Economic Viability of Heritage Festivals

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INTRODUCTION

In recent years, a sustainable view integrating economic, socio-cultural and environmental impacts has been suggested for short-term events and festivals (Andersson & Lundberg 2013; Litvin 2013; Moscardo 2008; Pan & Huan 2013; Sherwood 2013). According to Pan and Huan (2013), festivals not only make economic contributions, but they also hold potential to offer social, and cultural benefits to visited communities. For instance, visitors and local residents get opportunities to participate together in group activities and purchase local handicrafts and souvenirs (Chhabra, Healy and Sills 2003; Lucia 2013; Moscardo 2008). Moscardo (2007) opines that festivals and events that claim to contribute to regional development should consider measures associated with health, education, and community wellbeing. Three broad themes identified are social capital, community capacity and wellbeing.

In other words, it is stressed that performance of short term events should also be measured by its contribution in terms of improved quality of life for the host community (social) (Andersson and Lundberg 2013; Pan & Huan 2013). Hence, a holistic approach is needed to ascertain complete impact of festivals (Getz 2009). In this regard, several authors suggest the Triple Bottom Line method (TBL) (Sherwood 2007) because it makes use of multiple perspectives and is considered a holistic reporting tool that adds socio-cultural and environmental bottom lines to the traditional financial bottom line. The aim is to optimize overall benefits and minimize costs with regard to impacts on the “local community, cultural heritage and the environment” (Andersson & Lundberg 2013, p. 100). By using a local festival as a case study, this study makes an effort to suggest an economically viable TBL framework.

Evidently, the first step in this direction is to assess sustainable economic impact as economic development continues to take a political primacy and undisputedly, it is an important
vehicle for expanding the tax contributions (Lee and Taylor 2005; Litvin 2013; Lucia 2013). It offers resources to the governments to invest funds in improving community infrastructure, public facilities and service etc. (Lee and Taylor 2005). Economic development is also viewed as a tool that has potential to enhance local quality of life, sense of pride in local culture and heritage in addition to being a source of employment and income (Crompton and Lee 2000).

Economic impact studies are often undertaken to justify a festival or event in dollar value with the anticipation that the economic benefits will support the “case for sustaining or increasing resources allocated to it” (Crompton, Lee and Shuster 2001, p. 800).

To garner support for investment in festivals, evidence of economic benefits is needed in addition to evidence of efforts to minimize ecological impacts and maximize social benefits for host communities. The festival of focus in this study is the Gold Rush Days festival in Wickenburg (State of Arizona, USA), an annual festival and one of the living legacies of America, attracts visitors from the inside and out-of-state. The event celebrates the origins of the town of Wickenburg as a ranching & gold mining center during a time when the metropolitan city of Phoenix did not exist. This study first calculates economic impact of this festival using an advanced methods technique by taking retained expenditures of locals, opportunity costs, and time switchers into consideration. Furthermore, it suggests a viable economic impact model that integrates social and cultural benefits accrued from the Gold Rush Days festival.

METHOD

This study is work in progress. It conducts a comprehensive economic impact analyses of visitors to a heritage festival in a rural region of Arizona. Additionally, it interviews different stakeholders of the festival to gauge socio-cultural impacts of the festival. A set of ecological
indicators are used to gauge efforts on part of the event organizers to minimize ecological impacts. These include energy use, transport arrangement, and treatment of waste (Andersson and Lundberg 2013; Gossling, Peeters et al. 2005). Insights into socio-cultural benefits are derived from surveys of local residents and their views of the local festivals. Option, bequest, and existence value of the festival is assessed (Andersson and Lundberg 2014). A socio-cultural impact scale (Litvin 2013; Pan and Huan 2013) is designed and responses are ascertained based on the items in that scale.

Visitor survey includes questions on festival experience, travel behavior, spending, and socio-demographic profile. Secondary data is used to assess ecological impact. A stratified sampling technique is used. The festival is spread over multiple spots in the town. Researchers are placed in each of these areas during different times of the day and one visitor per family is requested to fill the survey. Response rate is approximately 84%. IMPLAN is used to calculated economic impact. Data is tested for validity and reliability using multiple measures.

FINDINGS AND IMPLICATIONS

Initial results suggest positive economic impacts on the town of Wickenburg. Also, interviews with different stakeholders confirm social and cultural benefits to some extent although more viable strategies are suggested such as promotion more locally produced handicrafts and souvenirs and encouraging more local vendors to participate in the festival. Also, more opportunities for host-visitor interactions are suggested. Few studies have simultaneously examined socio-cultural and ecological impacts when assessing economic impact of festivals. This study makes an important scholarly contribution to existing literature. From a practitioner
standpoint, it offers a holistic view of measuring economic impacts of a festival from a sustainability perspective.

REFERENCES


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