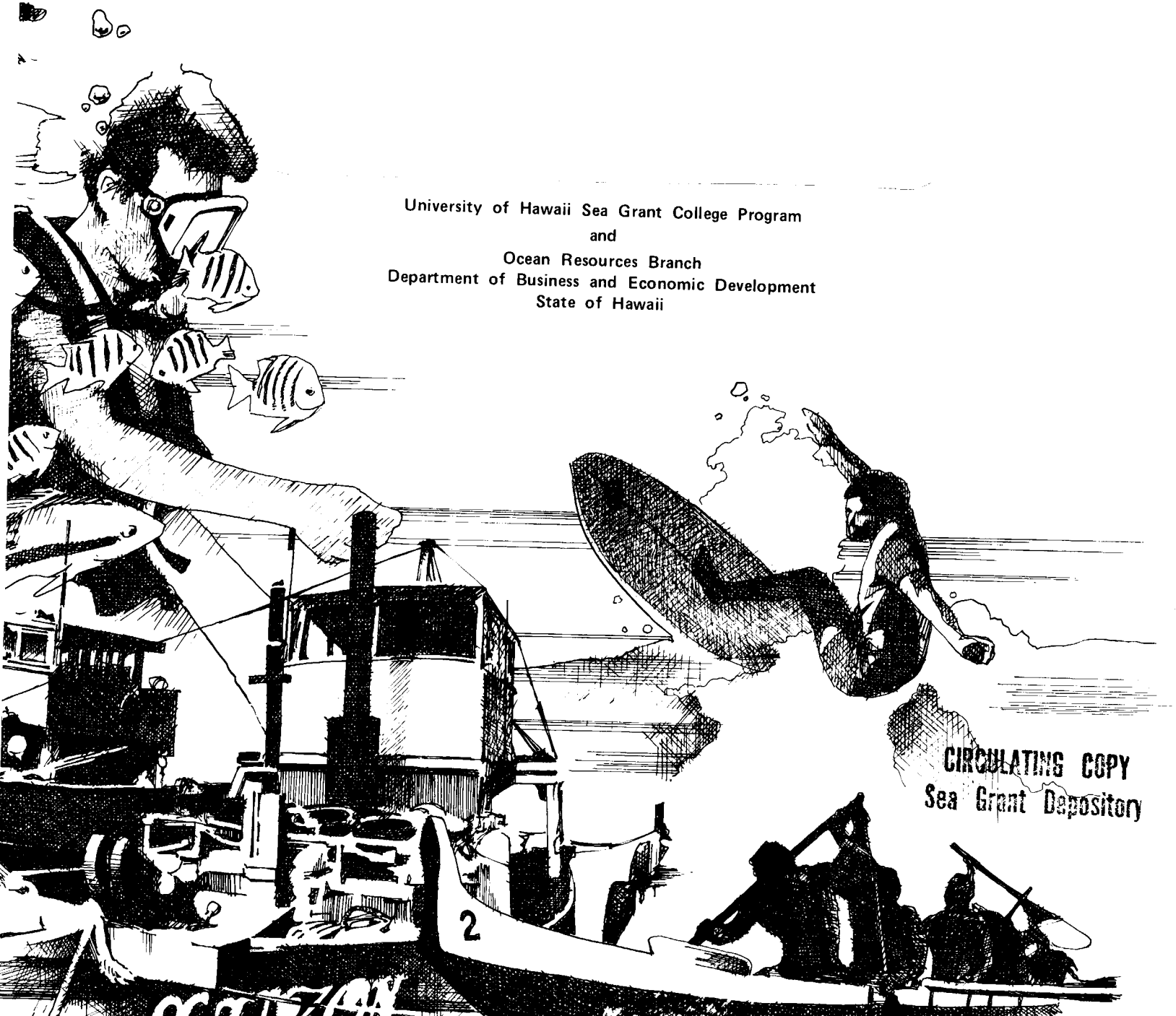


Studies on Marine Economics

University of Hawaii Sea Grant College Program
and
Ocean Resources Branch
Department of Business and Economic Development
State of Hawaii



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**ECONOMIC EFFECTS OF SURFING ACTIVITIES
IN HAWAII**

Mike Markrich

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About the Author

Mike Markrich is a consultant.

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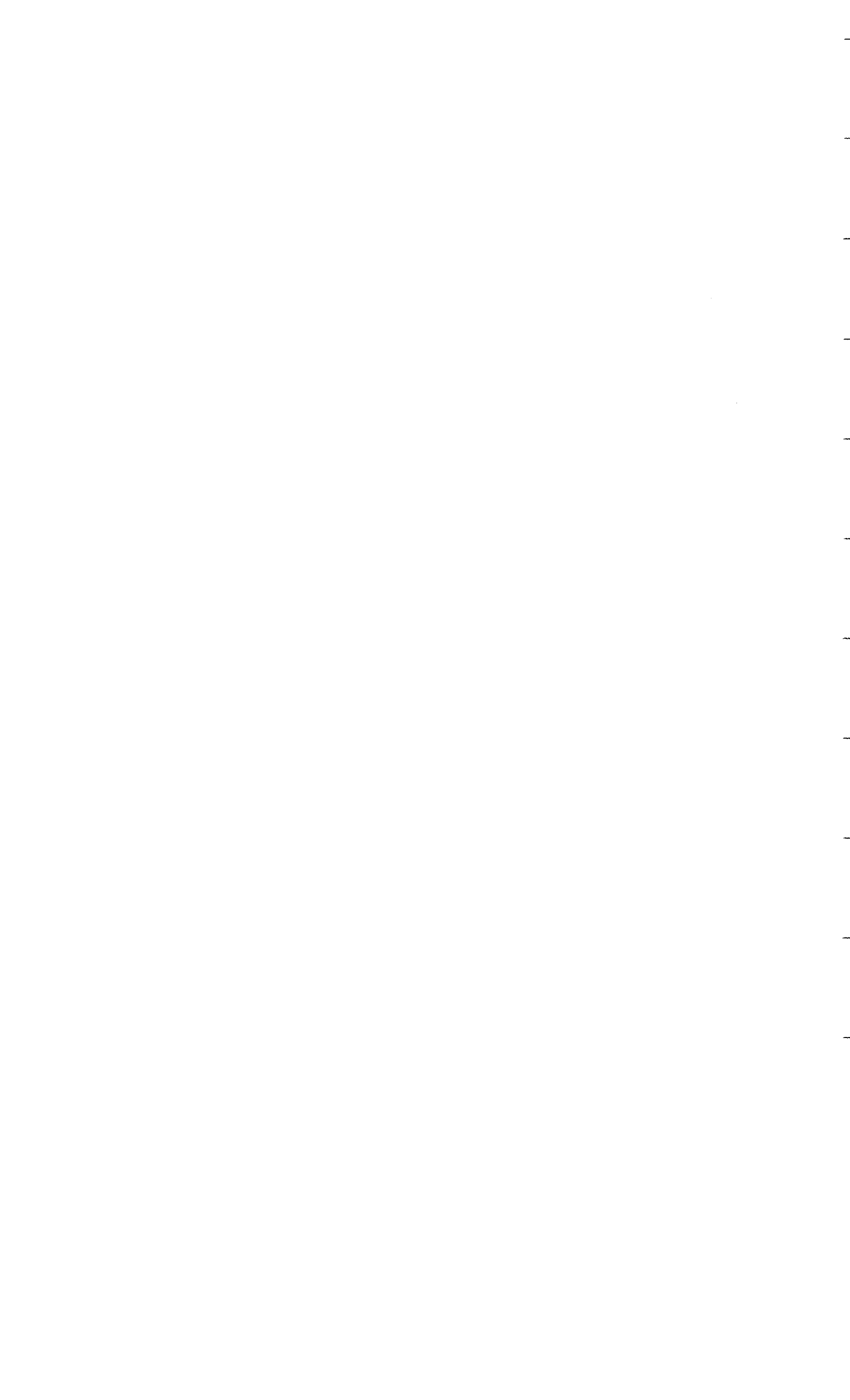


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INTRODUCTION

There are at present four distinct kinds of surfing competitions in Hawaii: boardsurfing, windsurfing, bodysurfing, and bodyboarding. Although these activities share a common origin in the traditional surfing skills of ancient Hawaii, each sport has developed individual surfing styles, equipment, rules, and groups of enthusiasts.

A survey was conducted in 1986 to determine the contributions made to Hawaii's economy by the many professional and amateur surfing contests. These contests were analyzed so as to (1) provide a description of different surfing activities, (2) provide a breakdown of their economic effects by kinds and levels of expenditures involved in each contest, and (3) examine the problems faced by surfing contest organizers and promoters in Hawaii. Observations were also made on the growth of auxiliary surfing-related businesses in the state such as the manufacture and sale in Hawaii of surf fashions, various types of surfboards, windsurfboards, bodyboards, and other equipment.

Information was obtained by surveying Honolulu, neighbor island, and U.S. mainland surfing-contest organizers, surf event promoters, journalists, and participants. Interviews were conducted over a 6-month period both in person and by telephone on Oahu, Maui, Molokai, and Kauai. Tables of representative contestant revenue expenditures contained in this report are based on spot interviews of surf meet participants.

METHOD OF DETERMINING MEET EXPENDITURES

Surfing-related expenditures in Hawaii can be broken down into two categories: direct and indirect. Direct expenditures are those monies spent on surf contest expenditures, administration, promotion, surf meet-related equipment, transportation, lodging, and food. Indirect expenditures are the business and consumption purchases resulting from the conducting of and participation in the surfing events.

Indirect expenditures are computed by multiplying the total direct expenditures by the United States Department of Commerce standard services multiplier (.74). This multiplier is used by the federal government as a means of determining the indirect effects of entertainment activities such as surfing competitions.

The information provided includes lists of individual contest expenditures as well as estimates of expenditures by participants and spectators. Wherever possible, participants in the contests were asked to confirm or correct these estimates.

BOARDSURFING CONTEST HISTORY

The history of surfing events in Hawaii is one of constant change. The original surfing contestants were members of the Hawaiian alii who used wooden surfboards in informal

competitions. Their activities provided a source of entertainment and gambling in ancient Hawaiian society. Following the arrival of the first American missionaries in Hawaii in 1820, surfing and other forms of gambling were actively suppressed. The social pressure against surfing was so strong that by the late 1800s the sport had all but died out.

Interest in surfing was revived after 1910 through the efforts of John Hume Ford and other interested individuals who formed surf clubs such as the Outrigger Canoe Club and the Hui Nalu. These beach clubs were founded to popularize and preserve surfing and Hawaiian canoe paddling. As a result, within 20 years boardsurfing had once again become a popular pastime among local residents, beach boys, and the international elite who visited the resort hotels at Waikiki. By the 1930s, boardsurfing was regularly being depicted on postcards and travel posters as a sport unique to the islands of Hawaii. To many marketing experts, it had become an internationally recognized symbol of life in Hawaii.

Following the end of World War II, surfers in Hawaii became interested in riding waves larger than those off Waikiki. They knew that the largest waves were to be found during the winter months in areas such as Sunset Beach and Makaha. By 1954, surfing at these beaches on Oahu's north and northwestern shores had become so popular that the first organized surfing event, the Makaha International, was held. It became the premier surfing event of the time, and its success encouraged promoters to hold more surfing contests.

Surfing competitions during the late 1950s and early 1960s grew in number, and the American media began to recognize that surfing had become a part of popular culture. Throughout the early 1960s, surfing was popularized in movies, television, music, and it soon became a national fad.

During the 1960s, television producers began packaging Hawaiian surfing contests as winter entertainment for the U.S. mainland. Because the producers found that they could reduce costs by filming more than one television event during the time they spent in Hawaii, the number of surfing competitions in Hawaii increased. In 1964, there was one nationally televised surf meet broadcast on one channel. Within 3 years, every competing national television network was broadcasting at least one surfing contest from Hawaii each year.

As the surfing contests received increasing exposure from the media, clothing manufacturers began to recognize them as inexpensive advertising vehicles for their products. Market research conducted during the 1960s and 1970s indicated to market analysts that surfing participants were trendsetters: young people whose clothes and habits would be emulated by their peers. Clothing manufacturers reasoned that if they were able to get their wares seen in contests and sold in surfing shops, eventually they would be able to sell their clothes to large-volume department and specialty stores.

By the end of the 1960s, sportswear manufacturers supplanted all other commercial sponsors of surf meets both in Hawaii and on the U.S. mainland. During the next decade, they reaped profits from the exposure their products received as a result of surfing's growing popularity.

The first commercially successful surfing contests involved big-board surfing on large waves 10 to 20 feet high. These contests were limited in number, the events somewhat dangerous, and the prizes small. However, as technology and design techniques developed, surfboard makers were soon able to produce lighter, more maneuverable surfboards. The lighter boards proved popular among small children and women who had previously found themselves physically unable to compete in the sport on an equal basis.

The change in equipment brought changes in the manner in which contests were held. In the past, board surfers had been judged solely on their ability to "make the wave" and assume a winning pose for the judges. The new, shorter boards now encouraged competitors to catch waves and perform complicated acrobatic maneuvers. As a result, the contests evolved into large-scale meets with many contestants competing against each other on small- and medium-sized waves.

Surfing competitions grew rapidly in size and economic influence. In 1975, the International Professional Surfing Association (IPSA) was founded by a group of Hawaii surfing promoters interested in establishing a standard for competitive surfing events. They organized an international professional surfing circuit offering cash prizes. The surfing circuit was designed so that its annual championship meet would be held in Hawaii, which virtually guaranteed television network attention and made it easier for promoters to attract commercial sponsors.

However, in 1982 disagreements between contestants and promoters over management of the IPSA and the distribution of prize money caused a split within the organization. A year later, a rival surfing organization, the Association of Surfing Professionals (ASP), was formed in California. The ASP appealed to the same commercial sponsors as the IPSA and within a year had taken over the international surfing tour. They changed the structure of the circuit so that the annual championship meets were held in California and Australia rather than in Hawaii. This resulted in a bitter dispute between ASP and IPSA. Although differences between the rival associations were ultimately resolved, for nearly 2 years Hawaii was excluded from the international surfing circuit.

Hawaii's exclusion from the international surfing tour caused severe problems for local surfing contest promoters. It was difficult for the promoters to get the surfing stars and advertisers necessary to put on a major contest. This difficulty was compounded by a major change in the television programming policy by the three major networks. Surfing promoters and television producers would wait until the waves were "right" before they started a competition, then record the event and show it on national television as part of an anthology of pre-recorded sports events. However, after satellite transmission became available, anthology sports series were considered less marketable than "satellite live" sports events. Surfing, with its variable starting times, disappeared from the network stations.

Another difficulty stemmed from the increase in the number of individual surfing contests that resulted from the formation of the rival ASP. As the number of contests increased, their individual value to television viewers and commercial sponsors decreased.

This resulted in a loss of revenues to the Hawaii promoters and made it more difficult for them to hold profitable contests. As viewer and sponsor interest in the contests declined, the three national networks lost interest in the sport, and in 1985 Hawaii surfing contests were dropped from national network programming.

BOARDSURFING EXPENDITURES

Contest-Related Expenditures

Professional boardsurfing events involve members of the ASP and independent athletes who compete for prize money. In 1986, four such contests were held in Hawaii (Table 1): (1) the Billabong Hawaiian Pro, (2) the Hard Rock Cafe World Cup of Surfing, (3) the Marui Offshore Masters, and (4) the Gotcha Pro Sandy Beach Surfing Contest. The promoters of these events have developed a system of competitive heats or trials which enables organizers, over the course of several days, to narrow the number of contestants competing. The trials are logistically simpler than the actual contests and are conducted without bleachers, extra staff, and advertising promotion used in the final competition. Contest organizers estimated that in 1986 production costs of the trials averaged \$2,500 per day and increased to \$4,200 per day for the contest (Table 2).

The Quicksilver Eddie Aikau Surfing Contest is different from all others in that it is only held on Oahu's North Shore when wave conditions are considered ideal — i.e., 20 to 24 feet high with smooth ("glassy") sides that are considered very maneuverable for riders. The last time the contest was held was in 1985.

In 1986, professional boardsurfing event production costs were estimated to be \$104,500. Additional boardsurfing-related promotional expenditures by vendors of goods such as suntan lotion, sunglasses, clothing, and equipment were estimated to be \$50,000 during the winter and \$45,000 during the summer. Total direct boardsurfing events were estimated to be \$199,500.

Participant-Related Expenditures

Approximately 216 athletes participated in professional surfing contests in Hawaii in 1986. Of that number, an estimated half were Hawaii residents. The remainder were professional surfers from the U.S. mainland and a number of foreign countries. The promoters reported that it was customary for most of the out-of-state competitors to spend at least 2 weeks in Hawaii prior to the contest in order to acclimatize themselves to local wave conditions. Half the out-of-state contestants reportedly traveled with at least one dependent.

The number and type of people participating in the surfing competitions were divided into seven categories in order to estimate their expenditures. For purposes of this report, the categories of participants were as follows: (1) out-of-state professional surfers,

TABLE 1. BOARDSURFING CONTEST-RELATED EXPENDITURES, 1986

Name of Contest	No. of Participants	No. of Spectators	Daily Cost of Production (\$)	No. of Days	Total Production Costs (\$)
Billabong Hawaiian Pro Trials	192	250-500	2,500	4	10,000
Billabong Hawaiian Pro	48	1,000-2,000	4,500	2	9,000
Hard Rock Cafe World Cup Trials	96	250-500	2,500	3	7,500
Hard Rock Cafe World Cup	48	1,000-2,000	4,500	2	9,000
Marui Offshore Masters Trials	96	500-1,000	2,500	3	7,500
Marui Offshore Masters	48	7,500	4,500	2	9,000
Gotcha Pro Sandy Beach Surfing Contest Trials	48	10-1,500	15,000	2	30,000
Gotcha Pro Sandy Beach Surfing Contest	96	2,500	7,500	3	22,500
Subtotal					104,500
Additional Promotion by Manufacturers					95,000
TOTAL					199,500

(2) Hawaii-based professional surfers, (3) out-of-state dependents, (4) aspiring surfing professionals (out-of-state), (5) aspiring surfing professionals (in state), (6) spectators, and (7) members of the media who come to photograph, write about, and film surfing events.

Each of the 108 out-of-state professional surfers spent at least \$50 per day on car rentals, accommodations, and food over an average 30-day period. This is less than spent by professional participants in other sports events held in Hawaii. Because there is less prize

**TABLE 2. BOARDSURFING REPRESENTATIVE
COSTS FOR A TWO-DAY PROFES-
SIONAL CONTEST**

Type of Expenditure	Expenditure (\$)
Executive Director	1,500
Judges (8)	800
Assistant Director	1,000
Competition Director	200
Timer	100
Scorers (4-6)	200
Staff	1,200
Announcer	100
Water Safety	1,000
Police (1-2)	150
PA Rental	350
Lunches	175
Phone	50
Medical Doctor	200
Access	100
Truck	250
Gas	50
Stands	250
Refreshments	500
Miscellaneous	200
TOTAL	8,375

money in professional surfing than in other sports, board surfers as a general rule have less spending money than other sports professionals and economize by sharing expenses wherever possible. They collectively spent \$162,000 over the course of the competition. Assuming that the 54 dependents accompanying the surfers also spent at least \$50 per day during their stay, their expenditures totalled \$81,000.

In addition, it was estimated that all of the professional out-of-state competitors either bought or received from their commercial sponsors at least one new surfboard during their stay. The purchase of new surfboards custom-made for Hawaii surf conditions is considered necessary for athletes to be competitive in local contests. In 1986, the price of custom-made surfboards averaged \$360. Other expenses incurred included surfboard repair, surf wax, elastic surf leashes, and at least one new swim suit. Assuming that these expenditures totaled

at least \$40, it can be estimated that each of the out-of-state competitors spent or acquired at least \$400 worth of equipment each trip. For 108 out-of-state competitors it can be estimated that their expenditures totaled \$43,200.

The 108 Hawaii-based professional surfers were also provided with at least \$400 each in surfing goods and services. This also totals \$43,200. In addition, it was estimated by the promoters that the average Hawaii professional surfer participated in 2 days of contest activity before being eliminated from surfing contests or competitions. Because the majority of Hawaii professionals have fulltime jobs, most return to work immediately after finishing participation in a contest. Each was said to have spent at least \$25 per day on food, drinks, and gasoline related to the activity at the contests. These expenditures are considered in addition to what the contestants would normally spend if they were not participating in the contests. Their collective contest-related expenditures totaled \$5,400.

Other expenditures were made by the approximately 250-350 surfers not in the competitions who came to the Islands to acclimatize themselves to wave conditions for future contests here. These aspiring contestants come to the islands a year or even 2 years in advance of the competitions they plan to enter. These men and women travel on limited budgets and economize by sharing food, transportation, and housing costs. Normally, they bring or borrow surfboards. If they do purchase surfboards in Hawaii, they generally buy used ones.

Promoters estimated that out-of-state aspiring competitors spent half the amount that professionals did, or \$25 per day. Assuming that at least 275 out-of-state aspiring surfers stayed at least 60 days in Hawaii during the 1986 season, their expenses were calculated to be \$412,500.

It was estimated by the promoters that each of the 275 aspiring contestants will spend at least \$62 per winter season on wax, elastic surfboard leashes, swim suits, and surfboard repairs and that half of the 275 will spend \$150 or more on a used surfboard for use in competitions. Assuming that each of the aspiring surfing contestants will spend an average of \$140 on equipment, their total expenditures can be estimated to be \$38,500.

The promoters also estimated that there are at least 50 aspiring contestants who are Hawaii residents. According to the promoters' estimates, these contestants will spend 2 months seriously surfing North Shore waves each winter season. Assuming that each of these contestants will spend \$25 per day on food and gas, it can be estimated that their expenditures during the 60-day period will total \$75,000. Assuming further that each had equipment expenditures of \$140, their total equipment expenditures can be estimated to be \$7,000. Their total expenditures can be estimated at \$82,000.

Another significant category included the large number of people who come to participate as spectators and hangers-on. They range from pre-teen surfers known in surfing vernacular as "grommets" to teen-agers and adult fans who are known as "groupies." Both groups are attracted by the carnival-like atmosphere of the surfing contests and like to be in the presence of big wave surfers.

According to the promoters, these categories of individuals have little expendable income. They typically share rooms, eat inexpensive meals, and live for \$25 per day or less while at the North Shore. A promoter estimated conservatively in 1986 that 1,000 of these individuals came to Oahu's North Shore at the time of the contests and stayed at least 7 days. Their economic impact was estimated at \$175,000 per year.

In addition to these participants, a press contingent of accredited and free-lance magazine writers, photographers, and film makers also spend considerable amounts of money at the contests. An estimated 60 members of the media come to cover these events each year from such places as Japan, Europe, Australia, Brazil, and the U.S. mainland. They range from small-time, free-lance writers and photographers hoping to make a name for themselves by selling a unique photo or story to well-paid professional photographers and writers. They stay between 2 weeks and 60 days depending upon wave conditions. Assuming that in 1986 each spent an average of \$50 per day over a 30-day period, it is estimated that they spent a total of \$90,000.

Direct professional board surfing contest expenditures in 1986 included \$1,000,900 for living costs for athletes, \$131,900 for equipment (Table 3), and \$199,500 for production and promotional costs (Table 1). Total surfing-related expenditures are estimated to be \$1,332,300.

The direct expenditures of the professional boardsurfing contest participants and their followers in 1986 constituted an important sector of the visitor industry on Oahu's North Shore. These expenditures included leased and rented automobiles, leased condominiums, meals in restaurants, food purchased in supermarkets, and surfboards and other equipment from local surf shops. In addition, a Haleiwa real estate agent said that the contests give the North Shore a touch of glamour that would otherwise be missing. She said the contests had become so important to the businesses of the area that revenues suffered noticeably in 1983 when the promoters' dispute cancelled the contests. She felt that another year without the contests would have caused significant detriment to the North Shore economy.

The loss of the national network television contracts in 1985 resulted in a drop in prestige for international surfing events. Although boardsurfing contests continued to be broadcast on cable television and through private syndication, the contests no longer commanded the national audiences necessary to attract large-scale corporate sponsors. In order to deal with the drop in sponsorship that accompanied the loss of national television exposure, surf meet promoters changed the Hawaii contests, adding activities such as bikini contests to ensure large crowds. The resulting crowds of 10,000 provided enough incentive for sponsors such as beer companies and clothing manufacturers to continue using surfing-related activities as advertising vehicles.

Semi-Professional and Amateur Expenditures

In addition to the professional events, amateur and semi-professional boardsurfing contests are also held in Hawaii each year. These events are organized for different purposes,

TABLE 3. ESTIMATED EXPENDITURES OF BOARDSURFING CONTEST PARTICIPANT, 1986

Type of Participant	No. of Participants	Length of Stay (days)	Expenditures Per Day (\$)	Estimated Equipment Expenditures (\$)	Estimated Total Expenditures Per Day (\$)
Contestant*	108	2	25	43,200	5,400
Contestant†	108	30	50	43,200	162,000
Dependant†	54	30	50	—	81,000
Aspiring Contestant†	275	60	25	38,500	412,500
Aspiring Contestant*	50	60	25	7,000	75,000
Followers	1000	7	25	—	175,000
Media Representatives	60	30	50	—	90,000
Subtotal				131,900	1,000,900
TOTAL					1,132,800

*In-state

†Out-of-state

but they fall into four basic categories: (1) events run as a business by a commercial sponsor, (2) events run by charities as fund-raising events, (3) events run on a semi-professional level in which surfers compete for money prizes, and (4) events organized by the National Scholastic Surfing Association (NSSA) in which surfers compete for trophies, rankings, or non-money prizes.

Examples of contests held for commercial purposes are the Ben Aipa Longboard Classic, the Buffalo Longboard Classic, the Local Motion Surf Event, the Zippy's Hawaiian Islands Creations Surf Meet, and the Oliver Cabany Longboard Classic. Contests for charity purposes are the Rell Sunn Menehune Surf Meet and the China Uemura Longboard Classic. In addition to these, individual surf shops hold contests as a means of promoting themselves. The surf shop-sponsored events are especially important to stores on the neighbor islands, where there are fewer organized surfing contests than on Oahu.

The costs of these commercial and charity events vary. The smaller events may involve expenditures of \$400 or less while larger contests with commercial sponsors sometimes involve expenditures of up to \$3,000. Although exact expenditures were confidential, information provided by surfing promoters indicates that the local contests involve state-wide direct expenditures of an estimated \$17,000.

Semi-professional events (pro-am contests) are also organized by surf shops and professional surf promoters. Approximately ten such contests are held annually. They each

involve up to 50 athletes who compete for commercial sponsorships as well as money. It is estimated that an average of \$1,600 per event was spent to hold pro-am contests in 1986 (Table 4).

Finally, there are ten annual events organized by the NSSA, a mainland-based organization which promotes the sport of amateur surfing at the high school level. Although the NSSA has been very successful in getting the support of public high schools in California, it has been unable to gain any recognition from the Hawaii Department of Education (DOE). As a result, the Hawaii NSSA events are run without scholastic affiliation. In NSSA events (as opposed to pro-am contests), surfers compete for trophies, rankings, and prizes other than money. Hawaii's high school surfers frequently compete in both NSSA and pro-am contests. As a result, the distinction between professionals (those who take money prizes) and

TABLE 4. REPRESENTATIVE COST FOR A BOARD SURFING PRO-AM CONTEST

Event	Expenditures (\$)
Judges (7-8)	600
Spotters (2)	150
Tabulator	125
Utility Person	75
Equipment	175
Trophies	350
Promotion (radio)	125
TOTAL	1,600

amateurs (those who take trophies and non-monetary rewards) is hard to make. Expenditures on the ten NSSA contests are approximately the same as those of the pro-am contests. It can be estimated that the direct expenditures for the NSSA contests in 1986 were \$1,600 each or \$16,000 total.

If expenditures for charity, pro-am, commercial, and NSSA contests are added together, they equal \$49,000 in direct expenditures. However, inter-island travel costs associated with the Kauai and Big Island pro-am contests should also be included. Contest organizers estimated that each of the approximately 40 surfers who regularly surf on the neighbor islands spend \$100 on airfare, food, transportation, equipment, etc. Living expenses, apart from airfare, are said to be low, or an estimated \$4,000 annually. This brings the approximate direct expenditures on the contests to \$53,000 (Table 5).

If contest- and participant-related expenditures for the professional, semi-professional, and charity events are tallied, they represent total direct expenditures of \$1,377,092. When this number is multiplied by the .74 services multiplier in order to determine the projected indirect impact of this spending, it is calculated to be \$1,019,048. Total direct and indirect expenditures equal \$2,396,140.

TABLE 5. ESTIMATED TOTAL DIRECT EXPENDITURES OF SEMI PROFESSIONAL AND AMATEUR BOARDSURFING EVENTS

Type of Event	Direct Expenditures (\$)
Commercial and Charity Events	17,000
Pro-Am	16,000
NSSA	16,000
Airline Travel	4,000
TOTAL	53,000

BOARD SAILING CONTEST HISTORY

The development of windsurfing contests in Hawaii has coincided with the sport's rapid growth worldwide over the last 10 years. Although windsurfing was invented in the United States, it was first developed commercially in Europe, where it is known simply as "surfing." The sport was marketed in Europe in the same way that boardsurfing was marketed in the United States during the 1960s — as the focus of an alternative lifestyle. Like boardsurfing, windsurfing has served as a stylish vehicle through which the manufacturers of swimsuits and other leisure wear have marketed their products.

However, windsurfing differs from surfing in two distinct ways: (1) it is more accessible to the average person because it can be done on any large body of water, and (2) it is equipment-oriented, supporting a larger base of equipment manufacturers. The broad base of windsurfing participants encourages entrepreneurs to develop new and better equipment for them to buy.

With such broad appeal and the development of a large international media contingent specializing in windsurfing, windsurfing contest winners became prominent media figures. Product endorsement has become a source of income for windsurfing superstars.

For several years, commercial windsurfing bypassed Hawaii. However, Hawaii had been the base for experts such as board designer Rick Naish, who developed new board

designs and equipment for the European market. As the windsurfing contests became more competitive, commercial windsurfing interests began to use Hawaii for a testing and development site for new products. In 1978, the first series of small-scale windsurfing contests was held in Hawaii. The success of this series encouraged windsurfing shop owners on Maui to hold their own contests. Eventually, a number of Hawaii-based entrepreneurs solicited funds from international equipment manufacturers, and the Maui contests became part of the international windsurfing circuit.

As with boardsurfing, Hawaii windsurfing was marketed through the media as the ultimate challenge for professional contestants. That image and Hawaii's temperate climate encouraged many international windsurfing "stars" to come to Hawaii. Films, videos, and magazine stories about them encouraged others to follow, and as a result Hawaii (particularly Maui) has become internationally known for its windsurfing activity.

BOARD SAILING EXPENDITURES

Contest-Related Expenditures

There are three significant professional windsurfing events held on Maui. They are the Aloha Classic, the O'Neil Invitational Wave Riding Championship, and the Maui Grand Prix. These contests are held on the north shore of Maui at Ho'okipa Beach. (Note: There was one other professional contest, the Ocean Pacific Classic, which was held off Diamond Head on Oahu in 1986, but it was cancelled in 1987.)

Windsurfing contests differ from boardsurfing events because they last 8 to 10 days and include time spent setting courses and judging participants. Since part of the judging now involves acrobatic maneuvers in the "free expression" part of the contests, special effort (and expense) is necessary in order to make sure that contestants are judged on an equitable basis. This includes making certain that individual competitors have enough time to perform their maneuvers under approximately equal conditions. Since contests such as the Aloha Classic may involve as many as 156 contestants, this effort requires extensive planning and organization.

In 1986, the three Maui contests involved production costs of approximately \$112,000 (Table 6). Prize money for the events totaled \$69,000. Both prize money and production costs are increasing dramatically. Between 1986 and 1987, for example, production costs for the O'Neil Invitational went up 79 percent, from \$42,000 to \$75,000.

In addition to professional windsurfing contests, a number of amateur and semi-professional windsurfing events are held each year throughout the state. In 1986, these events included (1) the Junior Wave Challenge (held on Oahu), (2) the Monthly Contest (held on Oahu), (3) the Hawaii Pro-Am, which includes the Wailea Speed Crossing and the Junior Wave Sailing Championship (both held on Maui), and (4) the Anaehoomalu Windsurfing Contest (held on the Big Island). With the exception of the pro-am contests, which involve

production costs of approximately \$9,000, these events are small, have limited sponsorship, and frequently are dependent upon charity fundraisers (car washes, club activity, etc.). It is estimated that their combined total production costs are no more than \$5,000 per year.

TABLE 6. PROFESSIONAL WINDSURFING CONTESTS IN HAWAII COSTS AND EXPENDITURES, 1986

Name of Contest	No. of Participants	Participants From Out-of-State		No. of Daily Spectators	No. of Days	Value of Prizes (\$)	Amount of Production Cost (\$)
		No.	%*				
Aloha Classic	156	83	53	3,000	10	34,000	50,000
O'Neil Invitational	94	56	60	1,500-2,000	10	25,000	42,000
Ocean Pacific	80	15	19	500-2,000	7	30,000	55,000
Maui Grand Prix	140	70	50	2,000-3,000	7	10,000	20,000
TOTAL	470	224	—	7,000-10,000	34	99,000	167,000

*Of total participants for each event

If this amount is added to professional windsurfing contest expenditures, the total amount spent in Hawaii in 1986 on windsurfing contests is estimated to be \$181,000.

Participant-Related Expenditures

It is estimated that 125 to 140 windsurfing professionals come to Hawaii each year to participate in windsurfing contests. These athletes come from the U.S. mainland, Japan, South America, and Europe. According to contest promoters they make 2 trips each year, in the months of April and November, and remain in the islands between 3 weeks and several months each time. The amount of time spent in Hawaii by these boardsailors is dependent upon (1) their desire to acclimatize themselves to the conditions of the area (such as Ho'okipa) where they intend to surf, (2) their finances, and (3) their obligations to the international windsurfing contest circuit.

The windsurfing contest participants are reportedly older and more economically secure than boardsurfing contestants. They compete for larger amounts of money and have a larger, more competitive commercial contest circuit in which to compete. There are two categories of professional contestants: (1) a core of 80 boardsailors who participate in every contest, and (2) a fluctuating group of approximately 60 others from around the world who participate in one or more of the Hawaii contests each year.

A contest promoter said the length of stay of the out-of-state participants was variable but that approximately half of them spend 3 weeks in Hawaii each time they come. Many arrive a week before the contests begin, spend eight to ten days in the competition, and then leave immediately when the contests are over. One 23-year-old foreign professional boardsailor interviewed for this study estimated that she spent \$1,930 during a typical 3-week stay in 1986 (Table 7). She arrived before the contest started in order to practice her windsurfing routines at Ho'okipa. Her money was spent on things such as food, lodging, car rental, inter-island airfare, souvenirs, equipment rental (such as masts, which are too large and bulky to travel with), and clothing (replacement clothing, swimsuits, T-shirts, etc.). Assuming that 70 out-of-state contestants spent \$1,930 during a 3-week stay, at least 2 times in 1986, their out-of-pocket expenses would have totaled \$270,200.

The remainder of the out-of-state contestants stay longer periods of time, some for as much as a year. Contest organizers estimated that the average amount of time spent in Hawaii by athletes in this group was between 3 and 5 months in 1986. These athletes stayed a period of at least 1 month during the O'Neil Invitational in the spring, 1 month during the Ocean Pacific Classic, and 2 months for the Aloha Classic and Maui Grand Prix that extended from September to November.

Allowing for possible duplication of figures, a conservative estimate is that 70 athletes spent \$40 per day over a 3-month period. This assumes that each of the out-of-state competitors who chose to stay longer in Hawaii participated in three of the four professional windsurfing events held in 1986. For 70 athletes this amount is calculated to be \$3,600 per athlete or \$252,000 for the entire group.

TABLE 7. REPRESENTATIVE EXPENDITURES OF A VISITING PROFESSIONAL WINDSURFING CONTESTANT ON MAUI OVER A THREE WEEK PERIOD

Type of Expenditure	Expenditure Rate (\$)	Total Expenditure (\$)
Automobile rental	150 per week	450
Hotel	30 per night	630
Food	20 per day	420
Equipment Replacement (Mast, etc.)	160 per trip	160
Local Airline Round Trip to Honolulu	80 per trip	80
Baggage Charges	90 per trip	90
Souvenirs (T-shirts, bathing suits)	100 per trip	100
TOTAL		1,930

In 1986, it was estimated that 25 to 30 Oahu-based boardsailors participated in at least two Maui contests. Assuming that for each event they stayed a total of 14 days, spent \$80 on airfare, and \$35 per day on living expenses, a total of \$570 was spent. If 25 Oahu-based boardsailors attended two contests, their expenses would total \$28,500 per year.

Additional expenditures were said to have been generated by the approximately ten junior boardsailors who come to Oahu at least twice each year to participate in amateur competitions. It was estimated that their living expenses were no more than \$25 per day and that they stayed 2 days. If ten Maui boardsailors spent \$80 on air fare, their expenses came to \$130 per trip twice a year, for a total of \$2,600.

The total expenditures for out-of-state, Maui, and Oahu-based competitors are conservative because many of the athletes stay longer, sometimes for indeterminate periods of time. European contestants, for example, may stay 6 months or more until the winter season in their own countries has passed.

Approximately half of the 140 out-of-state boardsailing professional athletes brought one dependent. These 70 dependents were estimated to have spent at least \$30 each on daily living expenses and at least \$80 on a roundtrip ticket to a neighbor island during their stay. Assuming that each of the dependents spent an average of 6 to 8 weeks in Hawaii over the course of one or more trips to the islands in 1986, their expenses can be estimated to have been approximately \$2,000 each. The collective expenditures of the out-of-state dependents was \$140,000.

There are also expenditures made by international magazine writers, television crew members, and photographers. Although the number in the media contingent varies from one event to the next, in 1986 there were an estimated 30 members of the windsurfing media regularly covering events in Hawaii. Assuming that each of the 30 journalists spent an average of at least \$50 per day during four 2-week periods either on Maui or Oahu, their expenses totaled \$84,000.

In addition, a number of windsurfing equipment manufacturers send research and development teams to Maui each year. These research teams test the viability of new equipment and designs under contest conditions, and evaluate product marketability based on performance. Each year the number of companies engaged in this kind of research increases. In 1986, a windsurfing promoter estimated that at least 10 companies performed this kind of research on Maui and that a conservative estimate is that they collectively spent \$200,000.

The contests have also proved to be an attraction for clothing manufacturers, who use contest sites such as Ho'okipa as photo backdrops in their catalogues. Each year a number of international equipment and clothing manufacturers are said to sponsor special photo sessions at Ho'okipa.

Other sources of revenue not included in this report but which are considered important by contest promoters are the sale of video tapes from the competitions, television rights, contest licensing fees, and monies spent by visitors who stop to see the events during their stay on Maui.

Total Expenditures

If total direct expenditures for both contest administration and participants are tallied, they come to \$1,093,400. Indirect expenditures (x .74) equal \$809,116. The total direct and indirect expenditures can be calculated to be \$1,902,516 (Table 8).

TABLE 8. ESTIMATED EXPENDITURES OF PROFESSIONAL AND AMATEUR WINDSURFING CONTESTS, 1986

Type of Expenditure	Expenditure (\$)
Contest Promotion and Administrative Costs	181,000
Out-of-State Contestant Expenditures	657,300
In-State Contestant Expenditures	31,100
Dependents' Expenditures	140,000
Media Expenditures	84,000
Total Direct Expenditures	1,093,400
Total Indirect Expenditures	809,116
TOTAL	1,902,516

BODYSURFING AND BODYBOARDING CONTESTS

Bodysurfing and bodyboarding contests are small-scale surfing events that attract smaller crowds and attention than board surfing and windsurfing contests. Bodysurfing involves the catching of and the maneuvering across waves by using swim or hand fins for propulsion without a board. Bodyboarding involves the use of fins for propulsion as well as a short plastic foam board for maneuvering across waves.

There are currently four major bodyboarding and three major bodysurfing contests held on Oahu. The bodyboard events are: (1) the Sandy Beach Morey Boogieboard Bodyboarding Contest, (2) the Crazy Shirts Wall Contest, (3) the Sunkist/Morey Boogie Bodyboarding Keiki Contest, and (4) the Morey Hawaiian Pro Qualifying Bodyboarding Contest. The bodysurfing events are: (1) the North Beach Bodysurfing Contest, (2) the

Hawaiian Bodysurfing Championships at Point Panic, and (3) the Makapuu Bodysurfing Contest. Each of these contests costs approximately \$1,500 and involves approximately 150 competitors. Only one of the contests, the Sandy Beach Bodysurfing Championship, is a professional contest, with \$15,000 in prize money.

In addition to these, there are at least ten other contests sponsored by sports clubs, surf shops, and independent promoters that cost between \$150 and \$300 each. These include skim or "paipo" boarding contests. Skim boards are flat squares of wood or smooth plastic that athletes use to skim the shallow film of water that washes against the sand as a wave recedes. The boards move quickly across the slick surface, and the surfers perform acrobatic maneuvers as the boards gain speed. It is estimated that the total direct expenditures of such small-scale surfing events are no more than \$5,000.

Total direct expenditures for bodysurfing and other related contests are approximately \$15,000, with indirect expenditures of \$11,100, bringing the total direct and indirect expenditures on these contests to \$26,100.

ISSUES FOR SURFING PROMOTERS

Promoters of board surfing, windsurfing, and other events cite the following specific areas of concern: (1) inconsistencies in the permit process; (2) the inability of state agencies to resolve jurisdictional questions and user conflicts; (3) a lack of shower and bathroom facilities in public beach parks; and (4) filming rights.

The Permit Process

One important concern stems from the difficulties and inconsistencies involved in the permit process. At the present time, Honolulu and neighbor island policies on permits vary, and promoters complain that permits are granted or refused in an arbitrary and inconsistent manner. The promoters observe that state parks officials will grant a permit to promoters to use an area such as Magic Island for a biathlon or swimming event and then deny use of the same area for a surfing event. They feel that such action reflects an unstated bias against their sport, and they feel powerless to deal with this bias under the present system. The promoters ask that state, county, and city officials establish for park use a consistent set of guidelines that would apply fairly to all sports. Promoters said they have already expressed a willingness to comply with state and city regulations in the hiring of additional security guards. However, they worry that increasing demands by the city or state for additional security, insurance, etc., force them to incur ever higher expenses and create a burden for them as promoters because the added costs make it increasingly difficult to raise the money necessary to conduct their events.

Jurisdictional Questions

Another difficulty described by the promoters is in dealing with the numerous jurisdictional questions and resulting user conflicts in the area where an event is held. In order to hold a surfing contest, promoters need temporary but complete control over the contest area. However, limiting access and avoiding disruptions of the events is difficult because jurisdiction over nearshore areas is shared among several agencies: the state Department of Land and Natural Resources, the state Department of Transportation, and individual city and county agencies. As a result, there is no single authority over these areas. In addition, state personnel assigned to police such areas are few.

Insurance Questions

Another significant problem involves insurance and an acceptable waiver system. At the present time, policies regarding insurance vary between state and county governments. It is recommended that a state policy on insurance be established and efforts be made to secure affordable insurance for reputable contests.

Adequacy of Facilities

In addition, the promoters cited the lack of adequate bathroom and parking facilities at Sunset Beach, Ho'okipa Beach, and other popular contest sites. With some competitions drawing up to 6,000 people per day, present facilities are inadequate for some events. The promoters have stated that, although they do bring in portable toilets, the shortage of showers and other facilities may diminish the quality of the event for the participants.

Filming Rights

Additionally, the promoters said that it is very important for them to have exclusive control over filming rights during their events. This is because the sales of spinoffs such as film, video, and still photos of contestants performing in meets is an important part of their profits/compensation. They complain that other photographers record their events from public beaches and then sell the footage without paying the promoters. In one instance, a freelance video program of Hawaii boardsurfing event undersold the program made by contest promoters.

The promoters feel that since they put up all the costs and incur all of the risk in putting on surfing competition, they are entitled to the exclusive right to film, package, and sell the videos of their own events. They say it is unfair that they have to compete with other people to sell videos of their own surf meets.

The surfing promoters also hoped that they might get more promotion for their events from the Hawaii Visitors Bureau.

CONCLUSIONS

Surfing-related contests had a direct economic effect of \$2,440,700 and an indirect effect of \$1,806,118 in 1986. Their total direct and indirect effect was estimated to be \$4,246,818 (see Table 9). This is a conservative estimate and does not include expenditures on equipment research and development.

Although the direct economic effect of surfing contests is greatest on the north shore areas of Maui and Oahu where the events are held, the contests have an important secondary economic effect for the state as a whole. Both the boardsurfing and windsurfing events highlight Hawaii as a desirable visitor destination. Photographs and videotapes of the contest and participants are distributed all over the world and help promote Hawaii to a wide audience of potential visitors.

TABLE 9. DIRECT AND INDIRECT SURFING OUTPUTS

Type of Event	Direct (\$)	Indirect (\$)	Total (\$)
Boardsurfing	1,332,300	985,902	2,318,202
Windsurfing	1,093,400	809,116	1,902,516
Bodysurfing	15,000	11,100	26,100
TOTAL	2,440,700	1,806,118	4,246,818

Although promoters of boardsurfing, windsurfing, and bodyboarding contests cater to different groups and have separate businesses, the contests share common purposes and problems. Almost all of the promoters asked for a more clearly defined policy toward the use of ocean areas for contests. They cited what they considered inconsistent policies between related state agencies and asked that efforts be made to streamline the permit process.

As has been noted, Hawaii surfing has proved to be a boon to clothing manufacturers. In addition, Hawaii has become a testing ground for new kinds of equipment and design. The estimated ten companies now undertaking such tests are only beginning, yet they indicate an important opportunity for Hawaii to develop as a center of ocean-related recreational sports technology.

Because of their direct outputs, their support for and impact on related new industries, and especially because of their promotion of Hawaii as an exciting visitor destination, surfing contests offer the state a variety of economic opportunities.

