

Society of Stranders' Fall Migration: Analysis and Economic Impact

YOAV WACHSMAN¹

INTRODUCTION

The Society of Stranders, hereinafter called SOS, is a national organization that enjoys and perpetuates the traditions of beach and shag music, and shag dancing. Founded in 1980, the SOS is owned and operated by the Association of Carolina Shag Clubs (ACSC). The SOS holds two annual events in North Myrtle Beach – the Fall Migration and the Spring Safari. Over 12,000 members from various parts of the U.S., but primarily from the Southeast, attend these 10-day, adult parties.

These adult parties have a strong, positive economic impact on the Grand Strand in general, and North Myrtle Beach in particular. This report will describe some of the relevant characteristics of the attendees such as their spending, length of stay, choice of accommodations, and distance traveled to North Myrtle Beach. The report will also analyze the correlations amongst some of these variables. Finally, the report will estimate the economic impact of the Fall Migration on North Myrtle Beach.

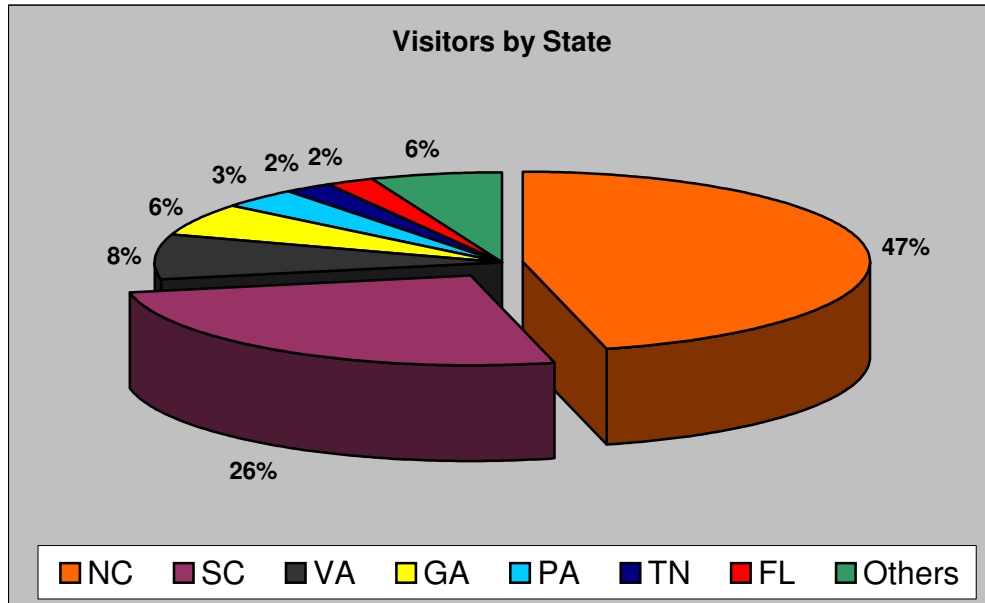
Data from the project was collected by a survey conducted by the SOS and compiled by the Coastal Federal Center for Economic and Community Development, which is located in the E. Craig Wall Sr. College of Business Administration at Coastal Carolina University. 525 attendees of the 2004 Fall Migration responded to the survey. The survey contained 10 questions that are described in Section 2. Section 3 presents some basic statistical analysis. Section 4 describes the economic impact of the event.

Descriptive Statistics

525 attendees of the Fall Migration completed and returned a survey. The survey contained 10 questions. The first question asked responders which state they were from. 224 individuals (46% of those who responded to the question) answered that they were from North Carolina and 126 individuals (25.9%) reported living in South Carolina. Other states with significant number of participants included Virginia, Georgia and Pennsylvania (see Figure 2.1 for more details). The distribution of SOS members is notably different than the distribution of all visitors to the Grand Strand Area. According to the Myrtle Beach Area Chamber of Commerce, the top 5 states from which visitors originate are North Carolina, New York, Pennsylvania, Ohio and Virginia. Apparently, the Fall Migration attracts a disproportionately high number of visitors from the Southeast.

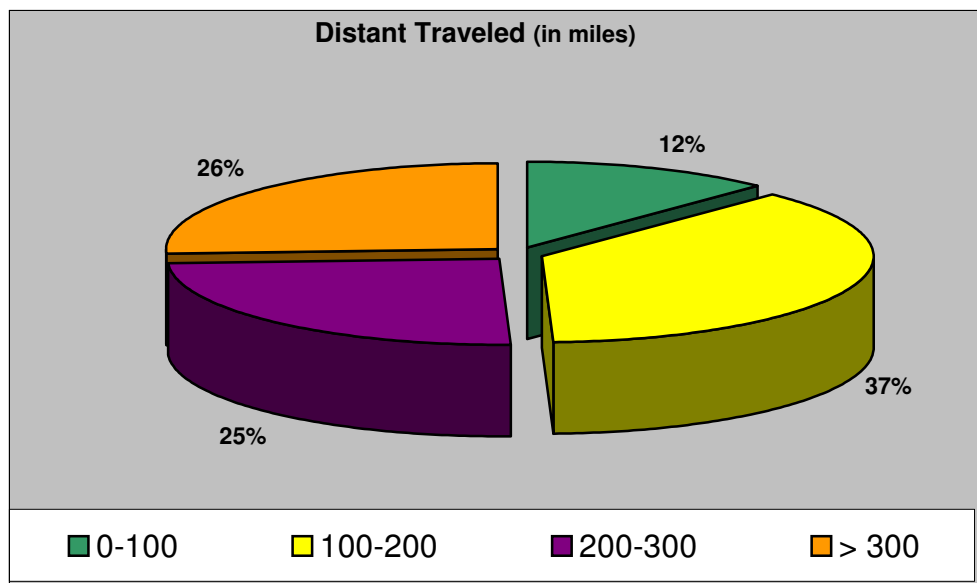
¹ Assistant Professor of Economics, E. Craig Wall Sr. College of Business Administration, Coastal Carolina University

FIGURE 1



The second question on the survey asked respondents how far they travel to attend the Fall Migration. 457 out of 521 who answered the question stated that they traveled at least 100 miles. Of those 193 traveled between 100 and 200 miles, 130 traveled between 200 and 300 miles and 134 traveled at least 300 miles. However, the survey did not ask those who traveled for more than 300 miles, how far they traveled.

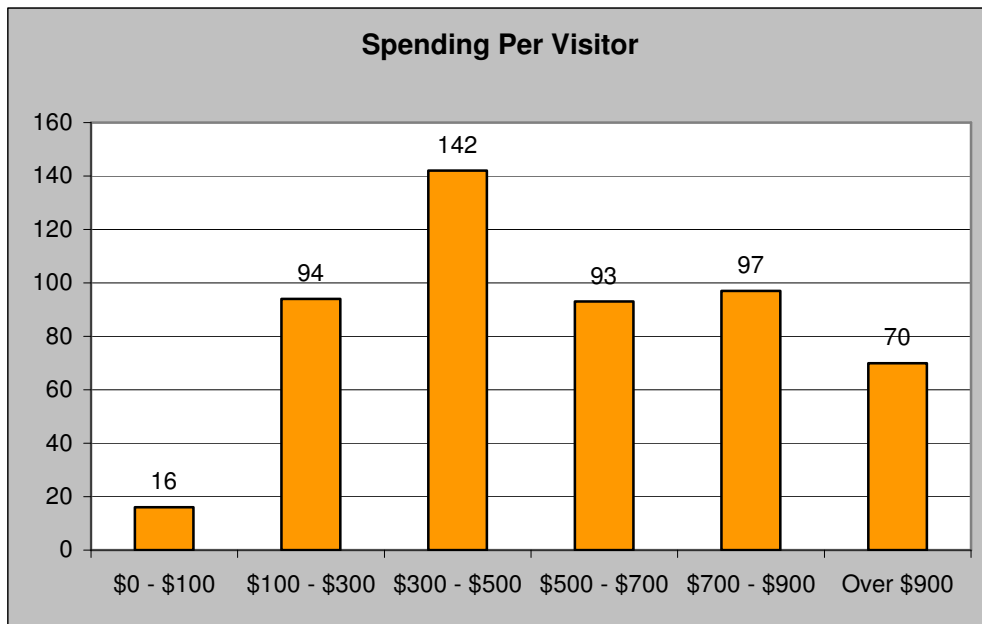
FIGURE 2



Question 3 asked respondents whether they are single or married. 308 (59.8% of the 513 who answered the question) reported being married and 207 (40.2%) reported being single. The fourth question asked respondents to approximate how much money they spent during the SOS event.

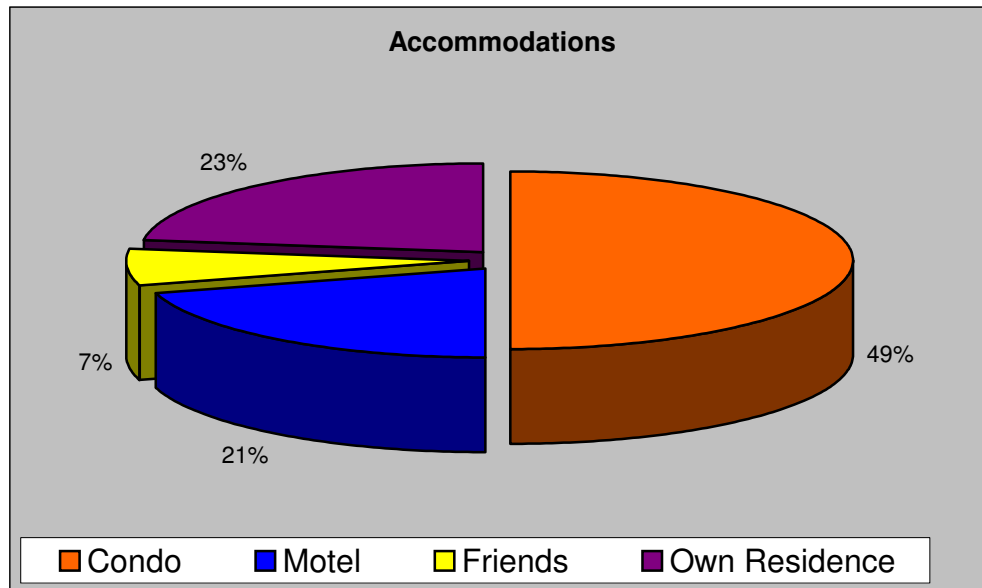
Question 4 asked respondent to identify their spending during the Fall Migration in one of six categories: \$0-\$100; \$100-\$300; \$300-\$500; \$500-\$700; \$700-\$900; and Other. Because it is unknown how many individual were in one party, the following statistics are based upon individual respondent report with unknown party sizes. 16 individuals declared spending less than \$100, 94 people indicated spending between \$100 and \$300, 142 indicated spending between \$300 and \$500, 93 indicated spending between \$500 and \$700, 97 indicated spending between \$700 and \$900 and the rest (70 individuals) wrote an amount that was higher than \$900. The mean amount of those who spent more than \$900 was \$1,467 and the median was \$1,400. The total amount spent by the respondents was approximately \$310,000 and the weighted average spending (measured using the midpoint of the first five categories and the mean of the last category) was \$610.40. The weighted average was higher than the \$585 average spending by visitor households in the Grand Strand Area as reported by the Myrtle Beach Area Chamber of Commerce.

FIGURE 3



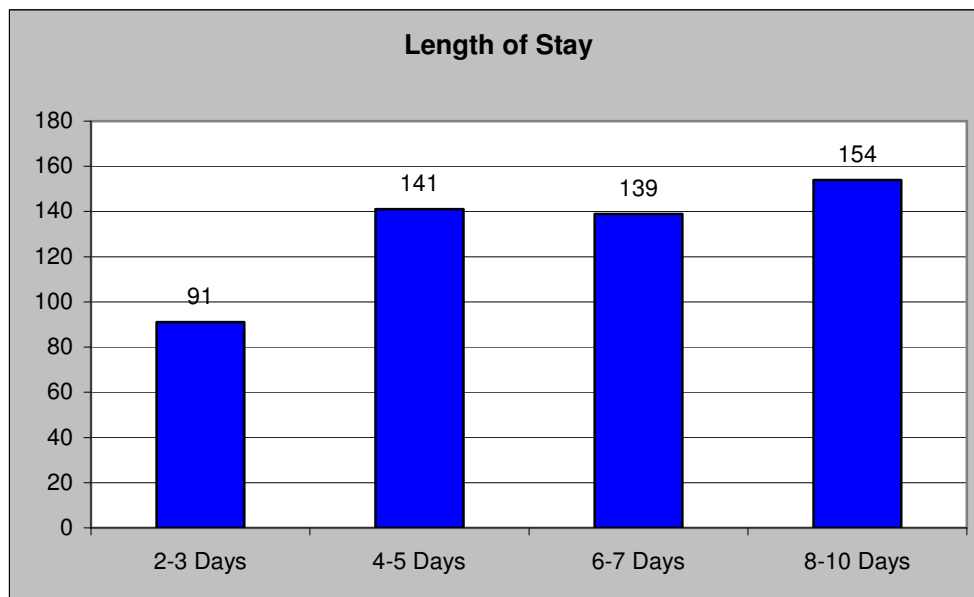
When asked what type of accommodations they stayed in during the event, more than half of the respondents (269 individuals) reported staying in a condominium, 111 reported staying in a hotel or motel, 36 reported staying with friends or family and 123 reported staying in their own residence.

FIGURE 4



Question 6 asked participants how long they stayed for the Fall Migration. 91 respondents reported staying for 2 or 3 days, 141 respondents reported staying for 4 or 5 days, 139 respondents reported staying 6 or 7 days and 154 respondents reported staying for 8 to 10 days. The survey did not give respondents the option to choose one day or more than 10 days, although it is likely that some of them did stay for more than 10 days.

FIGURE 5



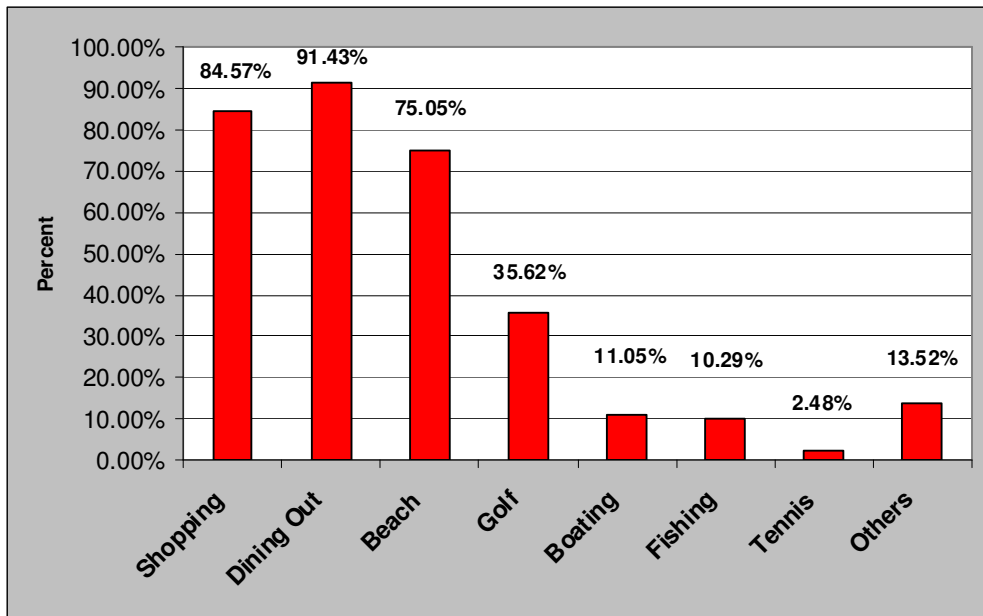
Question 7 asked respondents how many times they attended the Fall Migration. Answers ranged from 1 to 36, with the average being 8.83, the median (the middle value) being 8,

and the mode (the most common answer) being 10. The standard deviation was 6.08, indicating that there is variation in the number of times that people attended the Fall Migration. Only 16 of the people surveyed attended the event for the first time.

Respondents were also asked if they vacation in North Myrtle Beach any other time of the year. An overwhelming majority of 382 individuals (72.9% of those who responded to the question) indicated that they do visit North Myrtle Beach at other times, compared to only 142 individuals (27.1%) that stated that they do not visit North Myrtle Beach at other times of the year. Thus, the Fall Migration raises the interest of SOS members in North Myrtle Beach as a vacation destination. Although, the survey did not inquire what percent of repeat visitors return for the Spring Safari.

Question 9 asked respondents what type of activities they enjoyed while vacationing in North Myrtle Beach. The most popular activities chosen were dining out (91.43% of all respondents), shopping (84.57%) and going to the beach (75.05%). Other popular activities included golf, boating, fishing, and clubbing and dancing, as shown in Figure 6.

FIGURE 6
Activities While in the Myrtle Beach Area



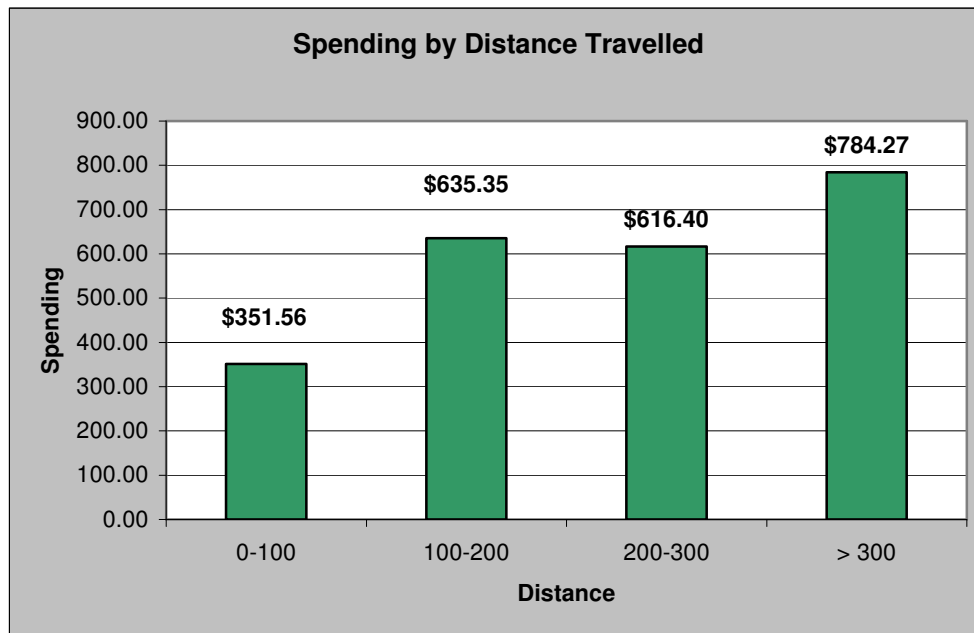
Question 10 was really composed of two questions. The first asked for the respondents' choice of beverage. 304 individuals reported that they drink cocktails, 243 reported drinking beer, 136 reported drinking wine and 137 reported drinking soda. As expected, more than half of the respondents reported drinking more than one type of drink. The second part of the question asked respondents whether they used the SOS discount. 80.5% (397 individuals) of those who responded to the question indicated that they did use the discount, while 19.5% (96 individuals) stated that they did not use the discount. 32 people did not answer this question.

STATISTICAL ANALYSIS

As expected, there was a correlation among some of the variables in the survey. This report will focus on the correlations that have a socioeconomic explanation behind them. Studies in tourism economics find that visitors who traveled from farther away tend to visit the destination less frequently, spend more time in the destination, and thus spend more money during their vacation. The data support some of these results. For instance, with correlation ranging from a -1 to +1, there is a positive correlation of 0.388 between distance traveled and average spending.

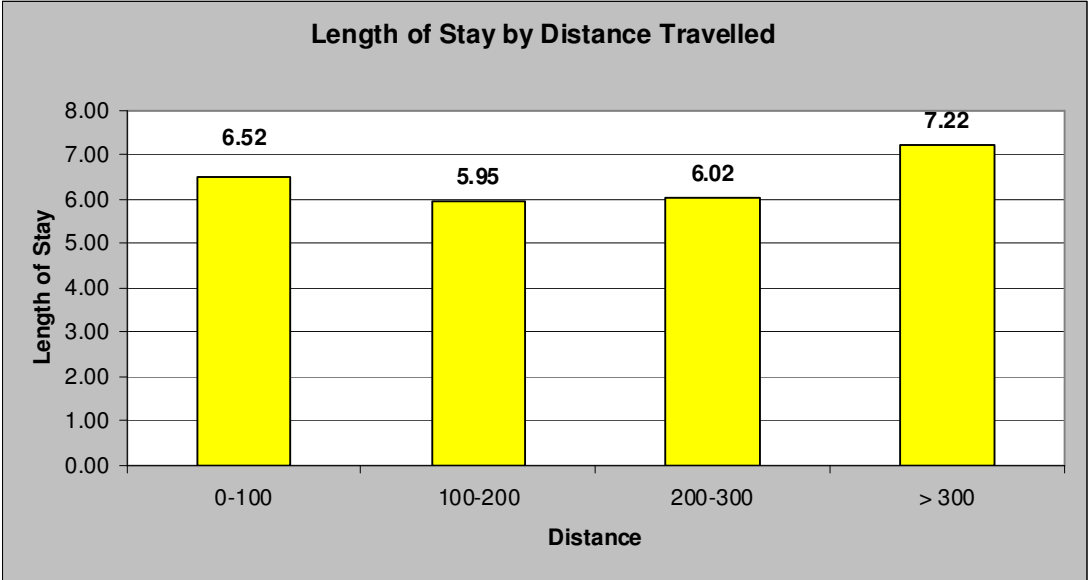
On average, SOS members who traveled for less than 100 miles, only spent \$351.56 during the Fall Migration, probably because many of them were commuting from their home. In fact, 32 out of the 64 (50.0%) who traveled for less than 100 miles reported staying in their own residence, compared to 87 out of 453 (19.2%) of those who traveled over 100 miles. Visitors who traveled between 100 and 200 miles spent \$635.35, visitors who traveled between 200 and 300 miles spent \$616.40, and visitors who traveled over 300 miles spent \$784.27 on average.

FIGURE 7



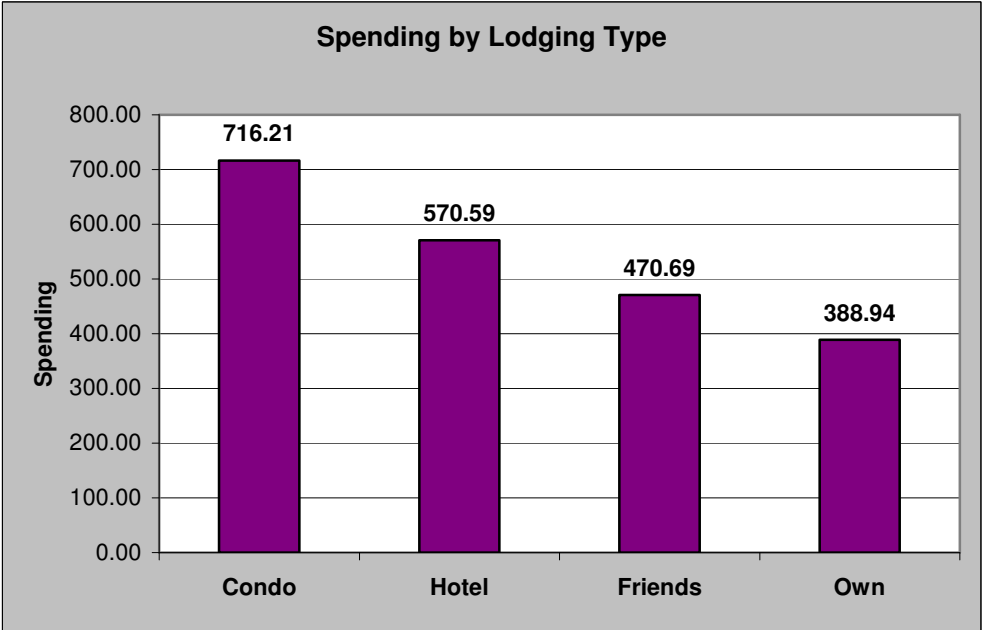
Those traveling for more than 300 miles were also likely to stay longer. SOS members who traveled over 300 stayed for 7.22 days on average compared to 6.02 days for those traveling between 200 and 300 miles and 5.95 days for those traveling between 100 and 200 miles. Note that respondents who live close to North Myrtle Beach (within less than 100 miles) stayed for more time than those respondents who traveled an intermediate distance (100 to 300 miles) because many of them were able to commute from their home and did not have to spend as much money as illustrated in Figure 7. Consequently, the correlation between length of stay and distance traveled was only .173.

FIGURE 8



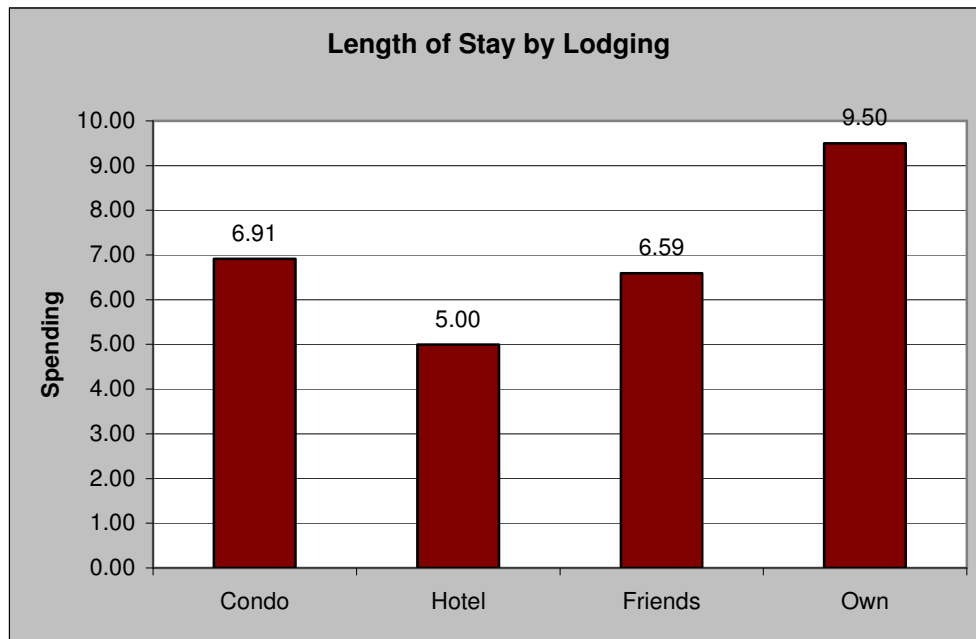
Lodging is normally the largest expense when going on a vacation that does not require flying or a very long drive. Those who stayed in condos (the most popular choice amongst Stranders) reported spending an average of \$716.21 for their Fall Migration visit, those who stayed in hotels or motels reported \$570.59, those who stayed with friends or family reported \$470.69, and those who used their own residence, which was either their primary or secondary home, reported only \$388.94. These averages do not reflect the number of individual in each party.

FIGURE 9



Those SOS members who stayed in their own residence also stayed the longest, in all likelihood because their expenses were relatively small. Those who stayed in their own residence stayed for 9.50 days, those who stayed with friends stayed for 6.59 days, those who stayed in a hotel or a motel stayed for 5.00 days and those who stayed in a condominium stayed for 6.91 days on average. Note that those who stayed in condominium paid on average \$103.64 while those who stayed in a hotel or a motel paid \$114.12 per day. Therefore, the higher total spending by those staying in a condominium is due to the fact that they, on average, stayed longer, not because their daily expenses were higher.

FIGURE 10



The variable that seemed to have the most significant effect on spending, however, was not the choice of lodging but whether the respondent was or was not a repeated visitor. Those who stated that they come to North Myrtle Beach for other events besides the Fall Migration, on average spent \$512.30 during their stay of 6.52 days. Thus, on average, they spent only \$78.57 per day. On the other hand, SOS members who declared that they do not come to North Myrtle Beach for any other event spent \$830.22 or \$129.32 per day. (Non-repeat visitors stayed for 6.42 days on average). Spending is based on a per respondent basis with the respondent's party size unknown.

Hence, those respondents who only visit North Myrtle Beach during the Fall Migration spent 64.5% more per day than respondents who come to North Myrtle Beach for other events. This is probably because those who visit a tourist destination infrequently are more likely to try out the unique attractions that the destination has to offer. This difference can also explain why SOS members who come from a long distance are more likely to spend more money in North Myrtle Beach. It is partially because they are less likely to be repeat visitors.

ECONOMIC IMPACT

The Fall Migration has a significant and positive economic impact on North Myrtle Beach. The total amount spent by the 525 individuals who responded to the survey was approximately \$310,000 and the weighted average spending was \$610.40. The weighted average was higher than the \$585 average per party spending in the Grand Strand Area. The average length of stay in Grand Strand Area by the respondents was 6.49 days, well above the 4.5 days average stay of other tourists in the Grand Strand Area as reported by the Clay Brittan Jr. Center for Resort Tourism Studies.

These results, however, are difficult to interpret since the survey does not ask for the number of household members covered by each survey. According to the Brittain Center, the average number of guests per unit for September the past three years is 1.77. The average daily spending per SOS visiting party (1.77 people) is \$94, which is smaller than the average daily per party (2.5 people) spending by other tourists, which is \$130.

The total economic impact depends on the number of visitors who attend the Fall Migration. If over 12,000 individuals attend the Fall Migration, as claimed by the SOS web site, and assuming that each survey covered 1.77 individuals, the total direct spending (spending on the event itself) and indirect spending (spending on all other things during the participants' stay) was \$4.14 million. Additionally, the event generated \$2.81 million in induced spending (using the Bureau of Economic Analysis expansion multiplier of 0.68). This is spending that occurs because a portion of the direct and indirect spending gets re-spent in the local economy. Therefore, the total impact with 12,000 participants is approximately \$6.95 million. This is a very rough estimate because the actual number of attendees is unknown, because the survey is likely to contain sampling biases, and because of statistical error. Also, the survey does not indicate how much of the spending was spent in North Myrtle Beach.

The Fall Migration has an additional economic impact on North Myrtle Beach because those who attend the event are more likely to come to North Myrtle during other times. In fact, 72.9% of all respondents indicated that they come to North Myrtle Beach for other events. Unfortunately, the survey does not reveal what portion of these repeat visitors would come to North Myrtle Beach if they did not attend the Fall Migration, nor how many additional times do these repeat visitors come to North Myrtle Beach

CONCLUSIONS

The survey shows some interesting correlations that generally correspond to socioeconomic theory. Those who come from farther away are likely to stay longer and therefore spend more money. Those individuals who live close to North Myrtle Beach are a lot more likely to use their own residence, spend less money and stay longer. Moreover, those who stay in condominiums, the most popular choice for SOS members, spend less per day and stay longer than those who stay in hotels. The most significant result of the study, however, is that those who only vacation in North Myrtle Beach during the Fall Migration spend on average a lot more than those who vacation in North Myrtle during other times of the year.

The Fall Migration, which is organized by the Society of Stranders, has a strong, positive economic impact on North Myrtle Beach. On average, respondents to the survey stayed in the Grand Strand Area for 6.49 days and spent about \$610, although not all of it was necessarily spent in North Myrtle Beach. The survey, which was designed and administered by SOS, does not ask the question that determines if the spending was per individual or per party, nor does it ask the size of the party. Thus, the total economic impact of the event is difficult to ascertain without knowing the total number of participants and how the Fall Migration affects the probability that participants would return to North Myrtle Beach. Nonetheless, the economic impact of the Fall Migration on North Myrtle Beach is quite large; probably approaching \$7 million.