

CHARACTERISTICS AND ECONOMIC IMPACT OF THE TUCSON GEM SHOW

(February, 2007)

Executive Summary

Objectives and Methodology – The following is a summary of key findings from the Characteristics and Economic Impact of the Tucson Gem Show conducted by FMR Associates for the Metropolitan Tucson Convention and Visitors Bureau (MTCVB). The primary objective of this project was to track the specific economic and tax revenue impacts that benefit Pima County by hosting the annual Tucson Gem Show among its three major constituencies: Owners, Exhibitors and Buyers. The results of this project were compared to a baseline study conducted for MTCVB in February 2000 by FMR Associates.

A total of 1,336 interviews were conducted in-person by FMR at 31 venues and 37 different individual shows during the 2007 Tucson Gem Show.

2007 Tucson Gem Show Overview – Overall, the 2007 Tucson Gem Show featured 49 individual shows and 5,079 Exhibitors. The total gate attendance was 362,816 Buyers, who attended 6.6 shows (on average), for an estimated attendance of 55,056 unique persons – up 59% from 34,618 in 2000. The 2007 Tucson Gem Show attendance was included a 50/50 mix of in-town (Tucson area residents) (27,583) and out-of-town Buyers (27,473). This represented a 16% increase in out-of-town Buyers and a 150% increase in in-town attendees. Out-of-town Buyers traveled to Tucson from 43 different states and 24 foreign countries. Exhibitors had an even stronger international orientation, traveling from 38 foreign countries (along with 42 states).

2007 Tucson Gem Show Expenditures – We estimate a total of \$100,011,476 in direct expenditures resulting from the 2007 Tucson Gem Show, up 31% from \$76,449,852 in 2000. The single largest expenditure category is for lodging, food/beverage and in-town transportation (\$49,549,718) – a 19% increase over 2000.

Tucson Gem Show Owners – Owners account for 17.1% (or \$17,072,001) of total 2007 Tucson Gem Show expenditures. Based on 49 shows in total, the average expenditure per show – taking into account both travel-related and show management (for items such as security, equipment and facilities rental, etc.) expenses – is \$348,408. On average, Owners stayed in Tucson for 17.6 days for the 2007 Gem Show and had nine people in their travel party.

Tucson Gem Show Exhibitors – Exhibitors account for 30.8% (or \$30,827,678) of 2007 Tucson Gem Show expenditures. The average expenditure per Exhibitor is \$6,070 for travel and show related expenses. On average, Exhibitors displayed their wares at 2.2 shows. The vast majority of Exhibitors traveled to Tucson in a personal vehicle (49%) or by airplane (37%). More than six of ten Exhibitors stayed in a hotel, resort or motel while attending the 2007 Gem Show (62%) – staying in Tucson (on average) for 16.4 days and bringing 3.5 people with them.

Besides their participation in the 2007 Tucson Gem Show, nearly one-half of Exhibitors indicated that they did some retail shopping while visiting Tucson (47%) – followed by sightseeing or tours

(37%), visiting family or friends (33%), museums (19%), gambling (19%) or going to the movies (18%). Two of ten Exhibitors report extending their stay in Tucson while participating in the 2007 Gem Show – for an average of 8.9 days. A similar share of Exhibitors (18%) reported visiting other destinations in Arizona, typically the Phoenix area, Sedona or the Grand Canyon.

Tucson Gem Show Buyers – Similar to the 2000 study, Buyers represent the largest percentage (52.1% or \$52,111,797) of 2007 Tucson Gem Show direct expenditures. Average past Tucson Gem Show attendance among Buyers is 5.5 years.

While they represent 50% of all attendees, out-of-town Buyers account for fully 96% (or \$50,138,697) of attendee expenditures (for items including lodging, food/beverage, entertainment, in-town transportation and retail shopping). The average expenditure per out-of-town Buyer is \$1,825. Six of ten out-of-town Buyers traveled to Tucson in a personal vehicle, and 28% by airplane. One-half stayed in a hotel and 27% lodged with family or friends. The average length of stay among out-of-town Buyers was 7.3 days, with a 2.6 person travel party size.

In addition to attending the 2007 Tucson Gem Show, out-of-town Buyers visited family and friends (51%), went shopping (48%), made sightseeing trips (45%) and perused museums (23%) – while others gambled (16%), went to the movies (14%) or played golf (9%). More than one of four visited other destinations in Arizona (27%), most often Phoenix, Tubac, Tombstone or Sedona.

Hotel, Resort or Motel Total Room Night and Rate Estimates – We estimate that the 2007 Tucson Gem Show generated 195,500 total hotel, resort and motel room nights between Owners (2,300), Exhibitors (77,811) and out-of-town Buyers (115,389). The overall average nightly room rate paid was \$130.43, higher among Owners (\$182.20) and Exhibitors (\$142.00) than out-of-town Buyers (\$127.33).

Tax Revenue Estimates – We estimate that \$9,057,217 in local taxes (including sales, bed and rental car taxes) were paid on \$90,206,326 of taxable expenditures made by Owners, Exhibitors and Buyers at the 2007 Tucson Gem Show. Compared to 2000, these totals represent 51.2% growth in tax revenues (from \$5,975,425) and 31.6% in taxable expenditures (from \$68,521,680).

Likelihood of Return Visit to Tucson – To an even greater degree than we found in 2000, the vast majority of Exhibitors (63%) and out-of-town Buyers (78%) indicate that they will return to (or have visited) Tucson as a visitor (not related to their Gem Show attendance). In addition, two-thirds of out-of-town Buyers say that they will attend the 2008 Tucson Gem Show.