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The Relevance and Value of Music Festivals as Relational Goods in SIDS

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ABSTRACT

The purpose of this study was to report two investigative efforts that are related to music festivals in SIDS. The first effort was to assess the Curacao North Sea Jazz Festival and the Aruba Soul Beach Music Festival in terms of management and quality and event attendee satisfaction. The second effort sought to investigate the contribution of the festivals to the islands' economies. Both of these investigative efforts were realized and revealed interesting and promising statistical findings regarding the potential value that music festivals in SIDS may contribute to the festival organizers, the tourism sectors of the destinations, and the islands' economies.

Keywords: Music festivals, SIDS, economic value, Aruba, Curacao

INTRODUCTION

Attracting new tourists, retaining repeat tourists, and maintaining the loyalty of tourists in a highly competitive market, such as the Caribbean region, keeps small island destinations (SIDS) viable because the islands are constantly upgrading their product offerings and striving to differentiate themselves from similar competing destinations. One-way SIDS, such as Aruba and Curacao, do this is through events and music festivals. These unique offerings take place in a limited timeframe and provide a concentrated and unique experience. Events and festivals may also be the key factor in a tourist's decision to visit a particular destination and may also be used to attract new tourists as well as retain repeat and loyal tourists. They also provide enjoyable "things to do" for tourists and provide a unique platform for interaction with the local population. Destinations have learned that expanding their tourism offerings is essential to set destinations apart and to increase tourists' spending. Cultural activities, such as music festivals, have become an important ingredient in this strategy. Music festivals play a key role in marketing SIDS as relaxing, enjoyable and entertaining destinations. Another potential outcome of these events that SIDS may seek to obtain is the distribution of tourists throughout the year, especially during "non-peak" times (low seasons). Additionally, evidence indicates that tourists patronizing these

events have a higher level of income and spend more per day than most other types of vacationers.

The purpose of this study was to report two investigative efforts that are related to music festivals in SIDS. The first effort was to assess the Curacao North Sea Jazz Festival (CNSJF) (years 2010 and 2011) and the Aruba Soul Beach Music Festival (ASBMF) (2011) in terms of management and quality and event attendee (audience) satisfaction. The second effort sought to investigate the contribution of the festivals to the islands' economies. Both of these investigative efforts were realized and revealed interesting and promising statistical findings regarding the potential value that music festivals in SIDS may contribute to the festival organizers, the tourism sectors of the destinations, and the islands' economies. The CNSJF is a two-day event that annually sells over 10,000 tickets and traditionally draws big-name artists performing in a wide range of music genres. The ASBMF is a six-day event and generated just over 1,500 attendees.

A survey instrument was developed and administered to music festival attendees in the form of a 23-item questionnaire during the production of the festivals to assess the management, quality, and level of music festival attendee satisfaction. The study assessed a random sample of 216 respondents at the 2010 CNSJF; 400 respondents at the 2011 CNSJF; and 256 surveys for the 2011 ASBMF. The data collection took place at key locations during the festival, e.g. near the concession stands, restrooms, and exits. The survey design emanates from a theoretical framework founded on a motivation approach and investigates a number of predictors for attending a music festival. This framework is relevant in assessing the offerings for special event attendees, in providing a means to gauge the satisfaction level of attendees, and in providing an understanding of the attendees' decision-making processes. The survey contains predictors relevant to a music festival. It includes a total of five sections. The survey queries why patrons come to the festivals; isolates patrons' demographic profile; identifies patrons' satisfaction levels and whether they will return or provide a referral (behavioral characteristics) to prospective attendees; and, finally, ascertains how much they spent at the festival.

The questions related to the spending behavior of the attendees are aimed at estimating spending impacts and then, on this basis, deriving potential benefits. Other questions are related to the event itself. For example, the participant's perception regarding the performances is captured through questions about viewing, seating, cleanliness, crowding, sound quality, sound volume, etc. The attendees' perceptions of the festival were measured by considering four specific constructs: performance, value, satisfaction, and behavioral intentions. Moreover, the questions associate motivation characteristics with demographics, satisfaction, and behavioral indicators. For example, the survey aims at finding out the attendee's opinion of their experience of the festival and whether or not they intend to revisit the destination and the festival as well as aiming at finding out attendees' opinion of their experience of the festival and whether or not they intend to revisit the SID.

Crucial in the analysis is the separation or identification of attendees who specifically visit a SID for attending the music event from other purposes. A primary objective of the study was to learn about the perceived value from attending the festival and how this perception impacts the participants' future intentions. Since live music is an "*experience good*", demand will be dependent on the attendees' expected utility. Therefore, for measurement purposes it is

important to measure the benefit of the event after the experience of the event. In addition, the study intended to gauge the economic benefits for a SID via analyses of festival and attendees' spending. The study provides important information about the relatively unknown impact of cultural activities in the form of music festivals, thus allowing destination managers to better anticipate and respond to the impact. Moreover, it provides germane information for the organizers in terms of understanding their event and audiences for purposes of developing and improving marketing; and either to develop new or secure existing partnerships. In addition emphasizing value creation, potential development, and branding to the destination, the study contemplates the meaning of the festival to the local community.

The study followed four methodological procedures to obtain the primary objectives of the research:

1. Conducted a formal literature review pertaining to economic impact models to music festivals and the tourists' post-purchase assessment of the destination and the event.
2. Created a survey instrument that incorporated the spending expenditures and behavior of each segment.
3. Collected and coded data pertaining to each segment based on appropriate statistical procedures.
4. Prepared formal data tables that highlight the economic models for each segment with complete analysis and recommendations.

The results of the survey analysis were assessed to reveal the following traits of the music festival attendees in a SID: demographic profiles; motivational factors that contributed to decision to attend the festivals; attendees perceived value of the festivals; source of information that they used to obtain information pertaining to the festivals; the relationship between festival value dimensions and intention to return; ranking of festival performance indicators; total spending on the islands during their stay; and, the total economic impact (direct and indirect effects) were assessed via an economic input output model.

The results from the CNSJF and the ASBMF varied slightly, however, there were consistent commonalities in the data. One major commonality in the data was that the majority of international tourists indicated that their primary purpose/reason for travel to the island was the music festival they attended. This indication may provide an interesting omen regarding the changing tastes and preferences of a specific tourist market segment that values cultural experiences and reflects this desire through the consumption of tourism products that allow them accessibility and the opportunity to interact with the local people and the environment. This indication also provides evidence of the appeal that experiential goods seem to draw in terms of actual consumption from tourists. It is significant to note, that travel motivation of individuals is usually an arbitrary concept because many travels are the result of a combination of many reasons. Therefore, the indication that the majority of the international tourists who attended the festival arrived to either island specifically for the festival they attended is important information that should be further contemplated regarding future tourism product development in SIDS. This assessment may present substantial marketing opportunities in terms of market development, expansion, and tourism product portfolio enhancement to both the festival organizers and the islands' tourism industries.

The primary market baskets, or geographic locations, that the international tourist event attendees were arriving from included: the Netherlands, Suriname, and the USA. Further descriptive statistical analyses revealed that the average international tourist who attended the festival had a mean age of 45.5 years old, were highly educated, were first time visitors to the islands, stayed in hotels, had a high level of income, and indicated that it is likely they would return to the destination in the future.

The international tourist segment that attended the festivals was further assessed by extracting the respondents from the data set and was then compared to the traditional tourist market segment that frequents the island. The results of this comparison between the music festival international tourist event attendee and the typical tourist to the destinations revealed that neither of these market segments spend their money on tours and shopping as a primary or secondary consumption activity. However, in the case of Aruba, shopping was the third largest consumption category after lodging and food and beverage (restaurants). In Curacao, lodging consumption was less pronounced than in Aruba. The comparison between the two market segments further revealed that the music festival international tourist possessed more favorable demographic profiles and characteristics than that of the typical tourist in that they were much more educated, made more money, spent more money while on the island, and stayed in the local hotels.

The aforementioned demographic profiling characteristics of the music festival international tourist event attendee may provide indication that the opportunity for SIDS to acquire a more lucrative market segment than their typical tourist profile exists. This finding may suggest that the overall marketing, advertising, and promotional efforts used to generate tourist arrivals to SIDS may not be effectively reaching the appropriate potential tourists that would arrive and maximize the consumption of the islands' experience. In other words, there may be more lucrative and willing market segments that would choose to travel and to consume SIDS tourism products than the tourists SIDS are currently attracting. Additionally, if SIDS tourism marketing, advertising, and promotional efforts are not reaching the most lucrative and viable market segments than such efforts may be incurring wasted or high opportunity costs.

The fresh appeal of the international tourists who attended the music festivals was that they attended the festival on multiple days and stayed a longer average of days on the islands. This indicates that these tourists were interested and committed to experiencing not only the festival but also the SID they were visiting. This indication is supported via the results of the economic Input Output (I-O) model. The I-O model produced favorable and promising results regarding the economic contribution and value of the music festivals to SIDS' economies through the analyses of the festival and the event attendees spending. It was revealed through the survey assessment and the I-O model that not only did the international tourist event attendee make more money they also spent more money while visiting the island.

Therefore, the multiplier effect from this segment of tourists demonstrates the potential to generate a higher multiplier effect than that of the typical tourist segment that currently visits the island. The primary motive for those attending the festival (as indicated by most attendees) was the lineup of the performing artists; however, the primary determinant of demand was the actual SID as an experiential product. This is critical information regarding *how* the tourist came to the

decision to travel to the SID and *why* they actually decided to travel to the SID. It is suggested that this information be further contemplated and explored with regards to the development and structure of special event and media schedules as well as promotional designs for SIDS.

The results of the survey analysis revealed that the festival organizers achieved their goals of providing a high quality and satisfying experience for the festival attendees. The local residents and the international tourists who attended the music festivals indicated that they perceived the festival as a good value, that they were happy with their experience, and that they felt they received value for the cost of festival. The majority of the attendees indicated that they planned to come back, which suggests a high potential for tourist and attendee loyalty and favorable word of mouth advertising for the festivals and the SIDS under examination.

The data assessment, in the case of Aruba, revealed the emergence of what seems to be a potential new travel trend or a new potential market segment where most of the music festival attendees were female and solo travelers. This revelation of a potential new female market segment that consumes experiential SIDS goods (i.e. music festivals) may materialize to a marketing opportunity for Aruba. This study contained two prominent unique facets regarding its empirical value to the extant literature available on SIDS and music festivals. First, the study is entrepreneur in its comparison of two festivals in two different SIDS. Currently, there is not another study that affords this information that is specific and exclusive to SIDS. Second, the study's empirical assessment that garners an understanding of music festival consumption and demand in SIDS and the economic relevance of festivals for SIDS is, to the best of knowledge, conducted here in this study for the first time. In summary, it seems that music festivals in SIDS have become an appealing attraction on itself and demonstrate the ability to generate the attention from lucrative market segments that are both local and international in scale. Overall, the music festival attendees who were tourists were more affluent, highly educated, stayed in hotels, and demonstrated the interest to consume not only the music festival as an experiential good but also the experience of the SID.

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