

2013 Pliny the Younger Release



NOTE: This report was extracted from a larger report produced by the Sonoma County Economic Development Board titled *2013 Craft Beverage Industry Report*.

Please contact the Sonoma County Economic Development Board for any questions: 707-565-7170



Pliny the Younger - Tourism Economic Impact

Sonoma County: A Premier Destination for Craft Beverages

Premise

Sonoma County tourism is the third-largest among neighboring counties and it has long been an integral part of its economy. Tourists in 2011 brought \$1.47 billion to the economy and supported 17,000 jobs. Continued growth in this industry will depend on successful marketing of Sonoma County's local assets. Sonoma County breweries have a national reputation for their innovation and award-winning beer. However, a potential problem is that while beer is readily associated with a brewery's name, the location of the brewery is not. This is a lost opportunity to market a strong asset as there is potential for building Sonoma County as a craft beverage destination.

One way to determine if there is an interest for beer tourism is to gather both quantitative and qualitative evidence through a case study where tourists can be surveyed on their spending habits. The annual release of Pliny the Younger beer draws thousands of beer lovers from around the nation to Santa Rosa, the largest city in Sonoma County, and provides an audience for performing this case study.

Why Pliny the Younger?

In 2009, the beer community website BeerAdvocate.com ranked Pliny the Younger, a triple IPA brewed by Russian River Brewing Company, as the "best beer" in the world. Since then, this beer has gathered a cult-like following among beer enthusiasts. Compared to a standard IPA (India Pale Ale), a triple IPA has roughly triple the amount of hops and more than twice the alcohol content. While Russian River Brewing Co. is not the only brewery that brews a triple IPA, it enjoys the most publicity through Pliny the Younger.

Contributing to the allure of this beer, unlike other Russian River Brewing Co. beers, you can not pick Pliny the Younger up at the store. The only way to sample this beer is on-site or at a few select Bay Area locations during its two-week annual release in February. Thousands of beer lovers from around the nation, and even a few who make the trip from abroad, line up outside the brewpub in Santa Rosa every day during its release. On opening day in February 2013, the most enthusiastic attendees waited up to seven hours in a line that wrapped around blocks for a chance to sample the brew.

Quotes from Release Day

"I came to Sonoma County just for Russian River [Brewing Co.] and the Pliny the Younger release."

- James, Los Angeles, CA

"We came for the Pliny the Younger release and also to do some wine tasting."

- John, Chicago, IL

Results

The 2013 release of Pliny the Younger drew 12,500 attendees to Russian River Brewing. According to the survey results, 8,140 of these attendees, or 65 percent, were tourists who traveled specifically to try the beer. Their aggregate expenditure within Sonoma County, also known as their direct impact, totaled \$1,440,151. In addition, the money that tourists spent in the local economy had multiplier effects in similar ways as discussed in the industry economic impact section on page 6 of this report. The indirect impact and the induced impact are estimated to have been \$421,467 and \$495,991, respectively. The total tourism related impact of Pliny the Younger was \$2,357,609.

Survey results indicate that tourists spent a large portion of their money at restaurants, breweries, and bars during their visit. In addition to visiting Russian River Brewing, tourists reported arriving early or staying an extra day to visit other breweries in the area. Tourists spent an average 1.6 days in Sonoma County, and 44 percent stayed in a local hotel or lodging during their stay.

At least 26 states and 5 foreign countries were represented at the 2013 release of Pliny the Younger. The majority of tourists, 83.6 percent, were from California. Other domestic tourists made up 15.2 percent of the visitors with the remaining 1.1 percent traveling internationally.

A complete discussion of the survey methodology is available in Appendix A: Tourism Case Study Methodology



Attendees wait for Pliny the Younger in lines that at times spanned 3 block lengths

"We came to Sonoma County to try some of the best beer in the world."

- Adam, Fort Worth, TX

Pliny the Younger - Tourism Economic Impact

By the Numbers...

12,500 Number of attendees at the 2013 release of Pliny the Younger

65% Percentage who traveled from outside of Sonoma County

44% Percentage of tourists who stayed at a local hotel or lodging

\$2,360,000 Total economic impact of the 2013 Pliny the Younger release



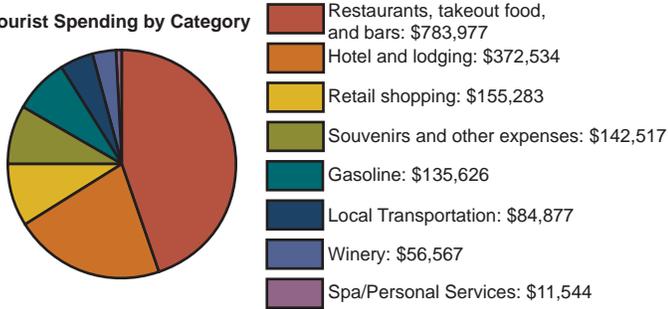
Left: A glass of Pliny the Younger. Right: Release day line

Pliny the Younger video

The Sonoma County EDB partnered with the Community Media Center of the North Bay to produce a short video to interview attendees from outside of Sonoma County. This video is available for viewing on the Sonoma County EDB's YouTube page.

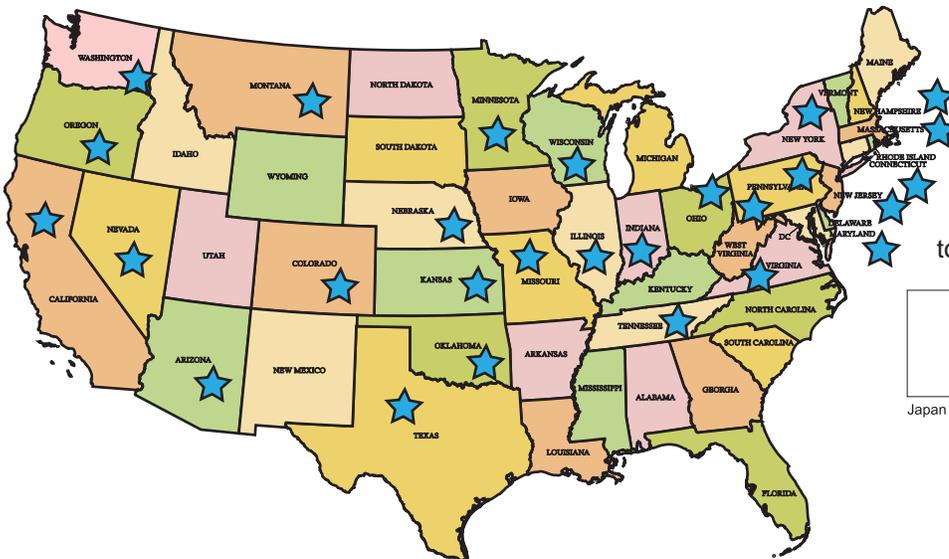


Tourist Spending by Category



Beer Enthusiasts from Across the United States

States represented by tourists at the Pliny the Younger release*

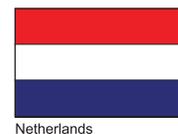
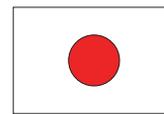


Top 5 States Represented

1. California
2. Nevada
3. Illinois
4. Washington
5. Texas

Beer Lovers from Abroad

Foreign countries represented by tourists at the Pliny the Younger release*



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*Reflects survey sample

Pliny the Younger - Survey Methodology

Premise

The Economic Development Board developed a strategy to survey patrons at Russian River during the two-week release of Pliny the Younger from February 1 to February 14. The survey was conducted through brief survey cards which asked, among other questions, their group size, spending habits, and place of origination. The survey was constructed using best practices with the following specific intentions

- Identify whether the survey respondent was a Sonoma County resident
- Identify whether the survey respondent visited Sonoma County specifically for Pliny the Younger
- Structure questions without revealing the intentions of the survey
- Offer a small incentive to encourage responses from both locals and tourists
- Ensure survey questions regarding spending habits are aligned with IMPLAN sector categories

The purpose of the first two points was to calculate the tourism related economic impact related strictly to the release of Pliny the Younger. *Those tourists who where in the area and casually showed up to the event should not have their spending attributed to it.*

The third point refers to reducing respondent bias. For instance, the survey asks “What attraction best describes your reason for visiting Sonoma County?” instead of “Did you attend Sonoma County for Pliny the Younger”? While the survey card had the EDB logo on it, there was no indication in the text that it was an economic impact study.

The fourth point was to provide an additional incentive besides altruism to complete the survey. The survey participants were entered in a raffle to win a Russian River Brewing sweatshirt.

Tourist Spending

The economic impact analysis was conducted using the IMPLAN software which required tourist spending to be allocated to respective industry sectors. The fifth point refers to structuring spending habit related questions so that they correspond directly to an IMPLAN sector.

Survey Card Spending Category	Corresponding IMPLAN Sector
Restaurants, takeout food, and bars	413: Food services and drinking places
Hotel (Lodging)	411: Hotels and motels, including casino hotels
Retail shopping	329: Retail stores – General Merchandise
Local transportation (including rental)	336: Transit and ground passenger transportation
Airfare (if applicable)	332: Transport by air
Gasoline	326: Retail Stores – Gasoline stations
Winery Visit	72: Wineries
Spa/Personal services	419: Personal care services
Souvenirs and other expenses	319: Retail stores – Clothing and clothing accessories

Surveying Procedure

The EDB coordinated with staff at Russian River to distribute the survey cards to patrons. Each group of attendees was given a single survey card to fill out immediately upon sitting down. The timing of the survey mitigated possible intoxication bias. Each survey card represented the spending habits of one group of attendees. Survey cards were distributed throughout the event.

Calculations

The EDB tallied 736 survey cards that represented the input of 2,532 attendees (number of survey cards * average group size = $736 * 3.44 = 2,532$). The 736 survey cards excluded approximately 30 cards that were unusable. The total number of patrons at Russian River Brewing Co. throughout the release of Pliny the Younger was determined through point of sale records and totaled 12,500.

Of the 736 survey cards, 541 indicated they were filled out by individuals who were from outside of Sonoma County. Of the 541 tourist survey cards, 62 indicated their group did not attend for a Pliny the Younger related reason (e.g. wine, family, left blank). Therefore, the EDB received 479 cards from tourists strictly traveling for Pliny the Younger. The ratio of tourists to visitors was calculated as $65\% = (479/736)*100$.

When calculating the average spending per visitor throughout their entire stay for each spending category, any spending question that received no response was given a value of 0. The average spending per visitor throughout their entire stay for each spending category was then multiplied by the total number of visitors $8,141 = .65*12,500$. These resulting values, the estimated total expenditures for each spending category, were the final inputs for IMPLAN.

Survey respondents were asked to indicate their method of transportation to get to Sonoma County so that airfare spending to be allocated only to only those who flew into the Charles M. Schulz - Sonoma County Airport as opposed to the San Francisco International Airport. Six groups from the survey sample indicated they flew into the Sonoma County. Due to the small sample size, average airfare spending was not included in the final economic impact total. On a related note, 54 groups indicated they flew into an airport other than Sonoma County's.