6	29.6
Sometimes Visit	34.0	25.1	31.6

Always Visit	12.3	13.5	12.7
Base	529	199	728

Significant Chi Squares were found for the two Restaurant Types listed below along with their p values.

- Italian Restaurants (p < .002)
- Seafood Restaurants (p < .008)

As might be expected, Visitors always went to Restaurants more often than to Attractions with an average of 19.0% for the seven Restaurants. In addition, high percentages visited Steakhouses (32.8%) and Seafood Restaurants (40.2%) with Visitors significantly always going to Seafood Restaurants more than Residents.

## Retail Shopping Locations

The summary table for Retail Shopping Locations appears in Table 3 below.

**Table 3**

### Retail Shopping Locations Visit Frequency by Visitors and Residents

	% Resident	% Visitor	% Total
Barefoot Landing			
Never Visit	11.4	11.0	11.3
Rarely Visit	25.0	24.6	24.9
Sometimes Visit	40.8	35.6	39.4
Always Visit	22.6	28.6	24.2
Broadway at the Beach			
Never Visit	5.1	9.0	6.1
Rarely Visit	14.2	13.6	14.0
Sometimes Visit	42.9	35.8	41.0
Always Visit	37.6	41.4	38.7
Coastal Grand Mall			
Never Visit	10.8	20.8	13.5
Rarely Visit	15.5	23.3	17.7
Sometimes Visit	41.6	37.0	40.3
Always Visit	31.9	18.7	28.3
Colonial Mall			
Never Visit	19.6	25.3	21.2
Rarely Visit	28.8	32.4	29.8
Sometimes Visit	35.1	32.9	34.5
Always Visit	16.4	9.1	14.4
Golf Dimensions Superstore			
Never Visit	8.9	4.0	7.5

Rarely Visit	21.4	17.0	20.2
Sometimes Visit	40.7	43.7	41.5
Always Visit	28.8	35.1	30.5
Inlet Square Mall			
Never Visit	36.5	46.2	39.2
Rarely Visit	27.0	36.1	29.5
Sometimes Visit	24.1	13.0	21.0
Always Visit	12.2	4.5	10.1
MacFrugal's Golf (Murrells Inlet)			
Never Visit	65.7	71.5	67.3
Rarely Visit	22.2	22.8	22.3
Sometimes Visit	9.1	5.5	8.2
Always Visit	2.8	0.0	2.0
Martin's PGA Tour Superstore			
Never Visit	3.9	3.5	3.8
Rarely Visit	9.0	6.5	8.3
Sometimes Visit	30.7	29.9	30.5
Always Visit	56.2	59.8	57.2
Old Golf Shop (North Myrtle Beach)			
Never Visit	68.6	67.3	68.2
Rarely Visit	23.2	23.9	23.4
Sometimes Visit	7.1	7.6	7.2
Always Visit	0.9	1.0	0.9
Tanger Outlets			
Never Visit	8.7	13.5	10.0
Rarely Visit	14.2	16.0	14.7
Sometimes Visit	38.5	33.0	37.0
Always Visit	38.5	37.5	38.2
Base	529	199	728

Significant Chi Squares were found for the five Retail Shopping Locations listed below along with their p values.

- Coastal Grand Mall (p < .0001)
- Colonial Mall (p < .04)
- Golf Dimensions Superstore (p < .044)
- Inlet Square Mall (p < .0001)
- MacFrugal's Golf (Murrells Inlet) (p < .034)

On average, Visitors always go to Retail Shopping Locations (23.6%) more often than to Attractions (2.3%) or Restaurants (19.0%). The most frequently visited Retail Shopping Locations include Broadway at the Beach (a diversified outdoor mall) and Martins PGA Tour Superstore (a golf specialty shopping location).

Furthermore, Retail Shopping Locations are always visited by Visitors in high percentages including the following:

- Martin's PGA Superstore (60%)
- Broadway at the Beach (41%)

- Tanger Outlets (38%)
- Golf Dimensions Superstore (35%)
- Barefoot Landing (29%)

## DISCUSSION

There is spillover of visits to Attractions, Restaurants, and Retail Shopping Locations by golfers who visit the Grand Strand and Myrtle Beach. The results of this study suggest the economic impact of Visitors who come to the area for golf is greatest for Retail Shopping Locations followed in order by Restaurants and Attractions. For example, 59.8% of Visitors say they always visit Martin's PGA Tour Superstore, while 40.2% always visit a Seafood Restaurant and only 7% say they always visit The House of Blues while in the area for golf.

The economic benefit to the community by Visitors holding PassPort cards is most likely enough to pay for the cost of the marketing program associated with PassPort. The South Carolina Golf Course Owners Association estimates \$1 billion was spent off course by 785,000 golf Visitors who played golf on one or more of the 368 golf courses in the state of South Carolina [2]. That defines a significant spillover effect for the state's economy.

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