



## Article Title

A Note on the Effects of Popular Music Concerts on Hospitality Sales: The Case of Waterfront Concerts in Bangor, Maine

## Citation

Gabe, T. M., & Lisac, N. A. (2014). A Note on the Effects of Popular Music Concerts on Hospitality Sales: The Case of Waterfront Concerts in Bangor, Maine. *The Review of Regional Studies*, 44(1), 61.

## Abstract

This piece examines the local tourism-related expenditures made by attendees at large, outdoor popular music concerts held from 2010 to 2012 in Bangor, Maine. A regression analysis of the relationship between monthly taxable retail sales—e.g., restaurant and lodging sales—and the number of concertgoers is used to estimate local spending figures of between \$33.81 and \$52.31 per attendee on restaurant meals, and \$18.92 to \$23.12 per concertgoer on lodging in the Bangor region. Results suggest that an estimated 29 to 31 percent of attendees spend the night in the local area, which is very similar to the share of concertgoers who travel more than two hours to attend shows.

## Methods

Two regression models were used to examine the relationship between taxable restaurant and lodging sales, respectively, and the number of attendees at music concerts in a given month.

## Results

The regression results show a positive and statistically significant relationship between monthly taxable restaurant sales and the number of concert attendees. More specifically, the estimated coefficients (from the models controlling for other factors that might explain restaurant sales in the Bangor ESA) corresponding to the Concert Attendees variable suggest that a one person increase in concert attendance is associated with between \$33.81 (i.e., estimated coefficient from the model that controls for restaurant sales elsewhere in Maine) and \$52.31 (i.e., estimated coefficient from the model that controls for the number of Acadia visitors) in additional restaurant sales. Other results from the analysis of taxable restaurant sales in the Bangor ESA uncover positive and statistically significant associations with gaming activity at the local casino, general merchandise sales, the number of visitors to Acadia National Park, and restaurant sales elsewhere in Maine. Moreover, the regression results reveal a positive and statistically significant relationship between taxable lodging sales and the number of concert attendees. Other results of the regression include, a positive relationship between lodging sales and gaming revenues at Hollywood Casino, the number of visitors to Acadia National Park and the amount of lodging sales elsewhere in Maine. The regression results uncover a statistically significant relationship between lodging and general merchandise

sales in the Bangor ESA in only one of the four regressions, and this effect—suggesting that shoppers spend \$1.00 on lodging for every \$1,000 of general merchandise sales—is very small in magnitude. The regression results pertaining to the General Merchandise Sales variable suggest that, although shopping and eating in restaurants appear to be complements, the amount of general merchandise sales occurring in a month has very little bearing on sales at local hotels and motels. These results are consistent with Bangor’s characterization as a retail service center, as noted above.

### **Conclusion**

Popular music concerts can have sizable local economic impacts by attracting fans from outside the region and capturing the spending of local residents who might have otherwise left the area to see their favorite artists. In 2012, the top 25 grossing popular music tours generated \$1.8 billion in ticket sales. Along with the money spent on tickets, some concertgoers make expenditures on hotels and motels, food and beverages, and retail purchases. The types of spending that they attract, along with the large-scale—yet temporary—nature of concerts, makes analyzing the impacts of popular music shows similar to examining the impacts of other types of tourism events.