

The Socio-economic impact of the Klein Karoo National Arts Festival

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ABSTRACT

The literature review indicates that event impacts could enhance the quality of life of the host community. Event impacts influence either the economy or social aspects of a host community (Yeoman, Robertson, Ali-Night, Drummond & Beattie-McMahon, 2004:33; Hughes, 2000:45). The positive impacts should be weighed against the negative event impacts to prove that the event holds more benefits than negativities so that the festival may gain community support, which is essential for a sustainable event (Reid & Arcodia, 2002:484, 502). Some of the economic impacts pertaining to events include job creation, infrastructure development, attracting new businesses, extending tourist seasons, business interruptions, and leakages (Hughes, 2000:93, 147, 159; Allen *et al.*, 2005:31; Slabbert *et al.*, 2007:39). This study found that the 2007 Klein Karoo National Arts Festival (KKNK) generated a total of R39.58 million in direct expenditure for the host community. Social impacts pertaining to events could include the following: community pride, pollution, noise and vandalism increases (Allen *et al.*, 2005:31). Oudtshoorn residents indicated that they experience these social impacts as a result of the festival. Respondents to the social impact survey indicated that the festival improves quality of life through the provision of entertainment and the opportunities to spend time with family and friends.

The purpose of this study was to determine the socio-economic impact of the KKNK on the community of Oudtshoorn. Socio-economic impact research studies the relationship between economics and society (Etzioni, 2003:109), thus social and economical impacts of the festival were measured during the festival period of 31 March to 7 April 2007. The empirical study included three surveys: survey 1 - a community survey – 260 questionnaires; survey 2 - a business survey - 79 questionnaires; and survey 3 - a visitor survey - 512 questionnaires.

The community survey included questions relating to demographic aspects, impact questions pertaining to specific festival impacts in the community and personal impacts on residents. A descriptive analysis, statistical analysis and factor analysis was done to interpret the social data and to determine the most relevant social impact factors. The business survey asked questions regarding employment creation, leakages, and income changes during, or as a result of, the festival. The visitor survey included questions relating to demographic aspects and festino expenditures.

The study indicates that the magnitude of an event's economic impacts depends on the size of the economic multiplier and that larger positive economic impacts lead to an increased number of beneficial social impacts. Research also showed that an event's main stakeholders (the host organisation, local community, sponsors, media, co-workers, visitors, and performers) play a determining role in the magnitude of the socio-economic impacts of the festival. External influential factors could also impede or increase these socio-economic impacts. Thus, event organisers have to ensure that all stakeholders are accommodated to the maximum possible extent since providing for stakeholder needs is a key aspect to which event organisers can comply to ensure that greater socio-economic benefits accrue in the host community. This study contributes to the scarce amount of literature available on the socio-economic impacts of events.

KEY TERMS: Socio-economic impacts, events, arts festivals, stakeholders, Klein Karoo National Arts festival (KKNK).

OPSOMMING

Die literatuur studie dui dat 'n gebeurtenis (of 'n fees) die lewenskwaliteit van die gasheergemeenskap kan bevorder waar die feesinvloede in ekonomiese of in sosiale aspekte ondervind kan word (Yeoman, Robertson, Ali-Night, Drummond & Beattie-McMahon, 2004:33; Hughes, 2000:45). Vir die fees om volhoubaar te wees, het die fees die gemeenskap se ondersteuning nodig en dit is slegs verkrygbaar indien die fees meer positiewe as negatiewe invloede inhou (Reid & Arcodia, 2002:484, 502), dus moet die positiewe teen die negatiewe opgeweeg word. Ekonomiese impakte wat uit die hou van 'n fees spruit, kan in die vorm van werkskepping, infrastruktuur ontwikkeling, lok van nuwe besighede, uitgebreide toerisme seisoen, besigheid onderbrekings, of lekkasies wees (Hughes, 2000:93, 147, 159; Allen *et al.*, 2005:31; Slabbert *et al.*, 2007:39). Hierdie studie het bevind dat die 2007 Klein Karoo Nasionale Kunstefees 'n totale bedrag van R39.58miljoen in direkte inkomste vir die plaaslike gemeenskap gegenereer het. Sosiale invloede wat 'n fees op 'n gasheer gemeenskap kan hê, sluit die volgende in: veranderings in gemeenskapstrots, besoedeling, geraas en meer vandalisme (Allen *et al.*, 2005:31). Oudtshoorn inwoners het aangedui dat hulle wel die bogenoemde impakte ondervind tydens die hou van die fees en respondente aan die sosiale impak studie het aangedui dat die fees ook lewenskwaliteit verhoog deur vermaak geleentheid te bied asook die geleentheid om tyd saam met familie en vriende te spandeer.

Die doel van hierdie studie was om die sosio-ekonomiese impak van die KKNK op die gemeenskap van Oudtshoorn te bepaal. Sosio-ekonomiese-impak navorsing bestudeer die verband tussen die ekonomie en die samelewing (Etzioni, 2003:109), dus was ekonomiese en sosiale aspekte tydens die fees, wat plaasgevind het tussen 31 Maart en 7 April 2007, gemeet. Die empiriese studie het drie opnames ingesluit: opname 1 – gemeenskapsopname – 260 vraelyste; opname 2 – besigheidsopname – 79 vraelyste en opname 3 – besoekersopname – 512 vraelyste.

Die gemeenskapsopname het vrae ingesluit wat verband hou met demografiese aspekte, spesifieke feesimpak in die gemeenskap en persoonlike impak op inwoners. Drie analises (beskrywende-, statistiese- en faktoranalise) was gedoen om die sosiale data te interpreteer en sodoende die mees relevante sosiale impak faktore uit te lig. Die besigheidsopname het vrae ingesluit aangaande werkskepping, lekkasies en veranderings in inkomste tydens, of as gevolg van die fees. Besoekerspandering en demografiese aspekte was gemeet in die besoekersopname.

Die studie het aangedui dat die omvang van die fees se ekonomiese impak beïnvloed word deur die grootte van die ekonomiese vermenigvuldiger en dat 'n groter ekonomiese impak lei tot meer positiewe sosiale impakte. Die navorsing dui ook die invloedryke rol van die hoof belangegroepe (gasheer organisasie, plaaslike gemeenskap, borge, media, medewerkers, besoekers en kunstenaars) op die omvang van die fees se sosio-ekonomiese impak. Eksterne invloede kan ook dié sosio-ekonomiese impakte positief of negatief beïnvloed. Dus moet feesorganiseerders verseker dat hulle alle belangegroepe se behoeftes so ver as moontlik bevredig, want dit kan lei tot 'n groter omvang van positiewe sosio-ekonomiese impakte op die gasheer gemeenskap. Die studie dra by tot die beperkte literatuur op sosio-ekonomiese impakte van feeste.

SLEUTELTERME: Sosio-ekonomiese impakte, gebeurtenisse, kunste feeste, belangegroepe, Klein Karoo Nasionale Kunste Fees (KKNK).

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CHAPTER 1

INTRODUCTION AND PROBLEM STATEMENT

1.1 INTRODUCTION

The number of tourists seeking an arts experience is ever-growing (Hughes, 2000:4). Crompton and McKay (1997:425, 429) stated that visitors attended festivals to fulfil a specific need. These needs could be “cultural enrichment, education, novelty, and socialisation”; or, according to Hughes (2000:17), just to relax and escape; or to enjoy the company of friends.

The Klein Karoo National Arts Festival (Klein Karoo Nasionale Kunstefees, or abbreviated as KKNK) is an annual arts festival with a duration of eight days during the March/April Easter holiday and takes place in the ostrich capital of South Africa: Oudtshoorn (Cruywagen, 2002:190), in the Klein Karoo which is situated in the Western Cape Province (Figure 1.1). The thought of hosting this festival began in 1994 and it was first held in 1995; since then it has grown into the largest arts festival in South Africa. When the concept for this festival was born, two main purposes were identified, (1) to create an event where Afrikaans-speaking people of all races could enjoy the culture and linguistics in post-apartheid South Africa, and (2), to attract money and tourists to Oudtshoorn to generate an economic boost for the community (Kitshoff, 2004b:237). The KKNK is an Afrikaans festival that includes visual and performing arts such as cabaret, music theatre, classical music, jazz and popular music, bringing more than 250 productions to stage, and including more than 1000 artists (Slabbert, Saayman, Saayman & Viviers, 2007:7; Oudtshoorn Municipality, 2005/2006:10; Saayman & Saayman, 2004:633).



Figure 1.1: Oudtshoorn in the Western Cape, home of the KKNK (Cape Town accommodation and travel, 2007)

The idea for hosting events has changed since the earliest times until now, from organising events to celebrate something, to organising with the goal of attracting more tourists to ensure higher expenditure at these events. Events can have many positive and negative influences on hosting cities. Negative impacts include overcrowding and increases in crime and pollution (Douglas, Douglas, & Derret, 2001:34; Hughes, 2000:45), while the positive influences include host city image enhancement, monetary injections, and infrastructure development (Auld & McArthur, 2003:192; Heilbrun & Gray, 2001:358; Getz, 1997:51; Saayman, 2001:84; Yeoman, Robertson, Ali-Night, Drummond & Beattie-McMahon, 2004:33).

The development of events also has direct impacts on the host city's residents. Current and future effects of events on local communities are monitored by conducting socio-economic impact research that would indicate what positive and what negative impacts occur due to event hosting (Edwards, 2000).

The sustainability, optimum functioning and development of tourism strongly depends on positive support from the local community, thus the organisers of developments or events should include the community as much as possible in the planning of the event because their lives are directly influenced by the development. If their needs are not considered, the local community will reject the event (Delamere, 1999:39; Edwards, 2000; Gursoy, Jurowski & Uysal, 2002:100).

The goal of this chapter is to clarify the problem statement by explaining the importance of events and socio-economic impact studies, followed by the research objectives, the method of research, and the clarification of concepts.

1.2 PROBLEM STATEMENT

The arts-related tourism sector, (including events, festivals and cultural tourism) has become a global phenomenon (Getz, 1997:22), which has been growing since the early 1990s where literature on events is also becoming more available (Getz & Page, 2005:628; Yeoman *et al.*, 2004:xviii). This growth could be due to the advances in accessibility, an increase in leisure time; a more informed and educated population, and more wealth that enables people to attend cultural tourism events (Zeppel & Hall, 1992; as quoted by Hughes, 2000:50).

The growth experienced in this sector of the tourism industry leads to strong competition among countries and towns to host events (Crompton & McKay, 1997:426). The increasing number of events are attended by more informed, well-off, and older tourists (Hughes, 2000:16),

necessitating the professional management of events. This is mainly to augment future expansion and developments in a sustainable manner. Events are great facilitators for aiding sustainability, drawing attention of sponsors and funding, as well as building community support (Getz, 1997:41; Quinn, 2006:288).

Events (if successful) can aid in the process of increasing awareness about a host community and could build a better image (Auld & McArthur, 2003:192; Heilbrun & Gray, 2001:358; Getz, 1997:51; Saayman, 2001:84; Yeoman *et al.*, 2004:33). A better image could lead to an increase in tourist numbers and this increase will be visible throughout the year and not just during the festival (Getz, 1997:16; Hughes, 2000:91). Because of the increase in tourist numbers, economic growth and development will be facilitated (Yeoman *et al.*, 2004:xviii) in the form of accommodation, transport and communication facilities (Mbaiwa, 2005:169). Richie (1984, as quoted by Getz, 1997:46) stated that positive impacts such as increases in regional values accrue and host-guest interactions could also improve due to the hosting of events.

Hughes (2000:90) added the following reasons for hosting arts festivals:

- to provide opportunities that would otherwise not be available for locals to attend arts events
- to improve locals' access to the arts
- to encourage community coherence through participation
- to foster a community spirit and the 'feel-good' factor
- to develop residents' pride in the town or city
- to increase awareness of the town or city
- to increase awareness of the town or city outside
- to improve its image outside

Even though tourism and events enhance economies and have many other positive impacts (Hughes, 2000:45; Vanhove, 2005:170), events also have negative impacts on hosting communities such as "inconvenience, loss of amenity, crowding, congestion and other generally negative social impacts, including increases in crime and pollution" (Douglas *et al.*, 2001:34; Hughes, 2000:45). The phenomenon where host communities do not welcome tourists is also seen as a negative aspect. Tourists are seen as invaders, since host communities experience loss of privacy, cultural destruction, commoditisation, unfriendliness, and exploitation of resources (Yeoman *et al.*, 2004:39). Festivals could also violate host-guest interactions, stated Getz (1997:46). Other possible negative impacts stemming from events include high noise

levels, vandalism, drinking, hooliganism, drug usage and increases in accidents due to increases in traffic.

Tourism's impacts are visible in the three categories of: the economy, the ecology, and the socio-cultural aspects of host communities (Saayman, 2002:11-12):

- Economies are influenced in terms of job creation, development, and currency.
- The ecology is influenced when flora and fauna have to make way for the building of new infrastructure.
- Socio-cultural impacts occur due to tourists introducing new perspectives and styles, which could lead to a loss of traditional culture.

These categories are influenced in both positive and negative ways. Huws (2002:6) stated that socio-economic research could be any research focusing on social or economic policies. These could contain elements of economic, employment, social policies, and protection of cultural minority group policies. This dissertation will discuss the economic and social impacts that tourism could have on the host community of Oudtshoorn, therefore excluding environmental issues.

The majority of events are held in public places, for the public, making it of the utmost importance to incorporate community goals and impacts in the management of the events (Saayman & Saayman, 2004:630). In event management, there is a constant networking between the organising company and its surroundings. The networking is between the events and the economy, society, politics, and ecology (Getz, 1997:15).

When the link between the economy or economics and social life is examined, the concept of socio-economics is formed. "Socio-economics combines theories from various subjects such as sociology, economics, history, and psychology" (Anon, 2006). Foldvary (2005) included the fields of "culture, law, history, and social evolution", in combination with economics, forming the socio-economic field. According to Etzioni (2002:13-14), socio-economists believe that external forces, such as morals, emotions, and self-interest have an influence on behaviour and decision-making. This is what separates socio-economics from economics, where neo-classical economists believed that people are selfish and act to obtain what is best for them.

The online Oxford English Dictionary (1989) defines the term socio-economics as "something that derives from both social and economic factors; that combines both factors to provide an indication of a person's or a group's effective social situation". Socio-economics brings economics into context with history, culture, social development, and legislation. This is also an

amalgam of economics with “anthropology, sociology, political science, psychology, engineering, management, biology, and physics” (Foldvary, 2005).

Socio-economic impact assessments are done to inform residents and to determine what changes could take place (because of new developments) in the community’s social and economic well-being. These assessments could be used to bring forth positive influences of the event or festival and to overcome problems such as “inequities among community groups” that might occur due to the event. Socio-economic impacts start as soon as something such as a new development or the hosting of a festival is proposed and the community starts to form perceptions about proposed ideas that lead to changes in attitudes and behaviours (Edwards, 2000).

Edwards (2000) compiled the following list of possible socio-economic impact measuring indicators:

- Changes in community demographics
- Results of retail/service and housing market analyses
- Demand for public services
- Changes in employment and income levels
- Changes in the aesthetic quality of the community

Measuring these in quantitative forms and determining how local residents feel about a festival and how they think it would affect their lives, is crucial. The organisers should keep the information gained from the locals in mind at all stages of decision making regarding the event (Delamere & Hinch, 1994:27; Edwards, 2000). Edwards also stated that this is the first step in socio-economic impact assessments: knowledge of “community values and concerns”.

Mbaiwa’s (2003:169) research on tourism’s socio-economic impact on the Okavango Delta found that if the host community does not benefit as much as is believed or longed for, tourism is not sustainable when viewed from a socio-economic perspective. Other research on socio-economic impact studies in various fields includes: research on environment by authors: Bestor (1989); in the medical field: Mochabo, Kitale, Gathura, Ogara, Eregae, Kaito and Catley (2006); Volmer (2001); Rajeswari, Balasubramanian, Muniyandi, Geetharamani, Thresa and Venkatesan (1999); Booyesen, Bachmann, Matebesi and Meyer (2004); in sociology: Glasson and Heaney (1993). In development and economics: Azis, Azis and Thorbecke (2001); Batey, Madden and Scolefield (1992); Jackson and Sleight (2000); Abeli, Maximillian, Kweka and Shemwetta (2003); in the tourism field: De Beer, Elliffe, Spangenberg and Wheeler (1997);

Mbaiwa (2005); Haynes (2001); and Saayman and Saayman (2006b) who did socio-economic research on the Addo Elephant National Park. The latter research found that tourism contributes significantly to the development of the Eastern Cape region by means of better job creation, greater influxes of money, and better production (Saayman & Saayman, 2006b:620).

The thought that tourism positively influences the economy is reasonable, but the belief that more tourists equal more benefit is faulty, because new developments (such as infrastructure) are left out of the equation. This implies that more expenditure is needed from ratepayers and this could flood an economic system that was developed for a steady population growth and not for seasonal influxes (Douglas *et al.*, 2001:34).

In event hosting, the organisers have the goal of increasing the economic and social advantages of the host community (Getz, 1997:14). A study on the Spoleto, USA festival, Charleston, proved that this event contributes to the image of the city as well as to the community pride, but not to the economy, nor did it attract extra visitors to the region (Litvin & Fetter, 2006:41).

From the above, one can see that the events sector is growing (Getz & Page, 2005:628; Yeoman *et al.*, 2004:xviii) and destinations start to compete to host events (Crompton & McKay, 1997:426) due to the many influences an event might have on a host community. It is shown that there is very little literature available on the socio-economic impacts of tourism and events (especially in South Africa). Thus the importance of this socio-economic impact study is evident to determine the positive and negative impacts of the KKNK on the community of Oudtshoorn.

Therefore the question that this dissertation will attempt to address is: What is the socio-economic impact of the KKNK on Oudtshoorn?

1.3 GOAL AND OBJECTIVES

The goal of this study is divided into a main goal and secondary objectives.

1.3.1 MAIN GOAL

The main goal was to determine the socio-economic impact of the Klein Karoo National Arts Festival on Oudtshoorn.

1.3.2 OBJECTIVES

The following objectives were pursued to achieve the main goal.

- To analyse the tourism events industry's main stakeholders;
- To analyse the socio-economic paradigm in the events industry;
- To do a survey to determine the socio-economic impact; and
- To draw conclusions and make recommendations with regard to the socio-economic impacts of the Klein Karoo National Arts Festival.

1.4. METHOD OF RESEARCH

The research was done by means of a literature review and an empirical survey.

1.4.1 LITERATURE STUDY

The literature study consulted scientific articles that helped to describe the importance of socio-economic impact studies as well as the importance of events and the impacts that events have on communities. The internet was used to gather information about results and tables from previous studies on socio-economic impacts and events. Books and dissertations were used to define important concepts and to elaborate on information in various chapters, including the socio-economic, economic, and social impacts in the tourism industry. Books and articles were also consulted to indicate the growth in events and cultural tourism.

The literature research is composed of various books, journal articles, dissertations, and databases, emphasising key words such as event tourism, events, cultural events, arts festivals, socio-economic impact, economic, and social impact. These sources were used to compile a questionnaire that would measure direct expenditure by visitors to the festival, the perception of the local community and their involvement in the festival as well as certain economic and social aspects regarding local businesses. The databases that were consulted include: library database, Science Direct, EBSCO-Host, Emerald online, Scopus, Google Scholar, SA e-Publications, and the internet.

1.4.2 EMPIRICAL STUDY

Edwards (2000) stated that socio-economic analysis measures changes in employment and income levels as well as the quality of community life. Edwards recommended that socio-economic impacts should be measured by means of a survey; therefore, structured questionnaires were used to collect data. Three surveys were carried out: (1) a social impact

survey, to determine host population attitudes towards the festival and the advantages and disadvantages it brings; (2) a visitor survey to determine the festival-related expenses undergone; and (3) an economic impact survey to measure the attitudes of owners of permanent businesses in Oudtshoorn towards the festival as well as to measure the changes in employment opportunities that exist as a result of the festival.

The research was conducted throughout the duration of the festival over the period of 31 March 2007 to 7 April 2007. Quantitative research methods were used in data collecting, which means that the researcher was interested in the meaning of the participant attitudes to his/her experience of the festival.

Quantitative research methods hold the following advantages:

- They are suitable for collecting demographic information, for example, gender, age and income.
- They are inexpensive to conduct.
- They are relatively easy to tabulate and analyse using statistical programmes (Slabbert, 2004:63).

1.4.2.1 SOCIAL IMPACT: COMMUNITY SURVEY

Questionnaires were handed out and collected by the fieldworkers as explained below. The survey was conducted by seven post-graduate fieldworkers who are trained in research methodology and the analysing of questionnaires.

1.4.2.1.1 SELECTION OF THE SAMPLING FRAME

The municipality of Oudtshoorn could not provide the researcher with detailed statistics on the number of households in Oudtshoorn, therefore the Statistics South Africa (STATSSA) census of 2001 and 1996 was used to determine the number of households; these figures were obtained from The Integrated Development Plan (IDP) for the Oudtshoorn Municipality (2005/2006).

A sample size (S) of 384 is recommended for any defined population (N) of 100 000, but it is stated, as a rule of thumb, that when a sample size is larger than 300, the law of diminishing returns will be applicable. These are the guidelines set out by Cooper and Emory (1995:207) and are the guidelines that this sampling (stratified sampling) followed.

The IDP of Oudtshoorn referred to the 1996 and 2001 census when it stated that the Greater Oudtshoorn Municipal district has an average of four people per household, bringing the population total to 84 692 (Oudtshoorn Municipality, 2005/6:6). One questionnaire is representative of one household; thus, by dividing the total population by the average people per household: $84\ 692/4$, it is calculated that Oudtshoorn has (N) 21 173 households. Cooper and Emory's (1995:207) formula was applied to find that a representative survey of Oudtshoorn would entail that 81 households have to be surveyed.

Three hundred questionnaires were distributed while taking into consideration that not all questionnaires would be usable or returned. This number of questionnaires is much greater than the required number of questionnaires (Cooper & Emory, 1995:207). Community survey questionnaires were distributed in the four residential areas (strata) of Oudtshoorn as explained below. Two hundred and sixty questionnaires were collected and used for the calculation of results.

1.4.2.1.2 SAMPLING METHOD

A stratified sampling procedure was followed which means that subsamples were chosen from all the available strata (subgroups of the population) that shared one or more similar attributes (Zikmund, 1999:287). The stratification was based on the different residential areas of Oudtshoorn, namely Wesbank, South, North and Central. For this sampling method, the researchers distributed questionnaires in the four residential areas where participants were chosen at regular intervals after a random start (Tustin, Ligthelm, Martins & Van Wyk, 2005:353). This method of sampling ensured that an exact representation of the population is reflected (Zikmund, 1999:287). The exact number of houses in each residential area could not be obtained since the municipality stated that such information is not available. When the selected respondents did not want to participate in the survey, either the house on the right or left was selected to participate.

In most cases, the fieldworkers waited for the participant to complete the questionnaire. This ensured that any questions concerning the questionnaire could be dealt with immediately in a professional manner. This also helped to obtain a higher number of completed questionnaires.

1.4.2.1.3 DEVELOPMENT OF THE QUESTIONNAIRE

The social impact-measuring instrument (questionnaire) that was used was developed by **Fredline, Jago and Deery (2003:29)**. It was designed using statements from previous events and tourism literature as well as additional literature from social capital literature. Slightly

different versions of this questionnaire had already been tested by the above-mentioned authors at the Australian Formula One Grand Prix (2002), the 2002 Melbourne Moomba Festival and the Horsham Arts Festival in 2002. The questionnaire was adapted according to the structure of the event.

There are six sections in the questionnaire:

- A - Demographic information, such as age, gender, and qualification.
- B - General impact of the KKNK, measuring positive versus negative attitudes towards the festival.
- C - Recipient participation at the festival.
- D - Connection to the community.
- E - Specific impacts as result of the KKNK. Here the main dependent variables (residents' perceptions of the impacts of events) were measured by using a scale. The scale included 45 impact statements. These statements referred to positive and negative economic, social, and environmental impacts of the festival, in relation to which respondents were asked to indicate their degree of agreement or disagreement on a 3 or 4-point Likert scale.
- F - Community support for the KKNK. This section included 39 statements, which measured perceptions by using itemised rating scales (Fredline *et al.*, 2003:29).

Although it is a lengthy questionnaire, it was considered necessary to consider all of the potential impacts of events. Since this questionnaire has been tested successfully in previous studies (Fredline & Faulkner, 2000; Fredline & Faulkner, 2002) it was considered that there was no need to employ an extensive pilot testing phase.

1.4.2.1.4 DATA ANALYSIS

The data was coded on Epi and statistically processed on SPSS (Version 15). The descriptive statistics focused on the demographic profile of the community, where frequencies were used. Open questions were captured in Microsoft Excel and a statistical analysis was done using SPSS. A descriptive analysis was done to explore relevant data, after which a factor analysis was performed to determine the most relevant social impact factors.

1.4.2.2 ECONOMIC IMPACT: BUSINESS SURVEY

Questionnaires were handed out and collected by the fieldworkers, as explained below, on Friday, 6 April 2007. The survey was conducted by seven post-graduate fieldworkers who are trained in research methodology and the analysing of questionnaires.

1.4.2.2.1 SELECTION OF THE SAMPLING FRAME

The population of businesses was defined as the permanent businesses in Oudtshoorn. Only businesses in and around the festival area were targeted in the survey. Businesses involved in the survey excluded businesses from the industrial sector, but included service and product orientated businesses such as guesthouses, bed-and-breakfasts, butcheries, pharmacies, book stores, clothing stores, electrical equipment stores, bakeries, and restaurants. Ninety questionnaires were distributed for the business survey and 79 of these were usable to calculate results.

1.4.2.2.2 SAMPLING METHOD

The business survey was carried out by means of convenience sampling, meaning that available or accessible sample members were approached to take part in the survey. This method is generally used for quick and economical gathering of large numbers of questionnaires (Tustin *et al.*, 2005:346; Zikmund, 1999:283). Fieldworkers conducted the research in various streets in and around the festival grounds because these businesses are the ones that experience direct impacts due to the festival. After a random start, the next most convenient business was approached to take part in the survey.

In all cases, the questionnaires were completed on site where the fieldworker was present, which enabled the fieldworker to assist the participant when uncertainty existed.

1.4.2.2.3 DEVELOPMENT OF THE QUESTIONNAIRE

The Institute for Tourism and Leisure Studies of the North-West University, Potchefstroom Campus, in collaboration with the board of the Klein Karoo National Arts Festival, developed this questionnaire to ensure tailor-made research. This questionnaire has been used in the previous year of 2003 (Saayman, Saayman & Van Schalkwyk, 2003) for research on the KKNK, therefore no pilot study was necessary.

This questionnaire enabled the researcher to determine whether or not these businesses experienced an increase in income as result of the festival, whether or not crime levels fluctuated and how employment was influenced during the festival period. The questionnaire contained close ended, dichotomous response questions as well as multiple-choice with one alternative, and open-ended response questions (see Appendix B).

1.4.2.2.4 DATA ANALYSIS

Microsoft Excel was used to capture the data after which a descriptive analysis was compiled in text, tables, frequency distributions, and averages to ensure better understanding of the information that was gained from respondents to the survey (Zikmund, 1999:330).

1.4.2.3 VISITOR SURVEY

This survey was conducted by seven post-graduate fieldworkers who are trained in research methodology and the analysing of questionnaires. Questionnaires were handed out and collected by the fieldworkers as explained below.

1.4.2.3.1 SELECTION OF THE SAMPLING FRAME

A sample size (S) of 384 is recommended for any defined population (N) of 100 000, but it is stated, as a rule of thumb, that when a sample size is larger than 300, the law of diminishing returns will be applicable. This survey was done according to these guidelines set out by Cooper and Emory (1995:207).

The researcher aimed to distribute 550 questionnaires to ensure that sufficient questionnaires were completed and usable because not all questionnaires are completed or returned by participants. Five hundred and twelve usable questionnaires were collected and interpreted for results.

1.4.2.3.2 SAMPLING METHOD

The visitor survey was done according to the stratified sampling procedure which means that subsamples were chosen from all the available strata (subgroups of the population) that shared one or more similar attributes (Zikmund, 1999:287). The stratification was based on the different characteristics of the festinos where provision was made to ensure an even distribution between gender and all eligible age groups. Questionnaires were distributed amongst visitors who attend and spent money on shows as well as general visitors on the festival terrain who did not necessarily spend money on shows. This ensured that a true representation of festinos' expenditure was measured. This study did not include members of the local community attending and spending money at the festival since it could not be determined whether or not they would increase their normal spending patterns at the festival. The calculations of the visitor survey in the empirical survey made provision to exclude local's expenditure at the festival. This was done by comparing previous years' visitor results to find the average percentage of local festinos that are surveyed as part of the visitor survey. By excluding the

locals, the researcher was able to determine the total amount of money that flows in from outside Oudtshoorn.

For this sampling method, the researchers distributed questionnaires in different festival areas where participants were chosen at regular intervals after a random start (Tustin, Ligthelm, Martins & Van Wyk, 2005:353). This method of sampling ensured that an exact representation of the population is reflected (Zikmund, 1999:287).

The visitor survey was done in different areas of the festival grounds where the fieldworkers left questionnaires with visitors to fill in and collect after completion, or questionnaires were filled out on behalf of the respondent while the fieldworkers asked the questions of the respondent.

1.4.2.3.3 DEVELOPMENT OF THE QUESTIONNAIRE

The Institute for Tourism and Leisure Studies of the North-West University, in collaboration with the board of the Klein Karoo National Arts Festival, developed this questionnaire to ensure tailor-made research. This questionnaire had been used in the previous year of 2003 (Saayman, Saayman & Van Schalkwyk, 2003) for research on the KKNK, therefore no pilot study was necessary. Questionnaires asked for socio-economic information about the respondent, which included age, gender, occupation, education, income level, and event related expenditure. The questionnaire included structured questions with structured, unstructured, open ended and multiple-choice responses with one alternative (see Appendix C).

1.4.2.3.4 DATA ANALYSIS

The data was captured and coded on Microsoft Excel, after which a descriptive analysis was compiled in text, tables, frequency distributions, and averages to ensure better understanding of information gained from respondents to the survey (Zikmund, 1999:330).

1.5 TERMINOLOGY

The following concepts will be used regularly throughout the dissertation and therefore need clarification.

1.5.1 Socio-economic impact

Amitai Etzioni, the father of socio-economics, formulated the concise description of what socio-economics entails: "it includes major segments of psychology and anthropology, history and political science – the whole complex of disciplines that examine the

relationship between society and economy” (Etzioni, 2003:109). Socio-economists recognise individual choices but believe that final decisions are influenced by the surrounding community and reference groups (Etzioni, 2003:108; Foldvary, 2005).

Huws (2002:7) described socio-economics as focusing on economic, social and employment policy issues. Relevant research methodologies, such as surveys, should be used by the researcher, who should be any person qualified in relevant disciplines, such as business, management, or economic studies.

1.5.2 Event

According to Gwinner (1997:148), five areas that fall under the definition of events are: “sport related, music related, festival/fair related, fine arts related and professional meeting/trade show related”. Getz also placed festivals as sub-part of events in his book: *Festivals, Special Events and Tourism* (Getz, 1991, as quoted by Sofield & Sivan, 2003:10).

From the above definition, it is clear that festivals form part of the event phenomena in tourism, hence the following definition of a festival:

1.5.3 Festivals

Getz (1997:8) formulated the following short and working definition for a festival: “a public, themed celebration”. Yeoman *et al.* (2004:33) described festivals as “attractive to communities looking to address issues of civic design, local pride and identity, heritage, conservation, urban renewal, employment generation, investment and economic development”.

These definitions combine some of the reasons why the organisers started the Klein Karoo National Arts Festival: to create a cultural and linguistic haven that could be attended by Afrikaans-speaking people of all nationalities and to create a festival as a mass-tourism attraction to boost the host community of Oudtshoorn economically.

1.5.4 Arts festivals

The majority of literature available on events and festivals does not have separate definitions for arts festivals and other types of festivals. Chen (2001:8) however, gave the following definition of arts festivals: “Arts festivals are the public celebrations of the arts, which aim at preserving and presenting local arts traditions. They are the presentation of a series of arts performances and exhibitions. Arts festivals may consist of a single type of

art form (e.g., painting, crafts, folk dancing, drama, film, opera, or music), or a combination of various painting and performing arts”.

1.5.5 Klein Karoo National Arts Festival

The Klein Karoo National Arts Festival is an annual arts festival with duration of eight days during March/April and takes place in Oudtshoorn in the Western Cape. This is an Afrikaans festival, which includes visual and performing arts such as cabaret, music theatre, classical music, jazz and popular music (Saayman & Saayman, 2004:633; Van Schalkwyk, 2004:9).

1.5.6 Festino

A festino is a festivalgoer; this is the local word to describe a visitor to a festival (Saayman & Saayman, 2004:632).

1.6 CHAPTER CLASSIFICATION

Chapter 1: Introduction, problem statement, goal and objectives

This chapter will discuss all the above, stating the importance of this study and it will clarify relevant terms that will be used throughout the dissertation.

Chapter 2: Events: typology and main stakeholders

This chapter discusses the tourism events industry, the growth of the events industry, types of events, the importance of the stakeholders in events, and aspects that could lead to event failure.

Chapter 3: Socio-economics of events tourism

This chapter discusses the phenomena of socio-economics and what it entails. The effects of the tourism events industry are discussed from a socio-economic perspective together with some external factors that could influence the extent of event impacts.

Chapter 4: Empirical study

This chapter analyses and discusses the data that was captured during the three surveys. Literature and accompanying tables are used to interpret the findings of the research.

Chapter 5: Conclusions and recommendations

This chapter discusses conclusions derived from the study and recommendations are made.

CHAPTER 2

EVENTS: TYPOLOGY AND MAIN STAKEHOLDERS

2.1 INTRODUCTION

The earliest festivals date back to ancient times where festivities always had mystical or religious foundations. Events with religious or traditional themes create economic impacts (as differently themed festivals also do) through tourists entering and spending money in the community. Modern-day festivals are hosted with a wider range of themes and, in most cases, to attract visitors to generate income (Falassi, 1987:2; as quoted by Getz, 2007:31; Shone & Parry, 2004:2; Saayman & Saayman, 2004:629; Saayman & Saayman, 2006a:570). The preceding statement that indicated that festivals attract tourists and generate income highlight the fact that festivals and tourism have a strong relation since “festivals are marketed as tourist attractions”. This is, according to Quinn (2006:289), evident in the research done by Getz (1991); Goldblatt and Supovitz (1999); Hall (1992); O’Sullivan and Jackson (2002) and Yu and Turco, (2000). Shone and Parry (2004:13) also included the following characteristics as being shared by festivals and tourism: “uniqueness, perishability, labour-intensiveness, fixed timescales, intangibility, personal interaction, ambience, and ritual or ceremony”.

The greater demand for festivals and the growth in the festival market relates to the growth in the tourism industry (Quinn, 2006:298). Allen, O’Toole, Harris, and McDonnell (2005:5, 482) and Shone and Parry (2004:35) indicated that the growth in tourism started to take place worldwide over the past twenty years due to an increase in leisure time and economic growth. Events also started to develop into a separate, individual industry (Allen *et al.*, 2005:5) and the events and festival sector is one of the most rapid growing sectors in the tourism industry. (Fredline & Faulkner, 2000:60; Derrett, 2000:120; Abbott & Abbott, 2000:105). Other reasons for the increase in events include increased disposable income, greater demand for events, and more informed governments on the benefits that events generate (see also Burgan & Mules, 2001:322). Events are also growing due to the increased knowledge of opportunities that events provide in terms of marketing and team building (Allen *et al.*, 2005:5, 482; Shone & Parry, 2004:35).

Event-organising companies began in the same growth period from the 1980s to the early 1990s. Television proved, with its coverage of the 1984 Los Angeles Olympics, that it could increase the economic impact of events, not only to the host city, but also to the whole country (Allen *et al.*, 2005:9). The event-organising companies were proof that economic gain could be

realised from the hosting of events. Since then, cities and states started to compete against one another to host events. The most common benefits of events are the promotion generated and the economic impacts that go along with them (Fredline & Faulkner, 2000:60; Derrett, 2000:122; Saayman & Saayman, 2006a:570; Shone & Parry, 2004:62). Event tourism also involves looking at the contribution that festivals and special events make to destination development (Derret, 2000:120). These developments lead to other advantages, which could influence a community's socio-economic conditions (CBD, 2004:17, 26).

Although events have many positive impacts, governments, and event organisers still need to weigh the benefits against the negativities that accrue due to the hosting of an event and the way that local residents perceive these impacts. Getz (1991, as quoted by Delamere, 1998:9) stated that it is the event organisers' responsibility to maximise community benefits - it is, after all, these people whose lives are influenced by the event. Fredline (2000:1) stated that if the community has a negative perception of the event, the sustainability of the event would be jeopardised.

Australia has been experiencing a growth in events throughout the last few years (Fredline & Faulkner, 2000:60) and South Africa is also becoming a more popular host destination for events. The growth in popularity of events in South Africa and Australia could be ascribed to these countries' marketing strategies, in which events are marketed as a core attraction (Saayman & Saayman, 2006a:570). South Africa will host 13 world cups or world championships in 2008 and three international sports-related congresses or meetings (Department of Sport & Recreation, 2008). The growth and popularity of events is not restricted to the sports sector only. Hughes (2000:159) stated that there is an increase experienced in the arts-related tourism industry as well.

The impacts that sprout from the events industry, as well as the growth of the industry were briefly explained in the preceding literature to indicate the importance of events. It is clear that many benefits could be gained from hosting events, but negative effects are also present. The goals of this chapter are to explain the typology of the events industry, to indicate where festivals fit into the events industry (Figure 2.1), to define the different types of events as well as to explain the importance of various stakeholders, and to discuss factors that cause event failure. The major stakeholders of the events industry will be discussed in relation to Figure 2.3, indicating how these stakeholders and other external factors could influence the extent of an event's socio-economic impacts (these impacts will be discussed in Chapter 3). Event market trends and influences on event failure will be analysed at the end of this chapter.

2.2 ANALYSING EVENTS: THE EVENTS TYPOLOGY

The formulation of a definition for special events proves to be impossible because of its all-encompassing field. Special events are organised for special occasions, to celebrate, to enhance social bonds, and to attain goals (Shone & Parry, 2004:62). These events include: “national days and celebrations, important civic occasions, unique cultural performances, major sporting fixtures, corporate functions, trade promotions and product launches”. Allen *et al.* (2005:11) stated that special events could be hosted due to rituals, presentations, or performances; and Getz (1997:4) formulated two definitions for special events, one from the organisers’ viewpoint and the other from the visitors’ viewpoint.

From the organisers’ viewpoint: “A special event is a one-time or infrequently occurring event outside normal programs or activities of the sponsoring or organising body.”

From the visitors’ viewpoint: “A special event is an opportunity for leisure, social or cultural experience outside the normal range of choices or beyond everyday experience.”

The size or form and content of events could be used to categorise the different forms in the events industry (Allen *et al.*, 2005:11; Bowden, Allen, O’Toole, Harris & McDonnel, 2006:18). The different types of events will be discussed according to Figure 2.1, starting with the “size or scale” as the determinant of events, after which the events that are grouped according to the determinant of “form and content” will be discussed (This figure was compiled according to the descriptive categories as set out by Allen *et al.*, 2005:11-16).

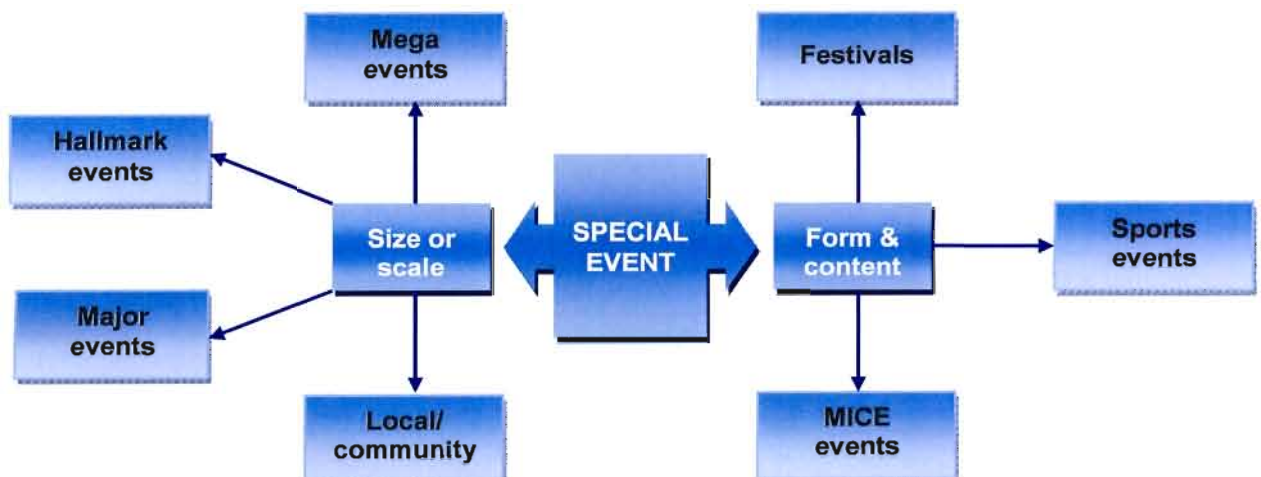


Figure 2.1: Events typology: Special event categories (Compiled from Allen *et al.*, 2005:11-16)

2.2.1 SIZE OF EVENTS AS DETERMINANT

When size is used as a method of categorisation, the following possibilities are found: mega events, hallmark events, major events, and local/community events (Figure 2.1). Allen *et al.* (2005:12), however, stated that the definitions of the event types are not particular. Figure 2.2 indicates the different events in size or scale (adapted from Allen *et al.*, 2005:12). The arrow indicates an increase in size and impacts of events, thus, local or community festivals are smaller with fewer impacts, and mega events are larger with larger impacts on the community.

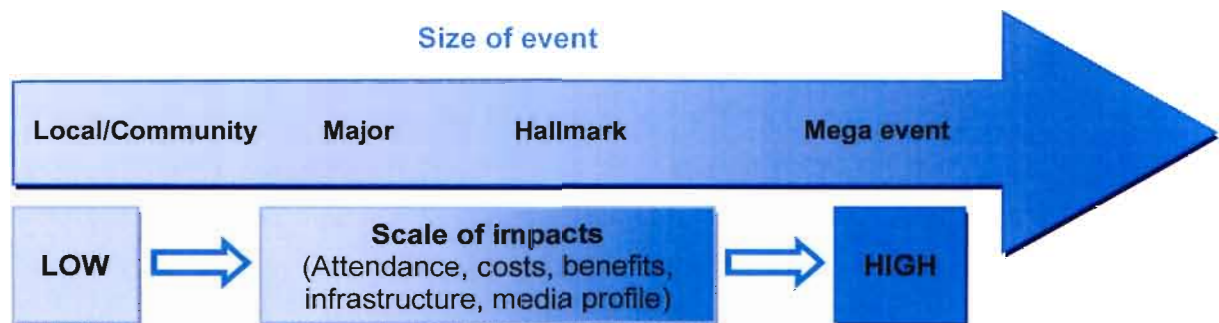


Figure 2.2: Events categorisation by size or scale (adapted from Allen *et al.*, 2005:12)

2.2.1.1 MEGA EVENTS

Mega events attract worldwide interest and lead to many improvements in host cities (Carlsen & Millan, 2002:646). These events are described as “having an extra-ordinary and memorable status” by Roche (2002; as quoted by Torkildsen, 2005:468). Examples are the Olympic Games and the Soccer World Cup.

Getz (1997:6) formulated the following definition of mega events: these events “yield extraordinary high levels of tourism, media coverage, prestige, or economic impact for the host community or destination”. Torkildsen (2005:468) quoted Hall’s (1997) definition of a mega event which states that mega events are “‘mega’ by virtue of their size, attendance, public involvement, political effects, television coverage, construction of facilities, and social and economical impact”.

To summarise, Jago and Shaw’s (1998; as quoted by Bowden *et al.*, 2006:18) definition of mega events could be used: “A one-time major event that is generally of international scale”.

2.2.1.2 HALLMARK EVENTS

Hallmark events become synonymous with the host city or town’s spirit and name. These events could generate a lot of tourist expenditure, community pride, awareness, and international recognition (Cummings & Mihalik, 1993; as quoted by Mihalik, 2000:134).

Examples of hallmark events are: Rio Carnival, Kentucky Derby, Chelsea Flower show, and the Oktoberfest.

Professor Donald Getz who specialises in tourism planning, impact assessment, and events (HGU, 2003), stated that an event “could be the hallmark of its destination... hallmark is used to describe a recurring event that possesses such significance in terms of tradition, attractiveness, image, or publicity, that the event provides the host venue, community, or destination with a competitive advantage. Over time, the event and destination become inseparable... Increasingly, every community and destination needs one or more hallmark events to provide the high levels of media exposure and positive imagery that help to create competitive advantages” (Getz, 1997:5-6).

Ritchie (1984; as quoted by Mihalik, 2000:134) formulated the following definition of hallmark events: “Major one-time or recurring events of limited duration, developed primarily to enhance the awareness, appeal, and profitability of a tourism destination in the short term and/or long term. Such events rely for their success on uniqueness, status, or timely significance to create interest and attract attention”.

2.2.1.3 MAJOR EVENTS

Major events are smaller than mega events but still draw large crowds, media, and have large positive economic impacts (Torkildsen, 2005:469). These events could occur annually and many large sporting events fit into this category; examples are the Formula One Grand Prix and Open tennis and golf tournaments, stated Allen *et al.* (2005:13), who also indicated that arts festivals could develop into major events

2.2.1.4 LOCAL COMMUNITY EVENTS

Local or community events or festivals are characterised by their focus on the local people and are hosted for fun, social, and for the entertainment aspect. These events could bring about benefits such as broadening the mind frame of visitors due to exposure to new ideas, participation in activities; creating a tolerant environment, building community pride, and enhancing the sense of place and feeling of belonging. These are also the reasons for governments supporting the event (Allen *et al.*, 2005:14).

Local or community events could also be defined as: “Family fun events that are considered ‘owned’ by a community because they use volunteer services from the host community, employ public venues such as streets, parks, and schools, and are produced at the direction of local

government agencies or non-government organisations (NGOs) such as service clubs, public safety organisations or business associations” (Janiskee, 1994; as quoted by Janiskee, 1996:404). Janiskee also quoted Hall (1992) who stated that community events could grow in visitor numbers and size to become hallmark events.

2.2.2 FORM OR CONTENT AS DETERMINANT

Form or content could be used as another method of categorisation of events (Figure 2.1). Bowden *et al.* (2006:18) classified festivals under cultural events. Festivals are a form of event found in all societies and have been dated as existing long before the events of modern societies. Other forms of events include sport and MICE (Meetings, Incentives, Conventions, and Exhibitions) events. Sport events also originated long ago and could grow very large in size. MICE (or business) events are well established in the event industry and could generate a lot of revenue for host communities (Allen *et al.*, 2005:14-15).

2.2.2.1 FESTIVALS

In modern times, the descriptions of the terms “festival” and “event” became closely related. Events are often used as a tool to market or brand a host community and events promote tourism activities. Robinson *et al.* (2004) and O’Sullivan and Jackson (2002); as quoted by Quinn (2006:289), noted that bulk of the research on festivals, events and tourism has focused on the economic aspect, while the description of events does, however, not describe cultural or social aspects of festivals (Quinn, 2006:288). Quinn explained that “festivals are events”, but the description of events should not be used to describe festivals because festivals are not as ordinary as events. Quinn (2006:304) also stated the following regarding festivals: “They signal place distinctiveness, create appeal, add interest, enliven image and this attracts visitors, investors, sponsors, and their associated revenue streams. They are, however, much more, in that they serve broader, more deeply embedded social functions that endure in a way that the temporarily engaging ‘splash’ created by events very often does not. Treating them simply as events carries the risk of transforming them into just that: staged attractions created for the singularly economic purpose of attracting tourism generating revenue”.

Quinn (2006:304) quoted Getz (1997) in stating that ‘if there were no host community, there could be no festival’. Quinn concluded that literature indicates that if festivals focus on income generation only (and not community interests as well), the sustainability of the event will decrease; thus the coherence between tourism and festivals needs to be managed with caution so as not to harm the sustainability of festivals or tourism development.

The community involvement in the celebrations of festivals is what distinguishes them from other events (Arcodia & Robb, 2000:157). These authors quoted this concise definition of festivals by Tourism South Australia (1990): "Festivals are a celebration of something the local community wishes to share and which involves the public as participants in the experience". Festivals could also be defined as secular or religious cultural celebrations, which are hosted and designed by the public, for the public. They could take place alongside other events or individually; and "festivals include bringing buyer and seller together in a festival atmosphere" (Silvers, 2008).

Festivals are important to host communities because they expand and build the cultural and social aspects of the community; they also have the capability of creating business opportunities and generating income (Allen *et al.*, 2005:14). Quinn (2006:289) stated that the definition formulated by Getz (1997:8) is an encompassing one that allows these aspects to be included in the festival. The definition reads: festivals are public themed celebrations. Arcodia and Robb (2000:157) combined definitions by Getz (1997) and Goldblatt (1997) to form the following definition: "a festival is a public, freely accessed and themed celebration, which involves a variety of media such as arts and crafts, performances and demonstrations".

There could be many connotations to the word "festival" as Falassi (1987; as quoted by Getz, 2007:31) stated. Falassi's connotations are: "A sacred or profane time of celebration, marked by special observances; the annual celebration of a notable person, or (of) the harvest of an important product; a cultural event consisting of a series of performances of works in the fine arts, often devoted to a single artist or genre, a fair, generic gaiety, conviviality, cheerfulness."

Silvers (2008) included the following as possible types of festival: arts/crafts, heritage, ethnic/cultural, food, historical, local and regional fair, music, pageant, re-enactment, religious, and seasonal festival. Allen *et al.* (2005:14) listed these other forms of festivals: food and wine festivals, film festivals, gay and lesbian festivals and Mardi Gras.

This study will elaborate on the arts festival only because the KKNK is an arts festival and arts festivals are an all-inclusive type of festival, containing elements of all the other festivals mentioned above. The term "event" will be used throughout this dissertation to describe events in general, which include the festival as a form of event¹.

¹ Quinn (2006:304) advises not to place festivals under the same definition as events due to the limitations of the events definition; but Quinn's own statement reads: "festivals are events". Thus, literature and research applicable to events are also relevant to festivals, therefore the term "events" will, in this dissertation, include

An arts festival could be described as “public celebrations of the arts, which aim at preserving and presenting local arts traditions. They are the presentation of a series of arts performances and exhibitions. Arts festivals may consist of a single type of art form (e.g. painting, crafts, folk dancing, drama, film, opera, or music), or a combination of various painting and performing arts” (Chen, 2001:8). In the South African context, Walker *et al.* (2002; as quoted by Saayman & Saayman, 2006a:574) stated that arts festivals “include music, theatre, dance, and visual arts as well as more popular styles such as popular music and puppet shows. To develop all these art forms necessitated a shift from government-supported activities towards the private sector taking charge by means of sponsorship”. Examples of arts festivals in South Africa are: Aardklop Nasionale Kunstefees and the Grahamstown National Arts Festival.

A working definition of arts festivals for this dissertation will combine those of Chen (2001:8) and Walker *et al.* (2002; as quoted by Saayman & Saayman, 2006a:574) while keeping in mind that festivals are cultural “events”. Thus; arts festivals are public celebrations of local arts, traditions, and cultures; combining various forms of visual and performing arts, including painting, fine arts, crafts, drama, film, and all music genres.

2.2.2.2 SPORTS EVENTS

This form of event has ancient origins, dating back to before the first Greek Olympics. This type of event is highly acclaimed by governments since sport events have an entertaining aspect, could draw huge crowds from international shores, and have huge economic benefits for the host city, while the participants, coaches, and officials also benefit from these events. Sports events range in size and could fall into any one of the above size categories of mega, hallmark, major, or community events. (Allen *et al.*, 2005:15).

2.2.2.3 MICE OR BUSINESS EVENTS

The focus of these events is on business and trade, whilst it could include many non-business related activities. An example of a MICE event is the Tourism Indaba, held annually at the International Convention Centre in Durban. This event attracted 12 223 participants in 2007 (South African Government Information, 2008).

Allen *et al.* (2005:15) quoted the following definition of MICE events from the Department of Industry Tourism and Resources (1995) “All off-site gatherings, including conventions,

reference to festivals. This is done for two reasons: (1) it is not the aim of this study to discuss differences between festivals and events and (2) festivals and events share many of the same characteristics.

congresses, conferences, seminars, workshops and symposiums, which bring together people for a common purpose – the sharing of information”.

2.3 IMPORTANCE OF EVENTS

The vivid community celebration atmosphere of festivals (Arcodia & Robb, 2000:157) is what gives them their “specialness” (Gets, 1997:4). This special atmosphere is created and experienced because of the “festive spirit, uniqueness, quality, authenticity, tradition, hospitality, theme and symbolism” of events. This emphasises the point made earlier, which stated that festivals were originally held to celebrate. In more modern times, governments and corporate marketers noted the economic importance of festivals and, as a result, festivals could be held for many different reasons including economic, political, environmental and socio-cultural reasons.

Table 2.1 lists reasons for hosting events. This table combines reasons given by Allen *et al.* (2008:51); Davies and Brown (2000:162); Getz (1997:53); Hughes (2000:91-93, 159); Saayman and Saayman (2004:629); Saayman and Saayman (2006a:570, 571); Shone and Parry (2004:54); and Dwyer, Mellor, Mistilis and Mules (2000:20).

Table 2.1: Reasons for hosting events

Economic and tourism	<ul style="list-style-type: none"> • events could contribute to a more positive image of a host community
	<ul style="list-style-type: none"> • events are attractions, and attract more tourists to a destination
	<ul style="list-style-type: none"> • events could be used as a tool for economic renewal and lead to new developments
	<ul style="list-style-type: none"> • events could animate static attractions
	<ul style="list-style-type: none"> • events could minimise mass tourism’s negative impacts
	<ul style="list-style-type: none"> • events promote tourism (free publicity/destination marketing)
	<ul style="list-style-type: none"> • events provide networking opportunities
	<ul style="list-style-type: none"> • events could lead to employment increases
	<ul style="list-style-type: none"> • events could increase business turnover
	<ul style="list-style-type: none"> • events extend the tourist season

Social and community	<ul style="list-style-type: none"> • events could facilitate better relationships between a host nation and tourists
	<ul style="list-style-type: none"> • events improve community spirit
	<ul style="list-style-type: none"> • events help with nation building
	<ul style="list-style-type: none"> • events contribute to quality of life
	<ul style="list-style-type: none"> • events increase cultural and social understanding
	<ul style="list-style-type: none"> • events foster social interaction and community togetherness
	<ul style="list-style-type: none"> • events build community identity
	<ul style="list-style-type: none"> • events increase community pride
	Human development and empowerment
<ul style="list-style-type: none"> • events provide education opportunities 	
Art, culture and entertainment	<ul style="list-style-type: none"> • events give exposure of the community and local talents
	<ul style="list-style-type: none"> • events provide the local people with an unique experience
	<ul style="list-style-type: none"> • events provide the local community with recreation facilities
	<ul style="list-style-type: none"> • events improve local cultures

As the table above indicates, festivals have the ability to attract many tourists to a destination (Quinn, 2006:304; Slabbert, 2004:20) but, for this to take place, the managing of the event has to be of the highest standard since this could contribute to an improved image of the event and community (Saayman & Saayman, 2006a:570; Derrett, 2000:120-126). Marketers and the community use the images and identity portrayed by festivals to promote the area or community. These images are formed by community cultural development and create the “sense of place” which is the image that the marketplace links with a community.

A festival is the platform where tourists get in contact with the local community and this interaction is where cultural tourism begins (Derrett, 2000:120). Poplin (1979; as quoted by Delamere, 1998:27) stated that a festival “is of the community, by the community, and for the community”. Delamere (1998:25) also quoted Getz and Frisby (1990) who stated that festivals are “public celebrations by and for the people” while Getz (1991; as quoted by Delamere,

1998:4) maintained that the basis of festivals is to celebrate specific social and cultural orientations.

The literature above was used to clearly define events and festivals, to describe concisely the importance of events for governments and the local community, and to indicate how the media coverage of events could be used to market a host destination. Governments, communities and the media are influential stakeholders in the events industry, which could all contribute to a festival's success or failure. The next section will discuss these and other event stakeholders in more detail.

2.4 STAKEHOLDERS

Stakeholders are the entities (people and organisations) who have "legitimate interest in the outcomes of an event". Since the growth of the events industry, events have attracted governmental, as well as corporate interest and support; hence, it has become crucial for event managers to provide for all stakeholders' needs and not just those of the visitor (Goldblatt, 2000:6; Allen *et al.*, 2008:129). Key stakeholders in the events industry are: the host organisation, the local community, sponsors, media, co-workers, visitors and performers (artists in the case of arts festivals, or participants in the case of sport events). Many researchers do not view performers as stakeholders, but this dissertation will include performers as stakeholders due to the importance of artists to events and the influences they could have on the organising and processes of an event. The definition of a stakeholder used in the paper titled "*Understanding the role of the stakeholder in event management*" by Reid and Arcodia (2002:479, 492), leaves room to include performers as stakeholders since the definition reads: "Groups or individuals who are affected or could be affected by an event's existence". This definition cannot exclude performers as stakeholders since performers have a large impact on the organising of a festival.

Researchers have found that event stakeholders have different needs and hopes of what event outcomes should be (Tiyce & Dimmock, 2000:222, 229). The differences in stakeholders' ideas and perceptions complicate their inclusion in the management of the event, stated Bowdin *et al.* (2006:98), and Mbaiwa (2005:159) indicated that discriminating against any stakeholder on any characteristic in terms of benefits received from tourism opportunities is unacceptable. All stakeholders should benefit equally, but this is not easily achieved because of their diversity, and stakeholder participation in events depends on the interest level of these stakeholders as well as the approachability of the event organisers (Reid & Arcodia, 2002:493).

Many stakeholders have huge interests in events due to this industry's ability to provide positive impacts in various fields. To maintain a successful, sustainable event, the influencing and influenced parties (the people involved in organising and those who will be affected by it) need to be identified, each of their goals or needs has to be anticipated and considered in the planning of the event (Bowdin *et al.*, 2006:111; Reid & Arcodia, 2002:485). Satisfying stakeholders through meeting their goals and objectives, would ensure that all the stakeholder groups continue to be part of the organisational system (Reid & Arcodia, 2002:485; Damster & Tassiopoulos, 2005:39). Bowdin *et al.* (2006:98) quoted the Chief Executive of the Sydney Organising Committee for Olympic Games (SOCOG), Hemmerling (1997), who stated that investors and stakeholders deem an event successful if the event's outcomes include "increased tourism, economic activity, tax revenues, promotional success, sustained economic growth, television reach, audience profiles, customer focus, brand image, hospitality, new business opportunities and investment".

The next section will discuss the importance of the stakeholders: host organisation, local community, sponsors, media, participants or spectators and performers. The importance of event stakeholders' involvement in event hosting is indicated in Figure 2.3 under the *inputs* and *processes* to hosting an event. Figure 2.3 also indicates the socio-economic outputs that result from the event, as well as external influencing factors. The inputs, processes, and external influencing factors determine the magnitude of these socio-economic outputs. These external factors and outputs will be discussed in Chapter 3.

The figure was compiled by consulting various sources: Allen *et al.* (2008:64; adapted from Hall, 1989); Dwyer *et al.* (2000:32); Slabbert (2004:65); Getz (2000:19); Tiyce and Dimmock (2000:223-228); Van Schalkwyk (2004:88) and Derret (2000:121).

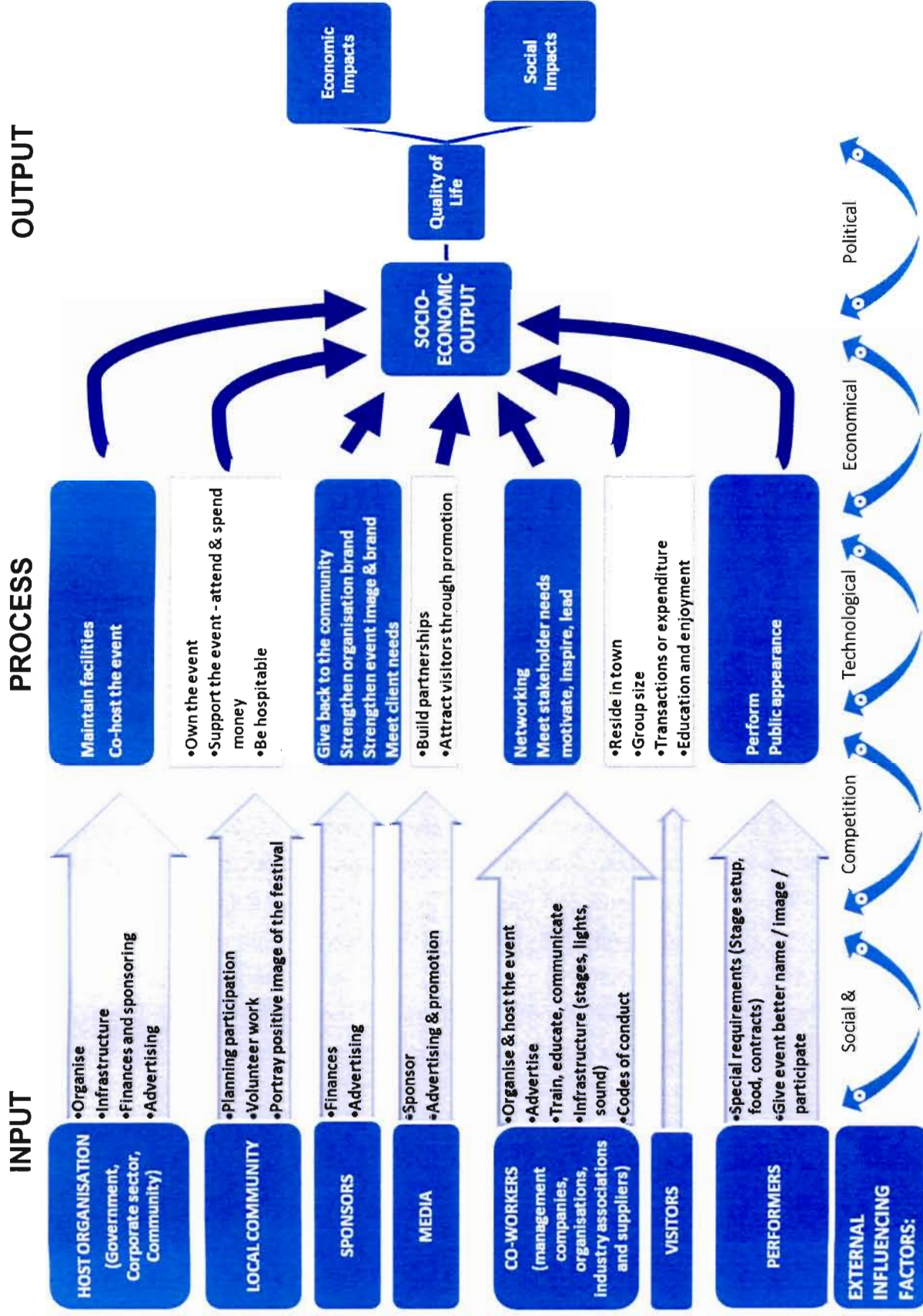


Figure 2.4: Event management from a socio-economic point of view

2.4.1 THE HOST ORGANISATION

The host organisation includes sectors of the government, the community and corporate entities since these are all capable of hosting and organising events (Bowdin *et al.*, 2006:99). The event organiser is dependent on the host organisation for aid and support in various fields, thus it is imperative that clear and effective communication takes place between the event organiser and the host organisation as a stakeholder. The organiser clearly has to state the goals of the event in order for the organisation to provide optimum support.

This section on host organisations will, however, only expand on governments, the corporate sector and the community sector as part of the host organisation.

2.4.1.1 GOVERNMENTS

The real value of events to communities proves difficult to assess and, on this basis, government support toward festivals and events have been fluctuating (Dwyer *et al.*, 2000:31). Governments often receive requests to help with events and, in some cases, governments are expected to support festivals, be it financially, with promotion, bids, infrastructure, or with event programmes (Davies & Brown, 2000:162; Hughes, 2000:44; Slabbert, 2004:188; Yeoman *et al.*, 2004:5). However, governments will only support an event financially if professionals are in charge of the management and marketing of the event (Allen *et al.*, 2005:184) nor will governments easily support an event if no data is available to make calculated decisions or if no standards are set (Goldblatt, 2000:2). There are also positive impacts that encourage governments to support events; some of these influential impacts include: the ability of events to contribute to community belonging, sense of place, and healthy communities.

Requests for government support are justifiable because of the many social and economical advantages events have in stall over the long and short term (Dwyer *et al.*, 2000:31). Burgan and Mules (2000:46; 2001:321) stated that if government support is given, it could only be justified by these positive impacts and by the new money brought in by visitors, who would otherwise not have visited the town. Hughes (2000:44) indicated that, in some cases, government involvement is crucial, since private owned organisations might degrade and deplete natural resources. Governments may, however, also receive criticism for their support of the festivals. Critics question the positive impacts, whether the impacts are not an exaggeration of the reality, and whether or not the impacts occur at all (Burgan & Mules, 2000:47). This criticism is not unsubstantiated since Gursoy and Kendall (2006:608) point out that some cases exist where governments ignore events' negative impacts and elevate the positive impacts.

Festivals or events could also be organised by governments with the purpose of expanding industries, creating employment, or facilitating integration, socially, in sports or in health. These events could range from celebratory or commemorating civic occurrences, entertainment, cultural or arts, to educational or sport events (Bowdin *et al.*, 2006:99; Damster & Tassiopoulos, 2005:40).

From the above, it is evident that governments are important stakeholders in event hosting and would easily support events if there are enough benefits that could be derived from hosting events. Event organisers need to plan events while taking government regulations and requirements into consideration (Allen *et al.*, 2008:131).

2.4.1.2 CORPORATE SECTOR

This sector also hosts events, with its own purposes, or co-hosts events in collaboration with organisations with similar interests, or makes use of opportunities to sponsor events. The corporate sector usually makes use of events to market goods and services and to communicate with their target markets – which is usually the group the event is hosted for. Media and event entrepreneurs (organisers of sport events, large concerts and wine shows) could also present themselves to organise events with to the aims of, respectively, building identity, or organising and hosting events for profit (Bowdin *et al.*, 2006:99).

If an event is organised for a company in the corporate sector, the event organiser needs to understand what the corporate company wants to achieve in the hosting of the event, so as to ensure that the company receives the expected return on investment (Allen *et al.*, 2008:56).

2.4.1.3 COMMUNITY SECTOR

The community sector, as an events organiser, will host events themed around community interests. Examples are: sport events, arts fairs, car club events and fundraisers (Bowdin *et al.*, 2006:99). The importance of the community as a stakeholder will be discussed in the next section.

2.4.2 THE LOCAL COMMUNITY

The local community could be the determining factor of an event's success or failure and its future prospects. The members of the community all have different needs, attitudes, and aspirations, which have an influence on the sustainability of an event (Kitshoff, 2004a:74; Allen *et al.*, 2008:132) and the community will only support it if the positive impacts exceed the negatives (Gursoy & Kendall, 2006:608). Event organisers need to fully understand the host community and should strive to gain their support by meeting their needs. If the local people are not receptive and

positive about the event, the sustainability of the event could be jeopardised (Fredline, 2000:1; Slabbert, 2004:186; Gursoy *et al.*, 2002:100).

The host community is extremely important because they feel and experience the actual positive and negative impacts of the event. Many researchers have found that the locals have to “own” and be involved in the event for the event to be sustainable, this is especially true for smaller community events (Allen *et al.*, 2005:91; Saayman & Saayman, 2004:636; Nyaupane, Morais & Dowler, 2006:1382). This participation, support, and “owning” of an event portray a positive image to the outside world, which is necessary to attract visitors (Getz, 1997:57; Jago *et al.*, 2002:124-125). Hinch and Delamere (1993; as quoted by Delamere, 1998:26) stated that this conservation of community-focus at festivals will contribute to the unique “feel” each festival has and will prove to be a successful method in community development. This was confirmed at the 2000 Sydney Olympics where the involvement from local volunteers helped to create the “friendly dimension” experienced at the games (Jago *et al.*, 2002:125) and volunteer workers are of great worth to an event since these workers offer their time and money to contribute to a better event (Getz, 2000:19).

Community involvement in event planning becomes more difficult with the increase in festival size (Allen *et al.*, 2008:53), but ownership and community support in festivals could be achieved by including the local stakeholders in the planning of the event. Although including locals in the planning process helps to gain community support, the implementation of a specially devised marketing campaign for the host community is necessary to ensure their attending and participating in the festival (Gursoy & Kendall, 2006:618). This marketing should address the festival-related needs of the local community stakeholders (community stakeholders could include community members, environmentalists, consumers and indigenous leaders (Allen *et al.*, 2005:184). A possible indication of whether or not a community took ownership of an event could be seen in the percentage of expenses at a festival. If a high percentage of total expenses come from the locals, it could be an indication that the locals took ownership of the event (Saayman & Saayman, 2004:636).

Festivals that originate or are organised by the community itself (with full community ownership) are often more sustainable than others (Nyaupane *et al.*, 2006:1374), but there are some aspects that lead to a community’s dependence on a support system to organise festivals. Nyaupane *et al.* (2006:1374) listed these aspects from quoting the following authors: Campbell (1999), Gartner (1996), Tosun (2000), Kang (1999), and Timothy (1999):

- Capital funds, knowledge, infrastructure.
- Cultural limitations that bar the community's involvement in tourism.
- Difficult concept to grasp. Rural communities may not be familiar with tourism as a leisure activity and may only be used to visitors who are on pilgrimages.
- Political structures might let locals feel inept to get involved in tourism planning. Residents might feel it is a governmental duty.

Thus, regardless of whom the event organisers are, its sustainability is highly dependent on community involvement and a hospitable attitude (Gursoy *et al.*, 2002:80). Levels of community involvement are largely influenced by community perceptions regarding the event and the organisers' effort to include them. Therefore, the event organiser has to develop effective communication strategies to inform and involve the community in event planning (Allen *et al.*, 2008:56).

2.4.3 SPONSORS

The corporate side of events became more evident when organisations realised the opportunities that events provide to create image, do marketing and promote new products services or to increase sales. This made sponsorships a fundamental part of hosting an event (Bowdin *et al.*, 2006:99, 104; Slabbert, 2004:181; Damster & Tassiopoulos, 2005:37). Grey and Skidlum-Reid (2003; as quoted by Allen *et al.*, 2008:345) stated that sponsorships are "one of the most powerful media to form relationships" with interested parties. Nuntsu and Shukla (2005:174) gave the following definition of a sponsor: "To the event manager, a sponsor is any individual, agency or group that provides resources in exchange for specified benefits or performance. Sponsorship is quite different from money given to events out of charity or purely for public relations. The sponsor will view the exercise as an investment and expect something in return for their support – and sometimes it can be difficult to deliver. In effect, sponsorship should be regarded as a mutual marketing exercise".

Events do attract sponsors (Quinn, 2006:304), but a great misconception exists that this is an easy task. Sponsors need to receive something in return and usually want to improve their organisation's image, thus they would rather support an event that supports a social system or gives back to the community (Shone & Parry, 2004:114). The chairperson of the KKNK (David Piedt) stated that it is their aim to develop the Afrikaans arts market by means of sponsorships and simultaneously to attract a larger market to the festival (Wicomb, 2005). Bowdin *et al.* (2006:99, 104) stated that sponsors have to be impressed by marketing of the event, happy with the way the

event portrays their brand and have to receive tangible benefits. If this level of marketing could be assured, it would facilitate the process of finding sponsors for the event.

Sponsorships play a crucial role in events. Hosting of events requires big capital inputs and would not be able to take place without sponsors (Patterson, 2000:201; Slabbert, 2004:186) – this was confirmed by the KKNK when a website reported that the festival would not have taken place without a “substantive sponsorship” (Oudtshoorn info, 2005b). Sponsorships contribute to events’ competitive advantages over other events and are one of the only areas from which events receive money (Nuntsu & Shukla, 2005:175; Shone & Parry, 2004:113). Sponsors also promote, sell, and increase standards of the event; they support communities and contribute hugely to sustaining tourism and arts festivals (Slabbert, 2004:178, 186; Saayman & Saayman, 2006a:582; Shone & Parry, 2004:62). The importance of sponsors is evident in the case of the KKNK with 45 sponsors listed on their website (ABSA KKNK, 2008) including the name sponsor (ABSA, also the main sponsor) who gave a sponsorship to the value of R19.4 million over five years (Oudtshoorn info, 2006), founding sponsor, premier, senior, project and product sponsors, government and media affiliates. Steve Booyesen, CEO of ABSA, who is the KKNK’s name sponsor, commented that they are supporting the development of arts and culture through their sponsorship.

Various reasons exist as to why sponsors support events financially. Slabbert (2004:182) did research on cultural events, which indicated various reasons for sponsoring an event. The most important reasons were to introduce and sell products; to market the company, to reach target markets, to build a better image, and to build relationships with visitors. These are all confirmed by Allen *et al.* (2008:135, 350) and by Damster and Tassiopoulos (2005:175,176) (except for the first reason) as reasons why sponsors support and invest in events.

Sponsors need to clarify their objectives in sponsoring an event. The event organisers need to compare this with their goals for the festival, since the two can differ. For example, sponsors might be more interested in higher media coverage than event attendance numbers. Thus, event organisers need to fully understand the sponsors’ motives and should treat them as partners in the event (Bowdin *et al.*, 2006:104).

Events and festivals are popular to sponsor because the setting they provide give organisations the coverage they want, and that is to connect with target markets and not to just talk to them. The festival creates a social atmosphere in which the target market could be approached and thus is more amenable to marketing messages (Allen *et al.*, 2008:145, 347).

Events and festivals benefit in more than one way from sponsorships. The same is true for sponsors benefiting from events. Thus, the event manager has to ensure that the sponsoring company would help the event attain its goals and that the event would provide the outcomes sought by the sponsor. Figure 2.5 indicates the exchanges that take place between an event and its sponsor and what each party seeks. Two major goals of the event organisers are financial support and marketing, while businesses want to enhance their brands and increase sales. By sponsoring an event, businesses could attain these goals while the event receives marketing as well as the financial support it needs.

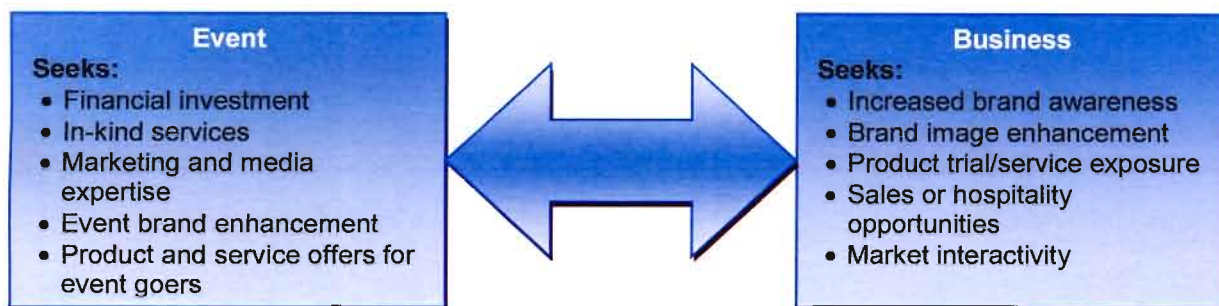


Figure 2.4: Needs stemming from event-sponsor relationship
(Crompton, 1994; adapted from Allen *et al.*, 2008:350)

2.4.4 MEDIA

The media's role in events could be to sponsor, to become a partner, to become a producer of an event, or a combination of these. Events attract a lot of public interest, thus providing the media with "good television" and broadcasting material (Bowdin *et al.*, 2006:106). The media is, in the case of the KKNK, a founding member and the media is represented as one of the premium sponsors, three senior sponsors, and five project sponsors at this event (ABSA KKNK, 2008).

Technological growth contributed to the media's influence and importance in events. Some events attract such great media coverage that the existence of the event in reality is less significant than its virtual existence. Television events are favourites for sponsorship due to the great media coverage they receive. Media and technology also have benefits for live audiences with the instantaneous screening of the event on big screens and the ability of replays. Reasons for the continual growth in media interest of events are the media's ability to attract sponsors and to enhance a community's reputation (Bowdin *et al.*, 2006:105).

Event organisers also have to understand and meet the media's needs completely because the media is a very important event stakeholder since they provide advertising (Slabbert, 2004:178), which draws visitors to the event. The media could build the event's image by means of publications, radio and television coverage (Yeoman *et al.*, 2004:33) and the interaction between

the media and the event would increase event exposure and the benefit the media receives from this is that the media becomes synonymous with the event (Allen *et al.*, 2008:137).

2.4.5 CO-WORKERS

Every person or section involved in hosting a festival is a co-worker. These include key managers, stage managers, crew, cleaners, stewards, publicists, security, ticketing, and the hiring of performers. All co-workers are part of the events team and contribute to the event's success (Wanklin, 2005:122), and everybody in the team should strive to reach the same vision (Allen *et al.*, 2008:138).

The growth of the event industry has led to the establishment of event organisers and event markets grew to cross international borders. The magnitude of this industry has led to the development of careers in organising events and the communication industry. Shone and Parry (2004:35) chose not to talk about an events "industry" due to the multifaceted components that comprise this business, but this study will, in the following parts, refer to an "events industry" and discuss its role players.

The events industry's role players are event organisations, management companies, industry suppliers, industry associations, and external regulatory bodies (Allen *et al.*, 2005:16). These key components or role players of the industry will be discussed as part of the co-workers since good relations and abundant communication has to take place between the event organiser and these industry role players because they play vital roles in event prospects.

2.4.5.1 EVENT MANAGEMENT COMPANIES

Event management companies organise events on a contract basis for other organisations or companies. These companies will arrange everything necessary to host the event including outsourcing some actions that industry associations or external regulatory bodies specialise in (Shone & Parry, 2004:40, 41; Allen *et al.*, 2005:17). Activities include: "assessment, definition, acquisition, allocation, direction, control, and analysis of time, finances, people, products, services, and other resources to achieve objectives (Rutherford Silvers 2004, as quoted by Damster & Tassiopoulos, 2005:39). An event manager's job is to oversee and arrange every aspect of an event, including researching, planning, organising, implementing, controlling, and evaluating an event's design, activities, and production" (Damster & Tassiopoulos, 2005:39).

Event managers are people leaders in management companies who motivate and inspire workers to attain event goals (Goldblatt, 1997; as quoted by Bowdin *et al.*, 2006:106).

2.4.5.2 EVENT ORGANISATIONS

Event organisations are specific organisations that organise and host an event. An example is Big Concerts. This company has eight departments: managing tours, marketing, sponsorships and sales, legal aspects, technical aspects, merchandising, talent acquisition and inventories and itineraries (Big Concerts, 2008). Some festivals or events are organised by larger organisations with their own in-house events organising members (Allen *et al.*, 2005:16).

The KKNK is registered as an Section 21 company with a team of five permanently employed managers in the fields of: managing director, marketing manager, financial manager, client service manager, and special projects and services manager (Kitshoff, 2004a:73).

2.4.5.3 INDUSTRY ASSOCIATIONS

Industry associations provide training, education, networking, communications, ethical codes, and support services (Shone & Parry, 2004:40; Allen *et al.*, 2005:17). SATSA (Southern Africa Tourism Services Association) is an example of a tourism industry training association (Southern Africa Tourism Services Association, 2008).

2.4.5.4 EVENT INDUSTRY SUPPLIERS

Event industry suppliers are companies that supply goods or infrastructure needed by event management companies. Examples of these supplies are: stages, sound, lighting, and audiovisual production, and catering. Other fields of work that event organisers require are in security, legal aid, communication, transport, and accounting (Shone & Parry, 2004:44; Allen *et al.*, 2005:17).

2.4.5.5 EXTERNAL REGULATORY BODIES

External regulatory bodies include governments and statutory bodies that set up rules, application forms to host events or codes of conduct with which event organisers need to comply. These bodies oversee the events to ensure compliance with government rules such as noise, food regulations, street barricades, and waste management (Allen *et al.*, 2005:18). The above, together with the support from sectors such as the police, fire brigade, first aid, traders, transport, council, influential groups, and residents (which are all classified as part of the host community by Bowdin *et al.*, 2006:130), could help maintain an event's success (Allen *et al.*, 2005:91; Delamere *et al.*, 2001; as quoted by Sherwood, 2007:135).

2.4.6 VISITORS

Since the event is fundamentally held for the visitors, their needs are of utmost importance and the event cannot take place without visitor attendance (Slabbert, 2004:141, 185) - the visitors

ultimately determine the success of the event because it is in visitor numbers and expenditure that event success is measured (Allen *et al.*, 2008:139). Academics stated that the more visitors that attend a festival, the more expenditure takes place in the community (new money enters the local economy) (Blake *et al.* (1979); Burns *et al.* (1986); Faulkner (1993); Foley (1991); and Gripaios (1995) as quoted by Saayman & Saayman, 2004:629; Saayman & Saayman, 2006a:582). Event managers should, however, be aware of the two types of visitors to events, low spenders and high spenders, and should focus on attracting more of the latter (Saayman & Saayman, 2006c:219; Thrane, 2002:286). Another way to improve the success of an event is by making events “special”, touching visitor emotions (Allen *et al.*, 2008:139) and a touched visitor is likely to revisit the festival the following year.

Events are highly social happenings and people visit events and festivals for different reasons, including social, work-related, or general reasons (Shone & Parry, 2004:33). Taking part in the sociability of the event is one of the criteria listed by Allen *et al.* (2002; as quoted by Slabbert, 2004:119) as a factor that makes an event enjoyable for a visitor.

2.4.7 PERFORMERS (ARTISTS)

Performers at events or festivals include artists (at arts festivals) and sports players (at sporting events); and Kitshoff (2004a:75) stated that performers are important role players in the KKNK. Literature does not often indicate performers as stakeholders in an event, but literature does indicate that performers add certain aspects to events. The definition of “a stakeholder” (cf. 2.4) states that a stakeholder could be anyone influenced by, or with an influence on, the event. This dissertation views artists and sport participants as important stakeholders due to the influences these people could have on the event. It is important to point out that not all events have performers, or at least not the same type of performers. This section will indicate how performers could influence an event and should therefore be regarded as stakeholders. The list below indicates some influences performers have on events:

- Performers add a “thrill” to events. Earl (2001) and Oakes (2003), as quoted by Leenders, Van Telgen, Gemser and Van der Wurff (2005:149) stated that visitors attend music festivals for “the thrill of physical proximity to the artist(s) – which cannot be experienced through listening to CDs”.
- Ticket prices increase with performers’ popularity or professionalism (Leenders *et al.*, 2005:150).
- The professionalism or quality of the event could be enhanced by performers (Gwinner, 1997:150).

- Performers' popularity could contribute to an event's "brand identity" (Johns & Mattsson, 2005:615).
- The event's image could be enhanced by popular performers (Gwinner, 1997:150).
- Visitor attendance numbers increase with greater popularity of performers (Gwinner, 1997:150; Hall, 1992; as quoted by Slabbert, 2004:27; Michigan music teachers association, 2005:6) and professional performance (Dobson & Goddard, 2001:329).
- Performers influence attendance numbers with their support crew numbers, including managers, coaches, and reserves (Conway, 2004:59; Kurtzman & Zauhar, 1997; as quoted by Saayman, 2001:12; Allen *et al.*, 2008:469-470).
- Performers could contribute to the ambience of an event, which could influence visitor attendance (Slabbert, 2004:22).
- "Star players" could influence earnings and increase the number of supporters who watch a performance on television, which leads to greater media coverage of the event (Goddard & Sloane, 2004:12).
- Time schedules – Performers have to be booked in advance to ensure availability of the artist for performances, media conferences and rehearsals. The availability of artists could influence the line-up of a stage where more than one act takes place (Allen *et al.*, 2008:469-470; Visser, 2005:169). The line-up could also be a determinant of event attendance at certain times of the event.
- "Contracts and legal requirements" – Performers' compensation could take up much of an event's income (Slabbert *et al.*, 2007:39). Artists' rates are normally influenced or determined by a union. Public liability and copyright are other aspects that could influence costs and reproduction of performances (Allen *et al.*, 2008:470).

The literature above indicates that each stakeholder plays an important but different role in the development and hosting of the event and that each stakeholder has different needs to which the event organiser has to comply as far as possible. Allen *et al.* (2005:126) stated that events with clearly formulated visions and missions would shape and steer the development and execution of the event. Interested parties and the host community's needs would partially shape the mission and vision. Developing goals for events will prove useful in providing guidance to organising members and formulating objectives will help organisers to measure their progress in reaching the goals of the event. It was also mentioned that the desired outcomes of an event have to be clearly stated, as this would simplify the search for the correct sponsors.

Research on two arts festivals in Ireland indicated that both festivals contributed to arts development, wealth creation, general development, venue infrastructure, increases in arts

demand, and increase in supply of arts festivals (Quinn, 2006:298). These festivals also functioned as tourist attractions, which increased each festival's chance of receiving better governmental support, funding and city space as well as larger corporate sponsors (Quinn, 2006:299).

With the growth in the events industry, much competition between events developed but, by clearly stating event goals and objectives, the competition in the market could be minimised. Getz (2000:20) stated that there is a lack of research on demand and supply factors of events and that this type of research could also indicate the enormous influences that competition, resources, and management have on the industry and, in effect, avoid event failure.

2.5 EVENT FAILURE

Some events cease to exist because the events market has become saturated - with more event or entertainment options available, people would substitute one for the other (Getz, 2000:18). Some academics reason that if the arts did not exist in a city or town, the residents would spend money on other entertainment or goods and services (Heilbrun & Gray, 2001:357). However, it could also be reasoned that if the arts did not exist locally, people could travel to neighbouring towns or cities to buy or support some kind of art form. This is a negative aspect since purchasing goods and services from neighbouring towns means that there is less local expenditure, which lowers the multiplier effect and the total economic impact. Event failure could imply that some negativity sprouted from the event, such as damages to the image and credibility, or the promised benefits could not be realised (Van Heerden, 2003:57, 58).

The following list indicates reasons as to why events fail, the majority of these were indicated by Getz (2000:20).

Events fail due to a lack of:

- Professionalism:
If the organisers do not have the proper know-how, lack training, and education, events could fail (see also Shone & Parry, 2004:33).

- Finances:
A lack of funding, financial management, as well as other resources could lead to the failure of an event (see also Shone & Parry, 2004:33; Van Heerden, 2003:57).

- Competitors:
Other events could attract visitors away from one festival, creating a division in the demand.

- **Event life cycle:**
An event's life cycle could reach the point of decline irrespective of the alterations implemented by organisers.
- **Assistance:**
Inept assistance that does not contribute to development and prosperity could influence the success of the event.
- **Evaluation:**
Improper event evaluation criteria could lead to a less prosperous event future.
- **Community support:**
If the community does not contribute to the event, the event could fail. The community could withdraw from participation if they have no pride in hosting it, which would portray a negative image of the event (Jago, Chalip, Brown, Mules, Ali, 2002:125; Getz & Frizby, 1989; as quoted by Reid & Arcodia, 2002:484).
- **Stakeholder participation:**
If stakeholders do not actively participate, the event could fail (Clarkson, 1995:112).
- **Sponsors:**
Events are highly dependent on sponsorships for finances and promotion and would not be able to take place without the support of sponsors (Patterson, 2000:201; Slabbert, 2004:186; Oudtshoorn info, 2005b). Sponsors support events for the advantages their companies could gain from doing so (Shone & Parry, 2004:114) and Damster and Tassiopoulos (2005:39) stated that event organisers have to ensure that sponsors satisfy their needs, or the sponsorship would be lost. Thus, if sponsors are not impressed by the event, they would withdraw from it and the event would fail.
- **Political:**
Terrorism threats or political conflicts are a great concern for tourists and these phenomena would cause tourism demand to decrease (Araña & León, 2008:311). Thus, political aspects could result in low numbers of tourists, causing minimal expenditure and event failure.

2.7 CONCLUSION

The goals of this chapter were to indicate where festivals fit into the events industry, to explain the importance of event stakeholders and their influences on event outcomes as well as to assess factors that could lead to event failure. These goals were met with the aid of an events typology (Figure 2.1), the inputs, processes and outputs figure (Figure 2.3), and, lastly, through a literature study of event failure aspects.

This chapter indicated that events could be classified according to “size or extent”, or “form or content”, and festivals are grouped under the latter and that the growth in the events industry has led to much interest by event stakeholders. Many of these stakeholders support festivals for the possible benefits that could be derived from the hosting and the sponsoring of a festival. The positive impacts of events increase with increased stakeholder participation and support, these impacts could improve the quality of life of residents in socio-economic aspects such as income levels, job opportunities through new developments and growth in business opportunities, and better city images and identity. However, events that support the sustainable development of communities and the social well-being of communities enjoy preference because sponsoring organisations could improve their image by supporting events that give back to societies and communities. The community also plays a fundamental role in the existence of an event and has to be approached in the planning of the event; otherwise, the community could become antagonistic towards the event, which could lead to a decrease in event sustainability. It is crucial for the event organisers to build relationships with all stakeholders since each stakeholder has different needs to which the event organiser has to satisfy as far as possible. Event organisers also need to stay informed on possible threats or hindrances that could lead to event failure and should plan the event to overcome all threats. These and other stakeholder roles are summarised in **Table 2.2**.

Table 2.2: Summary of stakeholder roles

Stakeholders	Stakeholder inputs and processes that help to ensure a successful and sustainable event
The host organisation (government, corporate sector, community sector)	Provide services for the event Provide and maintain event infrastructure Promote the event Aid the event financially
The local community	Take ownership of the event Participate in the event and in the event planning Support and be proud to host the event
The sponsors	Support the event Provide finances Promote the product Give back to the community
The media	Build event image Build partnerships with organisers Promote and advertise the event
Co-workers (Event management, event organisations, industry associations, industry suppliers)	Organise and host the event Advertise the event Train, educate, network, and communicate with all workers Co-ordinate all stakeholders and important role players Meet stakeholders' needs Supply event infrastructure Formulate codes of conduct
Visitors	Participate in the event, spend money
Performers	Act as drawcard for visitors Add quality and prestige to the event Influence ticket prices and stage setup

(Adapted from Slabbert, 2004:194)

The extent of the socio-economic outcomes of events is not only influenced by the stakeholders, but also by external influencing factors. These factors and the socio-economic impacts of events will be discussed in the following chapter.

CHAPTER 3

SOCIO-ECONOMICS OF EVENTS TOURISM

3.1 INTRODUCTION

The previous chapter indicated that all the event stakeholders have different needs to which the event organiser should attend. It was also indicated that each stakeholder makes unique contributions to the hosting of the festival and the socio-economic impact of the festival and that, without the stakeholders, the festival would be a failure. Stakeholders form part of the starting point of festival organising, providing the main inputs and invaluable contributions to the organising and hosting process (Figure 2.3). Goldblatt (2000:6) stated that event organisers should grasp the importance of stakeholders at the beginning stages of the event process and should focus on generating greater rewards for the stakeholders. The magnitude of stakeholders' support and input has a direct impact on the magnitude of the event outputs. These outputs are indicated in Figure 3.1 as the socio-economic impacts of events. The goal of this chapter is to discuss these outputs as various socio-economic impacts, which could influence the host community's quality of life.

This chapter is divided into four main sections: Socio-economics, economic impacts, social impacts, and external influencing factors. The first part of the socio-economic section will begin with an introduction to socio-economics that will indicate the relationship between socio-economics and quality of life, and indicate the impacts of events in economic and social areas of the host community's quality of life (Figure 3.1). The economic and social impacts will be discussed in the second and third sections of this chapter. The last section will address various external factors (political, economic, technological, competition, social and cultural, as indicated in Chapter 2, Figure 2.3; which will be expanded in Figure 3.2) that could have a determining effect on the extent of the economic and social impacts.

OUTPUTS

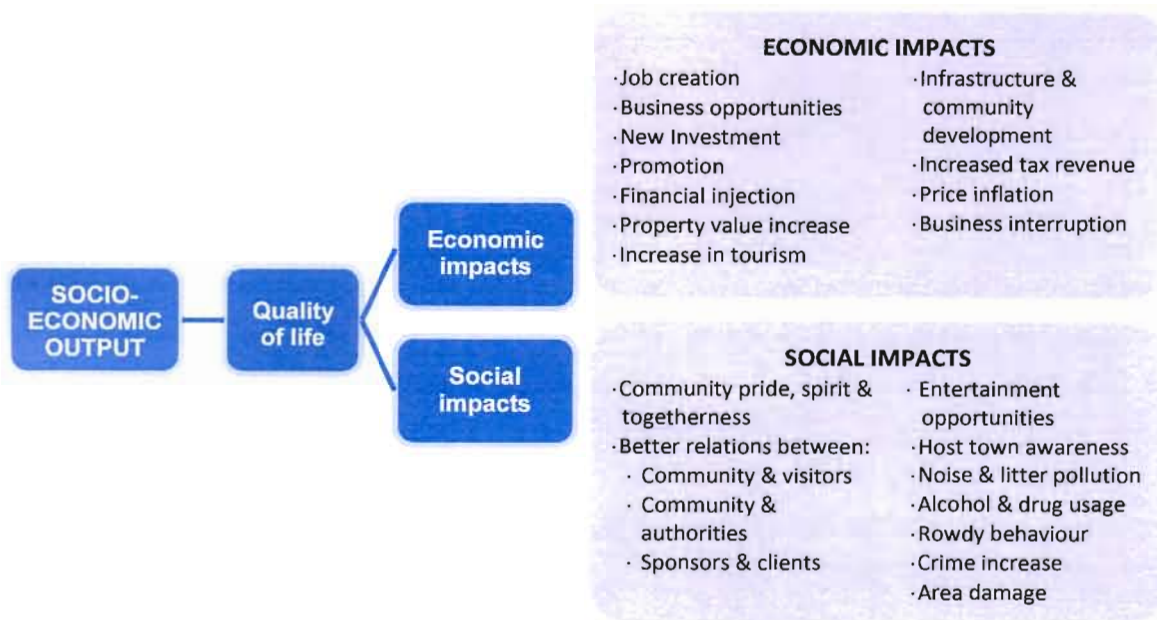


Figure 3.1: Socio-economic impacts of events

3.1.1 SOCIO-ECONOMICS OF EVENTS TOURISM

Governments use events, according to Burgan and Mules (2001:322), as catalysts for development. It is the outcomes of these events that influence host communities' "socio-economic conditions" (Eadington & Redman 1991; Lea 1988; as quoted by Saayman & Saayman, 2006a:570; Glasson & Heaney, 1993:336; Yeoman *et al.*, 2004:337). Glasson and Heaney (1993:336) indicated areas where developmental impacts could be perceived in the physical, natural, social, and economical environment, causing changes in areas of education, employment, health, safety, values, and lifestyles. These two authors then described the importance of socio-economic impacts on communities as follows: "Socio-economic impacts are important because the economic fortunes and lifestyles and values of people are important. A comprehensive coverage of such impacts would include a full range of both economic and social impacts".

Socio-economic impacts are those that have an influence on the quality of life of communities, according to Bowles (1981; as quoted by Glasson & Heaney (1993:336), hence the chronology of Figure 2.3 and Figure 3.1. Many authors have indicated that festivals attract tourists and this influx of people to a host community could influence the host population's quality of life (Andereck, Valentine, Knopf & Vogt, 2005:1056; Fredline & Faulkner, 2000:60; Gursoy & Kendall, 2006:617; Gursoy *et al.*, 2002:80; Derret, 2000:126; Reid & Arcodia, 2002:500; Mbaiwa, 2005:2; Getz 1997:1). As mentioned by Edwards (2000) and captured in the problem statement in Chapter 1. These impacts can also be described as socio-economic impacts.

The term “quality of life” refers to socio-economic factors (Figure 3.1). Other terms have been used by various authors to refer to similar socio-economic factors; these terms include “the degree to which people flourish”, “living conditions” (Veenhoven, 2000:3-4), “welfare”, “happiness”, “life satisfaction”, “wellbeing”, which also describes “how well we are doing” - collectively, or individually (Veenhoven, 2006:1; Peiró, 2002:3). These terms do not all refer to exactly the same paradigms, but note that the meaning of “quality of life” is also subject to the context in which it is used.

Various authors listed the following as major quality of life influencing aspects: employment, income, education, congestion or overcrowding, intimacy (with friends or relatives), social activities, feeling useful, partaking in interesting activities, crime, and pollution (Mafiri, 2002:58; Veenhoven, 2006:4, 11-18; Brunt & Courtney, 1999:495; Andereck *et al.*, 2005:1056; Gursoy *et al.*, 2002:80; Reeves, 2002:126-128; Nyaupane *et al.*, 2006:1379; Casado-Izaga, 1999:31; as quoted by Viljoen, 2006:112). Other authors have described some of the above aspects as socio-economic aspects (Veenhoven, 1992; Gerdtham & Johannesson, 1997:8, 17; Khan, 2005:345; Peiró, 2002:14) and hence many of these terms are captured in the community survey questionnaire (see Appendix A). All these aspects could be divided into social or economic influences, hence the derivation that socio-economics is an encompassing term for quality of life influencing factors (Figure 3.1) and, in this dissertation, the term “quality of life” refers to the well-being of the community as a whole.

Both Veenhoven (1992, 2006, 2007) and Peiró (2002) did research on the influences of income and education on quality of life (or socio-economic conditions) of communities, studying how income and education correlate with the happiness and life and financial satisfaction of communities. Veenhoven (2006:27) stated that the context of “quality of life” is extremely inclusive and the most accurate summary available that includes all fields covered by quality of life is “how long and happily a person lives”. Peiró (2002:14) indicated that social aspects largely influence both happiness and satisfaction similarly, but different economic aspects influence happiness and satisfaction differently.

The results from various studies indicate that residents are happier with higher levels of income, employment, and education (Veenhoven, 2007:9; Easterlin, 1995:44; Gerdtham & Johannesson, 1997:14). Living in a democratic country, with sound governmental conduct and “freedom and tolerance” also contributes to a person’s happiness (Veenhoven 2007:9). However, Peiró (2002:14) stated that there is a low correlation between a person’s happiness and employment and that as soon as a medium level of income is reached, the correlation between income and happiness weakens. Gerdtham and Johannesson (1997:14) stated that education produces a better health status and this would also increase happiness.

Veenhoven (1992) and Peiró (2002:14) indicated that income does not influence life satisfaction, but it does influence financial satisfaction (Peiró, 2002:14). Unemployment negatively influences satisfaction in general while better health status (Peiró, 2002:14) and education (Veenhoven, 1992) improves life satisfaction. Thus, one could derive that income, health, education and employment influence a community's quality of life.

Business and Arts South Africa (BASA, 2004) quoted Peter Drucker, who stated that quality of life plays a decisive role in economic developments. Investors would only do business where sustainability, growth, and improvements in quality of life could be realised and not elsewhere, because investors predict that low quality of life means that return on investment would not take place. These conditions are often only found in communities with an already prosperous lifestyle. Socio-economic developments that improve quality of life, are proposed by Dr. De Kock (Department of Government Communication and Information Systems, 2008:3), as the only way in which social crimes could be alleviated in South Africa.

Thus, a relevant statement for South Africa is the one made by Getz (1997:351) and Visser (2005:157), which reads: "real event cost and benefit measuring is not as important as to who receives benefits and who pays the costs". Damster and Tassiopoulos (2005:93) agreed that the question "who benefits?" should be the important question of a socio-economic impact assessment and this question will be answered in this dissertation.

3.1.2 THE IMPORTANCE OF SOCIO-ECONOMIC RESEARCH

Etzioni (1986:475; 1990:445) declared that the neo-classical economic paradigm is outdated and that a new paradigm had to be formulated which would focus on the interdisciplinary areas of behavioural economics since this is a separate subject. This paradigm is called socio-economics.

Amitai Etzioni is the greatest contributor to the socio-economic paradigm, according to Hollingsworth (2003:130), which is a discipline that combines the perspectives of neoclassical economics with those of sociology, anthropology, psychology and political science (Etzioni, 1995:251; Etzioni, 1986:479; Anon, 2006).

Huws (2002:7) formulated a definition of socio-economic research² for “The RESPECT project” – a project funded by the European Commission’s for Information Society Technologies. The reason for this project was to develop guidelines under which socio-economic research should be conducted since there has been a fast growth in this field (Institute for Employment studies, 2004). A very simplified and concise form of this definition states that socio-economic research should focus on economic, social and employment policy issues. The *Journal of Law and Socio-economics* also gave a crisp definition of socio-economics: it is when the link between the economy or economics and social life is examined (Anon, 2006).

Socio-economic impact studies provide important information and are usually conducted as a result of new development. Events tourism facilitates new development through its many positive impacts on host communities (Vazquez, 2001:vi; Bowdin *et al.*, 2006:98). The quarrel around developments concerns socio-economic benefits deduced versus the biophysical costs, stated Glasson and Heaney (1993:336) and quoted Bowles (1981) who stated that peoples’ moral values, living standards, and their riches are important – which are all subject to impacts caused by new development - that is why socio-economic impact research is important. Glasson and Heaney (1993:336) then described socio-economic research as a way to measure the importance of lifestyles and values of people and Ashford (2005:3) maintained that socio-economic research, as a norm, attempts to contribute to positive changes in society.

Many sociologists used to be more negative towards tourism-related developments than economists have been, but this mindset might be altered, stated Wallman, at “*The first British conference on the social anthropology of tourism*” (Benthall, 1988:20). This conference aired and reminded delegates that tourism could possibly be the only way in which wealth could be realised in smaller communities with few natural resources.

² “Socio-economic research is defined as any research carried out by people qualified in business studies, industrial relations and management studies, demography and statistics, economics, education, human and economic geography, law, criminology and penology, political science, psychology and related disciplines, sociology, applied social studies and anthropology, or socio-technical studies; or involving carrying out interviews, whether in person or by telephone or email, with individual informants or groups, observations, including the use of ethnographic methods, surveys, secondary analysis of existing data, non-medical experimental research involving human subjects, comparative analysis, including cross-cultural research, analytical literature surveys, scoping exercises and content analysis, case studies, action research or evaluations; that addresses issues of relevance to economic policy, employment policy, social policy, (including equal opportunities policy, social protection policy etc.), environmental policy, health policy, education policy, policy relating to the protection of cultural minorities, immigration policy, trade and development aid policy, policy relating to telecommunications, transport, energy and other infrastructure provision or information society policy” (Huws, 2002:7).

A full economic impact study of the KKNK was conducted in 2003 (Van Schalkwyk, 2004:92). The recommendations of the study stated that research measuring social, political, and cultural impacts should be conducted on the KKNK to find what benefits are gained and what negativities are derived from the festival that cannot be expressed in monetary terms. This recommendation also stated the importance and need for a socio-economic impact study on the KKNK, such as this dissertation.

3.1.3 OUTCOMES OF SOCIO-ECONOMIC RESEARCH

The developments of events have direct impacts on the host city's residents. The possible impacts of an event are often perceived to positively influence social and economical areas of a community. Shone and Parry (2004:56) even described that the building of a new factory or tourist attraction would contribute to similar impacts. Current and future affects of events on local communities are monitored by conducting socio-economic impact studies, which will indicate what positive, and what negative impacts occur due to the event (Edwards, 2000). De Beer *et al.* (1997:11) stated that if tourism developments are managed from a socio-economic perspective, many jobs, locally and nationally, could be created. The employment created could mostly be in the sectors for less skilled or uneducated people, which is exactly what is necessary in South Africa. This employment empowers the extremely poor. De Beer *et al.* (1997:11) also mentions that De Beer and Elliffe (1997) found that further development opportunities exist in the tourism industry that will empower local residents even more, leading to more sustainable "tourism-led socio-economic developments". These impact studies could also point out discrepancies in the events industry, as indicated by Getz (2000:19) in research done on the Melbourne Grand Prix where it was found that the benefits relating to the event were exaggerated and were only perceived or enjoyed by government and private organisations, while the community and environment experienced some losses or costs.

To conclude, many aspects form part of socio-economic research relating to events and festivals. These include social, psychological, political, and anthropological factors that have impacts on the economy. Getz (2000:19) stated that research could aid in the measuring of the value or worth of an event or festival. In the preface of the second conference paper on international event research, Allen (Allen *et al.*, 2002:preface) stated that intensive research (and thorough documentation thereof) has been done on economic impacts of events and express the importance of events for many host communities. Haley, Snaith, Miller (2005:649) quoted Cohen (1972), who indicated that objectively measured economic impacts are important in that they could serve as a base for further development. Non-economic impacts are not as easily measured due to their intangible and subjective nature (Haley *et al.*, 2005:649) and, according to Allen (Jago *et al.*, 2002:preface), non-

economic impacts include social and cultural impacts that relate more to rural communities and contribute to the sense of place. Peiró (2002) and Veenhoven (1992) indicated that these economic and social aspects could influence the quality of life of residents.

3.2 THE ECONOMIC IMPACTS OF EVENTS

Studying the economic impact of events forms an integral part of socio-economic impact research since the economic impacts entail economic growth and economic growth influences quality of life, which includes non-economic aspects (Van Heerden, 2003:39). The main determinants of the magnitude of a festival's economic impact are stated by Saayman and Saayman (2006a:570) and Saayman and Saayman (2004:638) as: festival size (referring to the number of ticketed shows), the length of the festival, festinos' length of stay, how much festinos spend, the amount of money received from sponsorships, and festival location. Visser (2005:157, 164) explained that location has a great influence on leakages because a small town, such as Oudtshoorn, does not have all the necessary services, equipment, and goods readily available and therefore has to imported it from elsewhere). Saayman and Saayman, (2004:638) also quoted the statement by Wilson (1984:88), which read that the number of festinos also has a determining effect on the size of the economic impact. There are, however, other aspects that could influence the magnitude of the economic impact, such as the effect of policies and social aspects on markets (Etzioni, 1990:451). Many researchers and academics have pointed out similar reasons and outcomes for conducting economic impact studies. Tohmo (2005:431) listed the following authors who have done studies on the short-term economic impacts of cultural services on communities: Myerscough (1988); Bohlin and Ternhag (1990); Gratton and Taylor (1986). These studies found that the economies of the hosting communities are greatly influenced by cultural events. Tohmo (2005:431) also quoted Porter (1989) in stating that development and lifestyle standards could increase by building cultural facilities. The following section will discuss the purposes, and aim, for conducting an economic impact study, which will include the positive and negative economic impacts (as indicated in Figure 3.1). Other determinants of the magnitude of the economic impact, such as the multiplier effect, direct, indirect and induced spending, and leakages will be discussed as external economic influencing factors after the social impacts have been discussed.

Tourism never received as much attention or support from governments as did the arts sector, since tourism was not seen as being worthy of support and was not accessible to everybody (Hughes, 2000:42). Another reason for less support from the government could be, according to Kelly and Godbey (1992:411), tourism's seasonal, unstable, and low-paying nature. If tourism did, in any way, receive governmental support, it would have been to revitalise the neglected towns and

cities, to facilitate job creation or to establish a better balance of payments. Richards (1995; as quoted by Hughes, 2000:42) stated that tourism “has been regarded more as an economic activity in the same way that the arts are increasingly being regarded”.

The economic impact of the arts on a community was first studied in 1970 (Heilbrun & Gray, 2001:345, 355). Before that, culture was considered as an insignificant contributor to the economy, but the impacts of cultural activities are becoming more evident in recent economic studies. The cultural sector of Europe employs more than 7.2 million people and it showed an average growth of 2.1% between 1995 and 1999. The European economy indicated this as one of the fastest growing sectors (Yeoman *et al.*, 2004:6) and it is important to note that this is a sector where the wealthier sections of society spend their time and money (Hughes, 2000:159). In South Africa, the growth rate of the events industry is predicted to be even higher than the 10-15% growth that is predicted as the annual growth rate of the tourism industry (Slabbert, 2004:20).

This arts-related tourism sector's (including events, festivals and cultural tourism) growing trend (Getz, 1997:22) could be ascribed to the many positive impacts of this industry, drawing the attention of developers, governments and the corporate sector to endorse events (Vazquez, 2001:vi; Bowdin *et al.*, 2006:98). These events could positively influence economies and communities by means of monetary injections, building city image, infrastructure improvements, job creation, and income increases (Auld & McArthur, 2003:192; Heilbrun & Gray, 2001:358; Getz, 1997:51; Saayman, 2001:84; Saayman & Saayman, 2006a:571; Yeoman *et al.*, 2004:33; Vazquez, 2001:vi; Shone & Parry, 2004:62). This is why the tourism industry is a favourite when developing countries search for sustainable development initiatives (Eadington & Smith, 1993; Flora *et al.*, 1991; Cordell *et al.*, 1990; as quoted by Vazques, 2001:9). There are, however, negative economic impacts pertaining to tourism (Hughes, 2000:45; Douglas, Douglas, & Derret, 2001:34) against which all these positive economic impacts have to be weighed. Negative impacts include local business interruption (leading to financial losses and lower turnovers) and price inflation (Allen *et al.*, 2005:31, Dwyer *et al.*, 2000:32).

Economic impact studies of arts are done to determine the economic activity that arises from the arts industry, stated Heilbrun and Gray (2001:345, 355). These authors also indicated that the economic impact studies they did were done with the goal of providing support in the effort to generate funds and providing a means to find leakages in the economy, which could then be reduced to maximise the positive economic impact of the festival to the community. These studies would be presented to local municipalities, local businesses and officials to indicate that art and culture is worthy of support. Heaney and Heaney (2003; as quoted by Stoddard *et al.*, 2006:102)

gave similar answers as to why economic impact research is important. Economic impact studies are a very effective method of generating funds for festivals because the arguments were based on the idea that economic progress is a positive thing since it could minimise the psychological gap between art advocates and the people (businesses and officials) that need to be persuaded to provide funds. It also aids in bridging differences between these groups.

Economic impact studies aim at finding the value that an event brings to a host community. This gives organisers and tourism agencies a base to stand on when a need for sponsors (Getz, 2000:18; Van Blarcom, 2001:4; Getz, 1993; as quoted by Van Schalkwyk, 2004:39) or investors exists (this is in concord with the “support” to which Heilbrun and Gray (2001:355) refer in the previous paragraph). It also provides the community with information as to why an event could enhance the area. The question of an event’s worth is one that has been asked globally by all economists, development agencies, and businesses. Events bring real money into economies – this aspect could be measured and would provide answers to the above question. Answers, however, depend on which of the various existing methods and assumptions would be used. Getz (2000:18) suggested that if the value of the event could be converted into measurable terms (such as Dollars or Rands); it could be a simpler concept to grasp and thus gain support from governments more easily.

Reeves’s (2002:27) review on the economic and social impact of the arts quoted Radich’s (1987) definition of an economic impact of a certain phenomenon, which reads: “The effect of that phenomenon on such economic factors as the economic behaviour of consumers, businesses, the market, industry (micro), the economy as a whole, national wealth or income, employment, and capital (macro)”. Van Schalkwyk (2004:30) quoted Lee’s (2001:1) definition of economic impacts, which reads: “Economic impacts of events can be defined as the net change in an economy resulting from an event. The change is caused by activity involving the acquisition, operation development, and the use of facilities and services. These, in turn, generate visitors’ spending, public spending, employment opportunities and tax revenue”.

The definition of economic impact from an events tourism perspective is given by Fayos-Sola (1997:242; as quoted by Van Heerden, 2003:2) as: “the net economic change in a host community that results from spending attributed to a cultural event”. Thus, the key purpose of an economic impact analysis could be summarised as: economic impact studies measure “the economic benefits that accrue to a community”. This definition and summary, in its socio-economic context, could also be explained as the increase in economy and surroundings (which influence the socio-

economic, or quality of life aspects) of the event-hosting community (Saayman & Saayman, 2004:630).

Economic impact studies could also be used to understand consumers' or festinos' expenditure patterns, which would give insight as to how the event marketing should be done to reach target markets optimally. With spot-on marketing comes greater awareness and larger visitor numbers, leading to an increase in monetary injections and to an increase in government and community support (Heaney & Heaney, 2003; as quoted by Stoddard *et al.*, 2006:102). Monetary injections into a community by tourists visiting a festival could lead to job creation for the (tax-paying) community members – if this becomes a reality, the government could justify their use of taxpayers' money to fund the event (Crompton *et al.*, 2001; as quoted by Stoddard *et al.*, 2006:103).

3.2.1 WHICH SPENDING SHOULD BE INCLUDED IN AN ECONOMIC IMPACT ANALYSIS?

Spending at events is one of the issues a researcher needs to consider when doing an economic impact analysis (Gelan, 2003; as quoted by Saayman & Saayman, 2006b:621). The measuring of value or worth of an event does not only entail measuring visitor spending. Other costs such as “capital invested; management; production; external impacts, such as noise or pollution; opportunity costs...” should also be brought into calculation. Additional important aspects that should be considered relate to the responsible parties that pay the costs and which people or organisations enjoy the most benefit (Getz, 2000:19). The KKNK's organising committee experienced great losses due to external factors during the 2007 festival. Brett Pyper, Chief Executive Officer of the KKNK, stated that the organising committee had to spend R250 000 on hiring privately owned venues to avoid these venues being rented to individuals that do not form part of the official festival. Pyper stated that these venues tend to be noisy and greatly influence professional acts of official venues. These venues impinge the rights of sponsors and are direct competition for the festival (Le Roux, 2008).

When the economic impact is measured, one does not only measure gross income, but also the influence on governmental income, infrastructure, distribution of income and job creation (Van Blarcon, 2001; as quoted by Van Schalkwyk, 2004:3; Stoddard *et al.*, 2006:103). The best way to calculate the economic impact of events in smaller communities is to obtain information from primary data sources by means of conducting surveys at businesses (supply side) and tourists (demand side), which is how this research was done (cf. 1.5.2). The reason therefore, according to

Walpole and Goodwin (2000, as quoted by Saayman & Saayman, 2004:631), is because these communities rarely have sufficient data.

Three different expenditures could be included in the economic impact study are those of the organising committee, the locals, as well as the visitors (Saayman & Saayman, 2006a:579; Shone & Parry, 2004:113). The first expenditure that could be included is that of the organising committee. A fallback experienced with the method of research in assessing economic advantages occurring from festivals, is that very few look at the cost aspect in the hosting of the event. This was identified by Getz (1991); Wang and Gittelson (1988); as quoted by Saayman and Saayman (2004:631). The festival's organising committee uses funds received from sponsors and stall space renters and ticket sales to organise the festival. The payments the organisers undertake include payment to artists, equipment and venue hire, marketing and personnel wages.

The second expenditure is that of the locals, which Gelan (2003:409) stated could influence the precision of an economic impact assessment. The impact could be higher when local residents' spending is included, but literature indicates that an event only generates an economic impact worthy of note once tourists attend festivals and not only when local inhabitants attend it (Saayman & Saayman, 2004:631). Crompton (1999, as quoted by Saayman & Saayman, 2006b:621) stated that local residents' expenditure could be included if locals stay in town especially to attend the event rather than visiting elsewhere. This dissertation does not include expenditure of the locals since it could not be determined whether or not they would increase their normal spending patterns at the festival and, by excluding the locals, the researcher was able to determine the total amount of money that flows in from outside Oudtshoorn.

The third is visitor expenditure. Stoddard *et al.* (2006:102) and Saayman and Saayman (2004, 638) indicated that visitors or tourists to events and festivals financially support event-related activities better than the local population. Tohmo (2005:432) and Stoddard *et al.* (2006:102) added that the visitors and tourists support not only the festival-related stores and activities, but also the local shops, food and accommodation providing establishments as well – contributing much more to the economy than just attending the festival. The length of the festival has an influence on the length of stay of visitors that, in turn, influences the expenditure by visitors (Saayman & Saayman, 2004:638). Hughes (2000:174) stated, "The expenditure of foreign tourists is an injection into a county. It is additional money which is an inflow on the balance of payments and which may create extra income and employment in the country concerned". This highlights an important point: events only have considerable economic impacts when new money enters the local economy and the multiplier effect (cf. 3.4.4) takes place (Dwyer *et al.*, 2000:32; Dwyer, Forsyth & Spurr, 2006b:317).

3.2.2 ECONOMIC OUTPUT OF EVENTS

Tourism brings economic benefits as well as negative aspects to hosting communities (Hughes, 2000:45; Saayman, 2004; as quoted by Saayman & Saayman, 2004:630). The economic impacts will be discussed as stipulated in Figure 3.1, but will be divided into the two categories of positive and negative impacts. Heilbrun and Gray (2001:357) indicated that some economic impact studies in America have been misinterpreted, showing that the arts contribute greatly to the economy of hosting cities, aiding in generating income and provision of employment. There are cases where events degrade cities through, for example, overcrowding of infrastructure, which could lead to road accidents or through pollution, which requires extra security or medical and clean up costs (Crompton, 1999:33), or events could lead to “architectural pollution, ribbon development and sprawl, and land-use conflict” (Erlank, 2005:402). The majority of studies indicate positive advances taking place due to the hosting of events.

The following section will discuss the possible positive and negative economic effects that accrue due to the hosting of events.

3.2.2.1 POSITIVE ECONOMIC IMPACTS OF EVENTS

The presence of arts in a community holds the supposed benefit that it could attract visitors from other towns and cities. The expenses of these visitors in the host community are a net addition to local income. This could be explained as a similar affect to the exporting of goods – exporting brings new money into a country, leading to more development in the local economy (Heilbrun & Gray, 2001:357) and this is what leads to the many economic impacts of tourism and event hosting.

The following are positive impacts, cited by various academics and researchers, of event hosting on economies:

- Tourism and events lead to new development (Getz, 2000:19; Van Schalkwyk, 2004:88), and infrastructure (Yeoman *et al.*, 2004:33; Van Schalkwyk, 2004:88; Auld & McArthur, 2003:195) which, by fuelling the economy, attract new businesses (Heilbrun & Gray, 2001:358; Hughes, 2000:93), entrepreneurial activity (Saayman, 2007:25; Van Schalkwyk, 2004:88) and foreign investment (Van Schalkwyk 2004:88; Saayman, 2007:25).

- Events lead to an extended tourist season (Hughes, 2000:159; Slabbert, 2004:198), which attracts more tourists to a community. An increase in tourists leads to an increase in business sales (Davies & Brown, 2000:162; Stoddard *et al.*, 2006:103; Getz, 2000:19; Hughes, 2000:158) and this includes an increase in occupancy rates for accommodation providers (Getz, 2000:19). The increase in business sales also leads to an increase in extra and workers' income (Stoddard *et al.*, 2006:103; Hughes, 2000:174).
- Events tourism could aid in stabilising the market (Eadington & Redman, 1991; Lea, 1988; as quoted by Saayman & Saayman, 2004:630), and provide a more structured base for economics (Mathieson & Wall, 1982; as quoted by Vazques, 2001:9).
- Arts festivals could decrease the income distribution imbalance (Hughes, 2000:174; Kelly & Godbey, 1992:411) through a wider distribution of benefits to all areas throughout all seasons (Getz, 2000:19).
- Art events create employment (Davies & Brown, 2000:162; Fredline & Faulkner, 2002:103-104; Hughes, 2000:174; Heilbrun & Gray, 2001:357; Kelly & Godbey, 1992:411; Vazquez, 2001:vi; Getz, 2000:19). Tourism's great contribution to job creation originates from the industry's independence of technology, which also drives its labour intensiveness (Stoddard *et al.*, 2006:103; Eadington & Redman, 1991; as quoted by Vazques, 2001:9).
- Events could increase tax revenues (Bowdin *et al.*, 2006:98; Vazques, 2001:31; Van Schalkwyk, 2004:88; Gunn & Var, 2002:105; Haralambopoulos & Pizam, 1996:522).
- Events could increase property values (Dwyer *et al.*, 2000:32; Vazques, 2001:48).

3.2.2.2 NEGATIVE ECONOMIC IMPACTS OF EVENTS

The majority of an event's economic affects have a positive impact on the local economy, while the negative impacts of events influence the social environment more. The following are possible negative economic impacts that may accrue due to an event.

- The masses of tourists at festivals may lead to local business interruption and financial loss (Allen *et al.*, 2005:31)
- Although tourism creates a lot of employment and extra income, much of it is only seasonal, this is even more so in the case of events tourism (De Beer *et al.*, 1997:6;

Schneider, 1993:77; Van Schalkwyk 2004:88). Schneider also pointed out that the tourism industry's wages in rural communities are often lower than those paid by other industries, thus the unemployed would rather search for work in the mining or forestry industries. A further negative aspect is that these jobs are often filled by an imported skills base (Diamond, 1977:551)

- Tourism's participation cost tends to be high, which could discourage local participation (Hughes, 2000:19)
- Developments due to of events could eventually lead to underutilised infrastructure (Dwyer *et al.*, 2000:32)
- An event leads to leakages out of the local economy. Many stall owners do not originate from the host city and do not reinvest in the local economy (Slabbert *et al.*, 2007:39)
- Inflation in goods and service prices could occur as a result of event hosting (Van Heerden, 2003:57; Van Schalkwyk 2004:88)

From the preceding paragraphs, it is clear that event hosting proves to have more economic advantages than disadvantages. An important aspect in events is the participation of the local community. An event organiser needs to ensure that locals are proud and satisfied by hosting the festival and should want to participate, but Saayman and Saayman (2004:638; 2006a:578) indicated that locals spend less money at festivals than visitors, thus the festival should aim to attract more tourists. However, Saayman and Saayman (2004:636) also mentioned that when many locals support a festival, it could be interpreted that the local community took ownership of an event, which is crucial for the sustainability of an event.

3.3 SOCIAL IMPACTS OF EVENTS

The socio-economic paradigm sees economics as part of a greater societal environment with shared qualities (Parsons & Smelser, 1956; and Polanyi, 1957; as quoted by Etzioni, 1990:450) and believes that individuals conceptualise around the norms, values and ideas of the social group to which they belong (Etzioni, 2003:114; Anon, 2006; Ashford, 2005:1; Morong, 1996:560). Social impacts, together with the many economic impacts, are deciding factors in events tourism, but are often left out of the equation when the question is asked as to an event's value. Governments tend to make the mistake of forgetting the social impacts of events and focus mainly on attracting as

many tourists as possible to maximise the influx of new money to increase overall economic impact (Delamere, 1998:1, 13, 26-27). An event's social impacts could lead to changes in communal and individual values, behaviours, relationships, lifestyles, means of expression, and certain structures in the community (Page *et al.*, 2002; as quoted by Slabbert, 2007:151) as well as quality of life (Figure 3.1) of the local population (Getz, 1997; Goldblatt, 1997; Mableson, 1995; as quoted by Tiyce & Dimmock, 2000:222).

The real question that needs answering is much more complex and draws the focus to non-economic impacts. Another question that should be asked is: "What is the value of a festival in non-economic terms?" since events have important impacts on host communities that are not related to economics. Getz (2000:18) calls this the "psychic value" of events; it relates to the pride the community feels to be in the position of hosting an event. Even though this relates to community pride, it is not the "all encompassing" question. The above question measures real value to host destinations; but an even more difficult question to answer, is: "what is lost if an event disappears?"

A short summary of the social impacts of festivals is given by Longson (1989:5; as quoted by Delamere, 1998:9) as "the (positive and negative) effect the festival has on the people and individuals as groups. It considers such aspects as personal well-being, interpersonal relationships, traditions, lifestyles, community services and community identity". These effects could be positive (such as various developments, opportunities in entertainment, pride and self-esteem), or negative (such as overcrowding, traffic congestion, noise and disruption) (Fredline & Faulkner, 2002:103, 104); but the measuring of these impacts is not as easily done due to their intangible and subjective state (Haley *et al.*, 2005:649).

Tourism research was traditionally only conducted on the social impacts in general (Delamere, 1998:14) and research on tourism markets enjoyed the most attention, while the influences of tourism on humans has not been researched to such an extent (Kelly & Godbey, 1992:405). Delamere (1998:10) quoted Perdue *et al.* (1990), who indicated that the aspects of community support and involvement in tourism development and its social impacts have not yet been established on theoretical basis in past research. Etzioni (2003:114) stated that if socio-economists want to change community behaviour through policies and recommendations, the realisation of individuals being influenced by social groups should give direction to prospective research. Etzioni (2003:114) gave the example of when one wants to reduce alcoholism in a community; take into consideration that the group is of utter importance, thus group-orientated programmes have a

much higher success rate than when focusing on individuals only such as advertisements or one-on-one rehabilitation – a practical example is Alcoholics Anonymous.

The next section will discuss the social exchange theory and the social impacts as indicated in Figure 3.1. These impacts will be subdivided into positive and negative social impacts. Influences on the extent of social impacts (such as resident attitudes and participation) will be discussed in the last section as well as other external influencing factors (which are indicated in the bottom part of Figure 2.3 and are repeated in Figure 3.2).

3.3.1 SOCIAL EXCHANGE THEORY

Festival organisers need to consider the impacts that festivals might have on host communities since the attitude of the residents of these communities toward the impacts of festivals could influence the sustainability of the specific tourism initiative (Fredline & Faulkner, 2000:60; Fredline & Faulkner, 2002:113; Doern & Phidd, 1983; as quoted by Delamere, 1998:26; Haxton, 1999; as quoted by Gursoy & Kendall, 2006:605). De Beer *et al.* (1997:9) stated that the local community would fail to preserve the tourism economy if the community feels that it does not receive enough benefits from the tourism industry (from the festival), hence they withdraw from it. If this happens, the event could possibly cease to exist (Wearing, 2001; as quoted by Slabbert, 2007:156), since the community is an all-important stakeholder and the community is the setting for a festival.

Host communities weigh costs and benefits derived from festivals against each other. If the community draws enough advantages from tourism, they could, in exchange, provide support in planning, development and operation of the industry; the community could participate and improve their hospitality to ensure a better tourism industry (Crompron & Ap, 1994; as quoted by Haley *et al.*, 2005:652). This is called social exchange. Residents will reveal a positive attitude toward tourism if they receive benefits from tourism developments or activities; however, the opposite is also true: if they perceive tourism and its developments as disadvantageous, they will exert negative behaviour or attitudes toward tourism (Ap, 1990; as quoted by Slabbert, 2007:155; De Beer *et al.*, 1997:9).

The social-exchange theory studies the relation between humans and the surrounding environment (in this case, the tourism industry). Cook (1987:12) viewed the base of the social-exchange theory as the interpersonal process and looks at what offering residents make versus the advantages they receive for doing this. According to Haley *et al.* (2005:650), the social exchange theory is shaping more recent research in this field of host-tourist relations. This theory explains that residents feel

that they need to be reimbursed for the sacrifices they or their community make for the tourism industry.

The nature and value of the exchange has an impact on resident attitudes which means that a person employed in the tourism industry is expected to be happy; however, if the working environment is not satisfactory the employee will exert negative behaviour and attitudes toward the over encompassing tourism industry. Perdue *et al.* (1990; as quoted by Delamere, 1998:13) stated that local residents who least oppose tourism are those who feel the positive impacts of tourism the most.

The social exchange theory is, however, not always an absolute, stated Andereck *et al.* (2005:1071). These researchers found results differing to the presumption of this theory, but also indicated that many researchers have found results supporting the theory. Andereck *et al.* (2005:1069) stated that when a community perceives tourism to have positive impacts on the community, they would be more supportive of it. If the community could see the tourism industry as an important developmental concern, the community would also see the benefits of this industry more easily and thus have more supportive and positive attitudes towards it.

The preceding literature clearly indicates the importance of the community to the sustainability of events and that event organisers need to realise more positive impacts toward the community than costs since the social impacts of events could influence resident participation and attitudes. The following section will discuss the social impacts of festivals as indicated in Figure 3.1 after which resident attitudes and participation will be discussed as external influencing factors (which includes discussions on resident attitudes and participation).

3.3.2 SOCIAL OUTPUTS OF EVENTS

If resident perceptions toward festivals and events are known before the event takes place, researchers would be able to anticipate potential impacts, which would make the measuring of these impacts easier (Delamere, 1998:10; Allen *et al.* 2005:91). Mill and Morrison (1985; as quoted by Delamere, 1998:10; Haley *et al.*, 2005:649) clearly stated that tourism's social impacts could be positive or negative - these impacts are discussed below with reference to what researchers found in past studies.

3.3.2.1 POSITIVE SOCIAL IMPACTS OF EVENTS

Festivals bring a host of important advantages to communities, maintained Getz (1991; as quoted by Derret, 2000:122). Getz identified the ability of festivals to create an image for host towns, they

bring life to static attractions, they could facilitate new development, they could increase community pride, strengthen cultural traditions, and aid in protecting the environment. Getz further stated that festivals could improve host-guest dealings and could diminish negativities resulting from large tourist numbers.

The following list shows various positive social impacts, as found and documented by various researchers:

- Increased community pride and new developments (Dwyer *et al.*, 2000:32; Dwyer, Forsyth, Fredline, Jago, Deery & Lundie, 2006a:56; Allen *et al.*, 2005:31; Fredline & Faulkner, 2002:103; Damster & Tassiopoulos, 2005:3; Getz, 2000:19)
- Build host town identity/community image (Derret, 2000:126; Quinn, 2006:304; Getz, 2000:19; Hughes, 2000:93; Shone & Parry, 2004:54 Derrett, 2000:122; Damster & Tassiopoulos, 2005:3; Yeoman *et al.*, 2004:33, 45; Rees, 2000:75)
- Quality of life/living standards/lifestyle quality/wellbeing improves (Derret, 2000:126; Dwyer *et al.*, 2000:35; Dwyer *et al.*, 2006a:48; Yeoman *et al.*, 2004:337; Van Heerden, 2003:9)
- Conserve and revivify traditions (Allen *et al.*, 2005:31; Saayman, 2007:26; Yeoman *et al.*, 2004:337)
- Community involvement increases (Allen *et al.*, 2005:31; Shone & Parry, 2004:54)
- Resident-tourist relations improve (Shone & Parry, 2004:54; Smith, 1989:10; Haralambopoulos & Pizam, 1996:522)
- Recreational facilities get upgraded (Fredline & Faulkner, 2002:103)
- Cultural opportunities improve (Shone & Parry, 2004:54)
- Regional values are strengthened and improved (Delamere, 1998:4; Shone & Parry, 2004:54)
- Education opportunities are provided (Mayfield & Crompton, 1995; as quoted by Derret, 2000:121; Tiyce & Dimmock, 2000:222)

All these benefits together serve to contribute to the sense of ownership and permanency experienced by the community and its inhabitants (Delamre & Hinch 1994b; as quoted by Delamere, 1998:6, 26).

To conclude this section on the positive social impacts of festivals, Butler's (1973; as quoted by Delamere, 1998:13) results sum up the key positive aspect: tourism could directly result in advances in lifestyle quality. Host communities could sometimes draw benefit from social costs of events. For example, the increase in social costs to provide more police and fire protection contributes to a safer environment for the host community (Crandall, 1987; as quoted by Delamere, 1998:13). Social negative impacts of events will be discussed next.

3.3.2.2 NEGATIVE SOCIAL IMPACTS OF EVENTS

There are many negative impacts resulting from festival tourism, the most common ones are of restricting character on the locals. A study on perceived impacts of tourism stated that large concentrations of tourists form the locals' negative attitudes toward tourists (Haralambopoulos & Pizam, 1996:509). Holloway (1986; as quoted by Delamere, 1998:10) stated that most of the negative social behaviour is crime. Other negative social impacts will be indicated in the remainder of this chapter.

The following list contains many negative social impacts with reference to the respective academics and researchers who endorse this or found it in the field of research:

- Changing of community image and identity - this could be a negative aspect since tourism's impacts in economics are so great that their demand shapes the development of a community, which could make community members feel inferior in their own town (Tiyce & Dimmock, 2000:227)
- Increased pollution and litter (Hughes, 2000:45; Allen *et al.*, 2005:31; Van Heerden, 2003:57)
- Increased noise pollution (Dwyer *et al.*, 2000:32; Hughes, 2000:45; Allen *et al.*, 2005:31; Haley *et al.*, 2005:649; Fredline & Faulkner, 2002:103, 104; Tiyce & Dimmock, 2000:228; Van Heerden, 2003:57)

- Increased traffic congestion (Allen *et al.*, 2005:31; Haley *et al.*, 2005:649; Dwyer *et al.*, 2000:32; Tiyce & Dimmock, 2000:228; Fredline & Faulkner, 2002:103, 104)
- Overcrowding of people (Dwyer *et al.*, 2000:32; Hughes, 2000:45; Tiyce & Dimmock, 2000:229; Fredline & Faulkner, 2002:103, 104)
- Increased crime rates (Dwyer *et al.*, 2000:32; Mihalik, 2000:137; Haralambopoulos & Pizam, 1996:522)
- Vandalism and hooliganism or delinquent behaviour (Hughes, 2000:45; Allen *et al.*, 2005:31; Tiyce & Dimmock, 2000:228; Van Heerden, 2003:57)
- Drug and alcohol abuse (Fredline & Faulkner, 2002:103; Tiyce & Dimmock, 2000:228; Haralambopoulos & Pizam, 1996:522)
- Prostitution (Fredline & Faulkner, 2002:103; Haralambopoulos & Pizam, 1996:522)
- Decrease in community and individual morals and values (New Zealand Tourist and Publicity Department, 1988:12; as quoted by Delamere, 1998:11; Ap & Crompton 1993; Johnson, Snepenger & Akis 1994; as quoted by Brunt & Courtney, 1999:495; Kousis, 1989; as quoted by Dyer *et al.*, 2007:416; Hall, 1988; McCool & Martin, 1994; Delamere, 1997; Getz, 1997; as quoted by Reid & Arcodia, 2002:500; Pizam & Milman, 1996; Travis, 1994; as quoted by Tiyce & Dimmock, 2000:223)
- Loss of amenity (Allen *et al.*, 2005:31; Van Heerden, 2003:57) and “degradation of natural aesthetics” (Vazquez, 2001:vi)
- The demonstration effect and commoditisation of culture (local culture is lost as residents strive to live as tourists do) (Fredline & Faulkner, 2002:103)
- Lower quality of life/lifestyle (Dwyer *et al.*, 2000:35, Fredline & Faulkner, 2000:65; Tiyce & Dimmock, 2000:227; Reid & Arcodia, 2002:500; Shaw & Williams, 2002:310)

All these social impacts can be described as those that have a more immediate effect on both tourists and host communities in terms of their quality of life (Delamere & Hinch, 1994:29; Reid & Arcodia, 2002:500; Sharpley, 1994; as quoted by Brunt & Courtney, 1999:495). Some of these disturbances pertaining to the event could, in some cases, cause residents to leave the community

to avoid the festival's disadvantages (residents' exodus). Another controversial matter is that conflict between residents could sprout from unequal division of the positive impacts that tourism brings (Getz, 1991; Prov of B.C., 1993; Soutar & McLeod, 1993; McCool & Martin, 1994; as quoted by Delamere, 1998:7; Hughes, 2000:45). Festival organisers should take heed not to view tourist needs as more important than local community members' needs, and deal accordingly with festival impacts (Delamere, 1998:26).

3.4 EXTERNAL INFLUENCING FACTORS

The external environment consists of five influential areas (Figure 3.2), each with underlying factors that could inhibit or improve the outputs of an event (these factors influence the inputs, processes and outputs of events, as is indicated in Figure 2.3). These external factors (which cannot be controlled by the event organiser) include social and cultural, competition, technological, economic, and political areas (Slabbert, 2004:64, 199).



Figure 3.2: External influencing factors (adapted from Slabbert 2004:64)

3.4.1 SOCIAL AND CULTURAL FACTORS

The local community is an all-important stakeholder, as is indicated in Chapter 2, and the community could influence the event's success (as could be derived from the following literature). The locals' attitudes and participation in the event will be discussed as external influencing factors. This section will not only focus on the local community as part of the social and cultural external influence on event impacts, but also on social and cultural influences impacting the output of events.

- **Resident attitudes**

The researcher, Delamere (1998:1), found that there was a lack of research in the field of community festivals, their social impacts, and the understanding thereof and conducted a study to "measure resident attitudes toward social impact of community festivals". If the government or organising committee of the festival wants a successful festival where residents are accommodated and the community improves socially, research on host perceptions need to be

done because festivals will lose residents' support if the negative social impacts relating to the festival are ignored (Delamere, 1998:2). Kelly and Godbey (1992:408) confirmed this with their view that the local community can control the tourism industry.

Residents are easily influenced positively toward huge events that might only occur once in their community, such as the Soccer World Cup. It is, however, a more difficult task to keep residents positive toward recurring events such as the annual Aardklop National Arts Festival (Slabbert, 2007:157), which is the compeer of the Klein Karoo National Arts Festival.

The following list indicates aspects that could be influential on resident attitudes toward events:

- Demographic aspects could influence resident attitudes toward tourists. These aspects include age, gender, income, how long a person has resided in the host community, occupation, and education (Fredline & Faulkner, 2000:62; Fredline & Faulkner, 2002:113; Slabbert, 2007:162; Getz, 2000:16; Haley *et al.*, 2005:663; Haralambopoulos & Pizam, 1996:522).
- The physical distance of residents from tourists (Haley *et al.*, 2005:663; Fredline & Faulkner, 2002:113; Slabbert, 2007:162). Kelly and Godbey (1992:408) agrees on this point, stating that tourism's impact on a host community would be far less if tourism is restricted to a certain tourism area, causing less interference with locals' lifestyles.
- Knowledge on tourism or the event – the more knowledgeable residents are on tourism, the more opinionated they are on the impacts of tourism, which could increase positive attitudes toward an event (Slabbert, 2007:162; Fredline & Faulkner, 2002:113; Andereck *et al.*, 2005:1070).
- Interaction with tourists – residents who have more contact with tourists will reveal different attitudes toward tourists than other residents and could influence attitudes positively or negatively (Slabbert, 2007:162; Fredline & Faulkner, 2002:113).
- Tourist impacts on outdoor environment – If tourism degrades the environment, the local community will be opposed to tourism (Slabbert, 2007:163; Fredline & Faulkner, 2002:113).
- The rate at which the community expands – Growth rate will have an impact on the locals' attitude towards change (Murphy & Murphy, 2004; as quoted by Slabbert, 2007:163).

- Nature of the tourism product - The non-permanency of festivals and events make this industry's impacts bearable to local residents. Allen *et al.* (2005:33) stated that research found that it is due to the positives that come with an event that contribute to the local community's bearing with the temporary inconveniences or negatives regarding the event.
- Economic dependency on tourism – if the town's economy is heavily dependent, residents will reveal a positive attitude toward tourism (Murphy & Murphy, 2004:263; as quoted by Slabbert, 2007:162; Haralambopoulos & Pizam, 1996:522).
- Employment – If a person is employed in the tourism industry, it increases their dependency upon it as they receive benefit from it, resulting in positive attitudes toward the industry (Brunt & Courtney 1999; as quoted by Andereck *et al.*, 2005:1069; Haralambopoulos & Pizam, 1996:522).
- Event and festival themes - Research on the Gold Coast Indy car race and Australian Formula One Grand Prix found that an event's theme is a deciding factor in resident attitudes. This research by Fredline (2000:194) indicated that the local population has to be able to identify with the theme because the theme is a deciding factor between positive and negative attitudes.

Some academics maintain that selling the advantages of tourism to host communities would lead to greater acceptance of tourism and festivals (Davis, Allen & Cosenza 1988; Brayley, Sheldon & Var, 1990; McDonnell, Allen & O'Toole, 1999; as quoted by Tiyce & Dimmock, 2000:224, 228); but Tiyce and Dimmock (2000:224) also stated that this perspective oversimplifies resident attitudes and tries to ignore some festival-related social disadvantages. Delamere (1998:7) indicated that an open-to-all policy (publishing or making data reports and decision-making processes available to the public), could contribute to positive attitudes and community support. If community participation is denied and negative attitudes prevail, the festival could be regarded as a failure in terms of its social impacts, which would also damage the organisers and the local community's image.

The many positive and negative aspects that tourism brings are what influence the community's attitude towards tourism, and it is their attitudes that have an influence on their participation and support. Andereck *et al.* (2005:1073) stated that research on influences of resident attitudes would enable community developers to be more accurate in addressing community needs, diminishing irritations, and creating harmony amongst members.

- **Community participation and support**

The interaction between tourists and local communities at festivals and events lead to a spectrum of reactions from the community because of the impacts on community, as well as the individual resident's life (Tiyce & Dimmock, 2000:229). The relationship between festivals and the community proves to be a very important aspect of this event industry. Poplin's (1979, as quoted by Delamere, 1998:27) description of a "festival" indicates the importance of the community and the dependence of the festival on the community; Poplin's description reads: "a festival ... is of the community, by the community, and for the community" (cf. 2.3).

The local population and their support are crucial for three main reasons, stated Gursoy and Kendall (2006:617). The first reason is the vote of locals for the go-ahead to host a festival or event, since hosting requires a lot of money, which will be obtained by the increase of taxes (if the government is the organiser). The second reason why local support is important is because the locals could set the vibe, "transforming a mega event into an urban festival to provide a significant experience" (Hiller, 1990; as quoted by Gursoy & Kendall, 2006:617). The last reason stated that the impact of benefits resulting from the festival would be experienced over a longer period if the local population would be involved and supportive.

The International Association for Public Participation (IAP2) compiled a list of core values for public participation to "help make better decisions which reflect the interests and concerns of potentially affected people and entities". These values are:

- Hosts residents should be able to air opinions on life-influencing activities.
- Participation by the community will have an effect on decisions that are being made – this is a public participation promise.
- The local community's requirements are made known through public participation, which enforces sustainable decisions.
- Involvement of the affected (or potentially affected) public is encouraged and made easier through the public participation process.
- Participating members of the public should indicate how they want to participate.
- Community members who want to take part in the public participation process would be provided with relevant information.
- Participants who give decision-influencing inputs will be kept up to date of changes by the public participation process (IAP2, 2007).

These values of the IAP2 emphasise the importance of public participation in events. Nyaupane *et al.* (2006:1383) researched "*The role of community involvement and number/type of visitors on tourism impacts: A controlled comparison of Annapurna, Nepal and Northwest Yunnan, China*", their results indicated another important contribution of public participation, that it, together with support from other stakeholders, is fundamental to securing the sustainability of a tourist attraction.

- **Other social and cultural external influencing factors**

Social impact also implies that visitors' social changes and impacts should be taken into consideration. The event organiser has to take possible changes into consideration that might occur in visitor values, norms, levels of education, free time, and demographic changes (Slabbert, 2004:68).

3.4.2 COMPETITION AND TRENDS

The rapid growth of the events industry (Derret, 2000:120), makes it fundamental for event organisers to understand the market, new trends in the consumption of the tourism market and the competition in the market. Saayman (2001; as quoted by Slabbert, 2004:68) stated that if the event organiser does not plan to overcome these threats, some aspects of the event could be unsuccessful. The following section will discuss competition in the events market as well as current trends in the events industry.

- **Competition**

Competition in the events market could influence an event's success and outputs (Saayman, 2001; as quoted by Slabbert, 2004:68) since similar events would divide the market. There are four National Arts festivals in South Africa; Slabbert (2004:68) indicated three (KKNK, Aardklop and Grahamstown National Arts Festival) and the fourth is Innibos. Each of them compete for a share of the events market, however, Aardklop is indicated to be the most visited other Afrikaans festival, thus Aardklop is the biggest competition for the KKNK. These four festivals are not the only ones competing for in the events market. Visser (2005:165, 169) stated that there are at least 211 other festivals (with a duration of two or more days) in South Africa - excluding sports festivals - and thus could also be competing for a share in the events market. Visser indicated that 28% (59 festivals) of the 211 festivals are arts-orientated festivals while an additional 16% (34 festivals) are combinations of themes, including arts, entertainment, agriculture, and general trade.

- **Trends**

The tourism market is constantly changing due to new developments (Derret, 2000:120) and differences in societies (Shone & Parry, 2004:33), which lead to changes in the demand for tourism products. Since the events sector is growing rapidly (Derret, 2000:120) and markets and consumption patterns are changing constantly, it is necessary to inspect trends that could shape the events market and influence its outputs.

- The type of event in demand is greatly influenced by trends in the demographics of the tourism market. Generation, origin, and level of education are all demographic variables that could influence the demand for certain festivals (Allen *et al.*, 2005:480, 481, 483).
- A trend in information technology is to use the internet more extensively in marketing, researching, communicating, and reporting (Slabbert, 2004:66).
- The increased threats of terrorism have called for better security in general at events and risk management plans have to be planned to exact detail (Allen *et al.*, 2005:488; Saayman, 2007:108).
- The trend of needing governmental support to create a feasible event is growing. The International Olympic Committee stated that if a potential host city does not have the full backing of their local government, the committee would not consider their bid to host the games. The dependency of other events on their local governments are also increasing due to infrastructural needs and help with the organisation of resources (Allen *et al.*, 2005:490).
- Scotland and Denmark are following a trend started in Australia - to compile event strategies for each state that could aid cities in policy development, management, funding, promotion, and regulations of events. This started to take place after governments and municipalities realised the social, cultural, and economical advantages event hosting have in store (Allen *et al.*, 2005:490). Some cities in South Africa also developed their own event strategies to bid for events (Saayman & Saayman, 2006a:570).
- There is a growing trend to reach standards and proficiency levels in tourism and, as a result, governments use events as a basis to train workers to maximise event values and to empower workers to be able to participate globally; stated Allen *et al.* (2005:487). During the Cricket World Cup in 2003 in South Africa, the government implemented *The National Skills Development Strategy: skills for productive citizenship for all*. This strategy taught

volunteers the necessary skills to work at the Cricket World Cup. The training for the World Cup included “Functioning in a team, organising oneself in a workplace, occupational health and safety... and customer care” (Department of Sport and Recreation, 2003).

- Sustainable development is becoming more important and governments are trying to find better and newer ways to reduce waste. The number of companies that support social causes is on the rise, which could possibly be because of the increase in environmentally friendly consumers and organisations. Companies are sensitive to criticism and would not sponsor an event if that event does not have a recycling policy implemented (Allen *et al.*, 2005:493-7).
- Events are used to decrease tourism seasonality and to distribute tourism demand over larger areas (Getz, 2000:15). This use of events could also be seen as a trend in the tourism industry.

Thus, from the literature above, it is clear that trends in the event industry are influenced by changes in communities, by the environment and the government. A collaboration of research results could help event organisers in the planning process to act upon new trends (Getz, 2000:13).

3.4.3 TECHNOLOGICAL

Technology is an external influencing factor on the output of events, and influences the way in which events are organised and managed. Technology adds comfort to the organising process and in the bookings of event tickets as will be indicated below.

Before organisers choose technologies to be used during the event and the planning thereof, the requirements of the technological devices need to be understood clearly. Crowd size and venues influence the type of technology needed and the technological staff has to have knowledge of the operations of the implemented technology (Slabbert, 2004:66). With technological advances, more functions in the planning of events become electronically managed, thus the need for human capital decreases (Goldblatt, 2000:8).

The internet could act as a marketing medium, tickets could be sold, or registration for events could take place online, information shared, and the website could bring in additional money through the selling of advertising space (Allen *et al.*, 2002; as quoted by Slabbert, 2004:67; Getz, 2000:16; Goldblatt, 2000:8). As the population’s technological know-how increases, the need for

web-accessible information and booking increases (Slabbert, 2004:67) as well as the demand for virtual events (broadcasting events live on the internet) (Getz, 2000:16; Goldblatt, 2000:8).

3.4.4 ECONOMICAL

The impacts of events are also influenced by the economic conditions prevailing in a country, which influence the impact of an event. Therefore, these economic conditions should be considered before hosting an event (Saayman, 2002; as quoted by Slabbert, 2004:68).

The following section will discuss these economic factors that influence the magnitude of a festival's impact, over which the event organiser has no control.

Economic conditions could influence the demand for events and thus influence the magnitude of the event's impact. Demand is influenced by impacts such as the rate of income levels and the price of tourism (Saayman, 2002; as quoted by Slabbert, 2004:68). The higher a person's income level, the more disposable income a person has; and the cheaper the tourism product is, the better the chances are of a person spending money on tourism (Seddighi & Shearing, 1997:503; Teigland, 1999:311). Other major determinants in the magnitude of event impacts are multipliers and leakages, which will be discussed next.

- **Multipliers**

The majority of the smaller festivals do not attract tourists from other regions and focus only on the host community, but the host community does not contribute to "new money" entering the area. "New money" is fiscal injections from tourists' spending at the event; when this happens the event would prove to have a direct economic impact on the community (Getz, 2000:32; Saayman & Saayman, 2004:631). However, tourism's total economic impact comprises three parts: direct spending, indirect spending, and induced spending. These three parts form the multiplier effect (Heilbrun & Gray, 2001:345, 346; Hughes, 2000:174; Vazques, 2001:20). The multiplier value is explained by Archer (1976; as quoted by Saayman & Saayman, 2004:631) as "the ratio of the direct, indirect and induced changes to the initial direct change in the employment, income or output".

The multiplier could be represented by the following algebraic formula³:

$$K = 1 / (1 - mprl)$$

where K is the multiplier and the marginal propensity to re-spend received monies in the local economy is *mprl*. From this formula, one can deduce that the value of K would increase and denominator's value would decrease with a higher propensity to re-spend locally (Heilbrun & Gray, 2001:347). Re-spending is one of the multiplier's size influences, other influences are the propensity or need to import goods and services as well as the links between various sectors of economy in the community (Vazques, 2001:20). Visser (2005:157, 164) indicated that leakages from small towns are higher than from larger towns because smaller towns (such as Oudtshoorn) have to import more services and equipment for the festival than larger towns do because these supplies are not available locally.

If re-spending does not take place (which is caused by saving money, paying of taxes, or occurs when money is spent outside of town) and does not create more expenditure in the town, it is seen as a "leakage" in the multiplier effect (Hughes, 2000:174; Kelly & Godbey, 1992:411). This result in a lower multiplier value (Crompton, 1999:22; Johnson, 1999:93), meaning that the ratio between direct spending effects to indirect and induced spending decreased (Heilbrun & Gray, 2001:347). Kelly and Godbey (1992:411) indicated that higher leakages often occur due to external or international companies who are responsible for tourism development. A lower multiplier resulting from high leakages leads to fewer available finances to provide benefit for the local community.

Hughes (2000:175) stated that the multiplier is generally used in tourism and art studies and could also be used, according to Getz (1997:352), as a "planning tool" since it could point out where leakages take place. Thus, to achieve maximum benefit from events, the multiplier has to increase and could be done by identifying leakages and reducing them to a minimum (Saayman & Saayman, 2004:631). The following are examples of possible leakages in the tourism industry that should be minimised: "imports of goods and services..., contractual and service fees..., and salaries to foreign personnel". Other leakages include national advertising and imported filming, camera and air-conditioning equipment and alcohol (De Beer *et al.*, 1997:6). The following section explains the differences of the direct, indirect, and induced impacts.

³"In Keynesian terms, the marginal propensity to re-spend locally equals the marginal propensity to consume minus the marginal propensity to import. The multiplier approach is generally traced to the work of John Maynard Keynes, who developed it in his *General Theory of Employment, Interest, and Money* (New York: Harcourt, Brace, 1936), chap. 10" (Heilbrun & Gray, 2001:347).

- **The direct economic impact**

The direct economic impact refers to the direct expenditure undergone, which Archer (1976; as quoted by Saayman & Saayman, 2004:631) labelled as the initial spending by tourists in the local community. (Eadington & Redman, 1991; as quoted by Vazques, 2001:19) and Stoddard *et al.* (2006:103) mentioned that it includes the fees paid to attend events.

Direct spending is determined by doing a questionnaire survey of relevant parties. The goal of studies focusing on direct spending alone is to measure the direct economic impact, and thus the expenditure outside the local area should be left out of the equation because it is a leakage (Heilbrun & Gray, 2001:645).

The European Task Force on Culture and Development (1997; as quoted by Reeves, 2002:28) indicated that the arts has direct economic impacts on cultural industries and various media forms while enlarging employment opportunities and directly impacting the Gross Domestic Product.

- **The indirect economic impact**

This includes visitors' expenditure not pertaining to the event itself (Stoddard *et al.*, 2006:103), or as the second round of expenditure, which also leads to further income and employment creation (Archer, 1976; as quoted by Saayman & Saayman, 2004:631). Indirect expense could be explained as money flow arising from business owners at the festival, paying wages and salaries to their staff. The staff starts the next round of spending by using their salaries to buy goods and services to suit their needs (Heilbrun & Gray, 2001:346). A store owner's expenses to replenish stock (purchases from his supplier) could also be included in the indirect expenses and the indirect economic impact (Eadington & Redman, 1991; as quoted by Vazques, 2001:20).

- **The induced economic impact**

General local consumption, income and profit increases, and employment form part of the induced economic impact (Archer, 1976; as quoted by Saayman & Saayman, 2004:631). These could be described as third and fourth rounds of spending that have an indirect link to festival expenditure or economic impacts. Stoddard *et al.* (2006:103) stated it to be expenditure by the event organisers' workers (direct was expenses by visitors to the event and indirect was from event organisers to workers). The salaries of local residents that experience increases due to tourist expenditure in the region is also an example of induced impacts (Eadington & Redman,

1991; as quoted by Vazques, 2001:20). Heilbrun and Gray (2001:346) concisely described induced spending as the total of all these abating rounds of expenditure.

3.4.5 POLITICAL

Politics can significantly influence the impact of tourism, stated Hall (1998; as quoted by Slabbert, 2004:65); politically orientated aspects that could potentially be influential on the impacts of events include “legislation, political stability, government policies (see also Getz, 2000:13), terrorism and human rights” (Saayman, 2002; as quoted by Slabbert, 2004:65). South Africa’s political history had a huge impact on this country’s tourism market, and the same is true for the Zimbabwean tourism market; since 2001 Zimbabwe experienced great decreases in tourist numbers to the country (Erlank, 2005:390). The example of the 2008 Miss World competition is also a relevant example. Cillie (2008:8) reported that, due to safety precautions, the competition could not be held in the Ukraine after Russia’s invasion in Georgia and the competition had to be moved to the next best bid country, which was South Africa. The terrorist attacks on the World Trade Centre in New York on 9 September 2001 led to a 15% decrease in tourism worldwide during that same year, 1.7% decrease in the United States’ Gross Domestic Product and 8.8 million people worldwide lost their jobs (Nowlis, 2006).

Governments put laws and regulations in place that have determining effects on event hosting. Examples of such laws are those on alcohol and food consumption (Saayman, 2002; as quoted by Slabbert 2004:65), the Tourism Act of 1993 (Parker, 1999), the tourism BEE charter and scorecard (Department of Environmental Affairs and Tourism, 2005) and labour legislation forcing down higher minimum wages (Williams, 2007). The President of the New Zealand Tourist Industry Federation indicated that the labour relations system could also influence the optimal functioning of the tourism industry (Wearing, s.a.).

3.5 CONCLUSION

The goal of this chapter was to discuss the event socio-economic outputs that influence the host community’s quality of life and to answer the question “who benefits?” The outputs were divided into social and economical impacts (Figure 3.1) and each category was later subdivided into positive and negative impacts. External factors influencing the extent of event outcomes were also discussed according to Figure 3.2.

This chapter indicated that the community benefits from events in terms of new developments in host communities. The hosting of an event and the developments that sprout from it could have

socio-economic impacts on the host city, these impacts could alter the quality of life of residents in the city. The event impacts are what make residents receptive or hostile toward events. If negative event impacts surpass the positive impacts, residents will become opposed to the event and cease to participate. A lack of local support and participation portrays a negative image regarding the event to the events market that would decrease the sustainability of the event. Thus, it is imperative that event organisers should strive to increase positive impacts of a social nature and not just focus on positive economic impacts. External influencing factors are also present in the events market. These factors could have an influential role on the extent of event impacts and need to be considered while planning the event, even though the event organiser cannot influence these factors. The next chapter will reflect the results from the empirical research done on the KKNK to determine which quality of life changing impacts are produced from the hosting of the event.

CHAPTER 4

EMPIRICAL RESEARCH

4.1. INTRODUCTION

This chapter will focus on the results of the empirical research and will be divided into three main sections according to the surveys that were used to conduct the research. The first part will focus on the community survey; second will be the permanent businesses of Oudtshoorn surrounding the festival grounds and, thirdly, the results of the survey of visitors to the festival will be discussed. Before the results are discussed, a short description of socio-economics, the aim of this study and a summary of the KKNK will be given as well as an overview of the Oudtshoorn economy.

Amitai Etzioni formulated the concise description of what socio-economics entails: "the whole complex of disciplines that examine the relationship between society and economy" (Etzioni, 2003:109). Huws (2002:7) stated that socio-economics should focus on economic, social and employment policy issues. Relevant research methodologies, such as surveys, should be used by the researcher, who should be a person qualified in relevant disciplines, such as business, management or economic studies. The main aim of this study was to determine the socio-economic impact of the Klein Karoo National Arts Festival (KKNK) on Oudtshoorn.

The Integrated Development Plan (IDP) of the Greater Oudtshoorn Municipality (Oudtshoorn Municipality, 2005/2006:10) reported that the KKNK doubled its ticket sales in its second year of existence reaching 61 297 in 1996. In 2007, the festival sold 133 856 tickets to over 36 000 visitors who attended the 250 productions brought to stage by some 1000 artists. This festival draws sponsorships from international shores and contributes to the organising committee's turnover of R15 million each year.

In 2003 Van Schalkwyk (2004) did an economic impact study of the festival. Her results displayed the following:

- Almost a half of the KKNK's total direct expenditure flows out of Oudtshoorn due to leakages. Van Schalkwyk recommended that a study should be conducted on "strategies to keep more of the money spent during the festival in Oudtshoorn"
- Total economic impact of the 2003 KKNK on Oudtshoorn = R76 720 000 (multiplier effect included in the calculation).
- The festival improves local businesses' turnover.

- Tourism could lead to some disadvantages such as price increases in daily necessities and an uneven distribution of income.
- No permanent jobs were created by the festival.
- Most of the visitors' expenditure is on accommodation, which is one of the only sectors with a very low monetary leakage out of Oudtshoorn. Thus, the longer the visitors stay, the greater the economic impact will be. Van Schalkwyk quoted Kimm *et al.* (1998) who indicated how the leakage component could be reduced even further: if visitors stay in Oudtshoorn for as long as possible, administration costs could be decreased and income maximised (Van Schalkwyk, 2004:72-92).

Van Schalkwyk made the following recommendations and stated that the festival should result in more community benefits than those that are presently realised:

- Decreasing the leakages could ensure a larger economic impact on the town, hence a better socio-economic status for residents due to the circulation of money in the town.
- Greater circulation of money could ensure greater income generation, which could, in turn, lead to more job creation.
- More local products should be sold and marketed at the festival.
- Local people should be employed at the festival.

Thus, Van Schalkwyk expressed the importance of this socio-economic study by recommending that social, political and cultural impacts should be measured to find what benefits are gained and what negativities are derived from the festival that cannot be expressed in monetary terms (Van Schalkwyk, 2004:92).

The next section will discuss the economic overview of Oudtshoorn, after which the separate social and economic research results will be discussed.

4.1.1 ECONOMIC OVERVIEW OF OUDTSHOORN

Oudtshoorn has a population of 87 000; which equals 2% of the total Western Cape Province population, making it the second largest town after George (131 000) in the Southern Cape region. A study conducted in 2004 stated that Oudtshoorn is one of thirteen towns with economic potential in this province and Oudtshoorn entered a growth phase in 2002, which could be due to low interest rates in some economic sectors. However, since Oudtshoorn has a strong dependency on its farming sector, the economic growth slowed down in 2003 due to the decline of exports of ostrich products as a result of avian flu and a stronger exchange rate (Oudtshoorn info, 2005a:4, 8).

Oudtshoorn has a skewed income distribution graph and unemployment that was increasing over the four-year period 1998 to 2004. This raised the number of people living in poverty which was 30% in 2004 (the provincial average was 23%). Oudtshoorn had an unemployment figure of 29,3% in 2004, a 4,9% increase over 1998 which is very high in comparison to the Province's figure of 19,6% . Unemployment will only be reduced if Oudtshoorn can realise an economic growth rate of 4% or more, but from 1998 to 2004, Oudtshoorn's economy grew at 1,9% per annum – the same rate as the province's growth rate. This rate was, however, lower than the national output of 2,8% during the same period (Oudtshoorn info, 2005a:4, 9- 11).

Employment opportunities have increased over the period 1998 to 2001, but the workforce population grew at a faster rate, thus leading to the increase in unemployment; this is true nationwide due to the high cost of labour. One thousand three-hundred People are directly dependent on tourism, which is almost 6% of the total employment in Oudtshoorn. The tourism and trade sector led to 58 new enterprises from 1998 to 2004. These include 30 restaurants or fast food stores and 28 guesthouses. The assumption is made that each new business creates four jobs on average, thus the tourism industry created an estimated 240 jobs, which is 14% of all jobs created during this period (Oudtshoorn info, 2005a:11, 12, 27, 31).

The following table (Table 4.1) provides an overview of the main economic activities in the Greater Oudtshoorn area. Social services contribute 24% of the total of all economic activity in the Greater Oudtshoorn area. Farming is the second largest sector with 19% of the total economic activity, which includes lucerne, vegetable seeds, and ostrich farming. According to the IDP (Oudtshoorn Municipality, 2005/2006:9), the increase in the export of agricultural commodities is a possibility whilst the exchange rate between South Africa and developed countries stays favourable and council will aid in drawing new investors to this sector. The third largest sector is the trade industry comprising 15% of the total economic activity; the high percentages of trade and services could be ascribed to the large tourism industry in Oudtshoorn (Oudtshoorn info, 2005a:13).

Table 4.1: Business sectors

Industries	Percentage
Farming	19%
Mining	0,12%
Manufacturing	8%
Utilities	0,88%
Construction	6%
Trade	15%
Transport	2%
Business Services	5%
Social Services (Government Officials)	24%

Private Household	8%
Undetermined	12%
TOTAL	100%

(Oudtshoorn Municipality, 2005/2006:8)

Total income from the tourism industry in the Oudtshoorn district equals almost R400m, which is 33% of the total income from the trade industry. The KKNK is responsible for 22% of the R400m generated by the tourism industry, and the tourism industry contributes to 8.4% of Oudtshoorn's Gross Geographic Product (Oudtshoorn info, 2005a:25).

The population of the Greater Oudtshoorn area is represented by the following ethnic groups: Coloured (77%), White (15%), African (8%), others and Indian (0.09%). The gender profile is similar to the gender profile of the visitors to the KKNK of 2007, namely 48% male and 52% female. Fifty-two percent of the total population forms part of the working population, which comprises a 43% youth component younger than 19 years of age. "The age and gender profile of the various communities may be indicative of development needs and socio-economic status" (Oudtshoorn Municipality, 2005/2006:6, 8). Only 66% of the total workforce is employed with a 33% increase in unemployment indicated between the two censuses of 1996 and 2001 and a decrease in employment opportunities of 0.67%.

Table 4.2 is a summarised representation of the Oudtshoorn community profile as compiled by the government in the IDP according to figures of the 2001 census. It indicates that half of the population (52% in total) falls between the ages of 20-64 of mainly Afrikaans-speaking (92%) people; the other 8% accounts for the 10 remaining official South African languages as well as some foreign languages. The government is the largest employer, employing 24% of the working population, with the farming industry employing the second highest proportion (19%) and trade the third highest proportion (15%). The remaining 24% of the population is employed in the various sectors of mining, manufacturing, utilities, construction, transport, business services, private household, and in undetermined industries. Unemployment, however, is very high, at 34%. This is 11% higher than the national average and 17% higher than the provincial average (Statistics South Africa, 2007:iv). The high rate could be ascribed to the lack of job creating opportunities. Unemployment has grown since 2001 (Oudtshoorn info, 2005a:4) and is increasing due to an economic growth of less than 4% in Oudtshoorn. The tourism industry is known to create jobs for uneducated people (De Beer *et al.*, 1997:11) – this type of job creation is what Oudtshoorn needs since only 12% of the population have passed matric. The table indicates that 10% of the Greater Oudtshoorn community have no schooling and only 4% have higher education. The IDP's 2001 Census results indicate that 6% of the population have no income and the results stated that the

socio-economic status could be read off the demographic profile of the community, and could also help identify development requirements in certain areas. For a more detailed breakdown of the categories listed in Table 4.2, consult the IDP (Oudtshoorn Municipality, 2005/2006:6-8).

Table 4.2: Profile of the greater Oudtshoorn community

CATEGORY	DETERMINANTS & PERCENTAGES					
GENDER	Male	Female				
	48%	52%				
AGE	0-19	20-34	35-64	65+		
	43%	23%	29%	5%		
LANGUAGE	Afrikaans	Other				
	92%	8%				
RACE	White	Coloured	African	Other and Indian		
	15%	77%	8%	0.09%		
EMPLOYMENT RATE	Employed	Unemployed				
	66%	34%				
OCCUPATION	Social Services (Gov official)	Farming	Trade	Other		
	24%	19%	15%	42%		
HIGHEST QUALIFICATION	Not Applicable (10%) & No Schooling (10%)	Some Primary	Completed primary	Some Secondary	Matric	Higher
	20%	30%	8%	26%	12%	4%
ANNUAL HOUSEHOLD INCOME	None & Not Applicable (institutions)	R1 - R9 600	R9 601- R19 200	R19 201- R38 400	R38 401 – R307 200	R307 201 +
	6.19%	22%	23%	21%	27%	0.81%

Census 2001 (Oudtshoorn Municipality, 2005/2006:6-8)

4.2 RESULTS OF SURVEYS

Huws (2002:6) mentioned that economic, employment and social policies could form part of any socio-economic research. The following section will discuss the research results, which contain economic, employment and social issues. This section will be divided into three main sections: Survey 1: social impacts; Survey 2: economic impacts; Survey 3: Visitor impacts.

- Survey 1: Social impacts (community survey). Stratified sampling was used where 260 questionnaires were collected from the 300 that were handed out.
- Survey 2: Economic impact (business survey). Convenience sampling was used where 79 questionnaires were collected after 90 were handed out.
- Survey 3: Visitor survey: Convenience sampling was used where 512 questionnaires were collected from the 550 that were handed out.

4.2.1 RESULTS OF SURVEY 1: SOCIAL IMPACTS

The following section will give insight into the results of the survey starting with a profile of the community and ending with the research results regarding social impacts that the festival might have on the community. The different advantages and disadvantages derived from the festival will also be discussed.

4.2.1.1 DEMOGRAPHIC PROFILE

Table 4.3: Profile of the Oudtshoorn Community

CATEGORY	DETERMINANTS & PERCENTAGES					
GENDER	Male	Female				
	46%	54%				
RACE	White	Coloured				
	57%	43%				
OCCUPATIONAL POSITION	Professional	Pensioner	Self-employed	Manager	Unemployed	Other
	26%	13%	9%	8%	7%	37%
HIGHEST QUALIFICATION	None	Other	Matric	Diploma / Degree	Post Grad	Professional
	2%	10%	31%	46%	7%	4%
BIRTH PLACE	Oudtshoorn	Elsewhere in Western Cape	Elsewhere in SA	Other country		
	44%	29%	25%	2%		

(Slabbert *et al.*, 2007:42-47)

Table 4.3 is a representation of the Oudtshoorn community according to the results of the community survey. The gender profile (46% male and 54% female) portrays almost the same figures as the gender profile of the IDP, showing 48% male and 52% female (Table 4.2). This survey only focused on the White and Coloured communities of Oudtshoorn, since these are mainly Afrikaans-speaking people. The Census of 2001 (Table 4.2) indicates that 77% are Coloured and 15% White while survey results display that 57% of all respondents were White while the remaining 43% were Coloured. The significant difference in numbers could be explained by the fact that the census represents numbers of the Greater Oudtshoorn Community and not just the permanent residents of Oudtshoorn. Many of the coloured population live in rural areas outside towns and did not form part of the survey. The highest number of respondents (46%) indicated that they have a diploma or degree as their highest qualification and the majority of the local community was born in Oudtshoorn (44%).

4.2.1.2 OCCUPATION

From Table 4.4 it is clear that 26% of all respondents were in professional positions with 13% pensioners and 7% of all respondents were unemployed. The 17% "other" occupations include

teachers, correctional service workers, garden services, military services and waitresses. The IDP in Table 4.2 shows a total unemployment rate of 34%. The difference between these figures is because this survey did not include rural and other areas of the Greater Oudtshoorn while the census did. Table 4.1 shows the main economic activities in Oudtshoorn (according to the IDP) where farming makes up 19% of the economic activities. The household figures however are closely related, indicating 6% in the survey results and 8% in Table 4.1. This once again could be explained by the differences in the sample area of the survey and the circumference of the IDP; according to the economic profile of Oudtshoorn (Oudtshoorn Municipality, 2005/2006:8), this town “has the lowest per capita income level of the large towns in the Southern Cape.

Table 4.4: Occupation

Occupation	Percentage
Professional	26%
Pensioner	13%
Self-employed	9%
Manager	8%
Administrative	6%
Household	6%
Technical	3%
Sales	2%
Farmer & Forester	1%
Community Service Worker	1%
Non-Profit	1%
Unemployed	7%
Other	17%

(Slabbert *et al.*, 2007:43)

4.2.1.3 EDUCATION

The survey results indicated the following about the qualifications levels of the Oudtshoorn community: 46% of the respondents have a diploma or degree whilst 31% have completed matric. Seven percent of the respondents indicated that they are postgraduates, 4% have a professional qualification, and 2% of the respondents indicated that they have no formal qualification. Ten percent of the respondents indicated they have other types or levels of qualification. The respondents who indicated they have another qualification are schooled to grade 6, 7, 8 and 10 respectively (Slabbert *et al.*, 2007:43). The IDP indicates that, throughout the Greater Oudtshoorn community, only 4% have higher education and 12% have passed matric (Table 4.2).

4.2.1.4 SPECIFIC SOCIAL IMPACTS

The following section elaborates on parts of the questionnaire that was given to the community members of Oudtshoorn. The community was asked questions to indicate the impact that the festival has on their lives. Questions regarding interest, support and attendance to the festival were asked. The questionnaire also included 45 statements to which respondents had to indicate their agreement.

4.2.1.5 IMPACT OF THE KKNK ON RESPONDENTS AND THE OUDTSHOORN COMMUNITY

Table 4.5 indicates that only 5% of the community think that the festival has a negative impact on their personal lives while 5.5% think it has a negative impact on the community as a whole. The respondents indicated that the festival has a large positive effect on their lives (20%) and on the community (36.5%). From these figures, it is clear that the community thinks that the KKNK has positive effects on their personal lives and on the community, thus the majority of the local community supports and participates in the festival.

Table 4.5: Impact on personal lives of respondents and on the Oudtshoorn community

	VERY NEGATIVE			NO EFFECT			VERY POSITIVE
	-3	-2	-1	0	1	2	3
Impact on personal lives	5%	3%	3%	34%	11%	24%	20%
Impact on Oudtshoorn community	5.5%	4%	4%	10%	12%	28%	36.5%

(Slabbert *et al.*, 2007:44)

4.2.1.6 SPECIFIC IMPACTS ON THE OUDTSHOORN COMMUNITY

This section will elaborate on the statements that were given to the community on which they had to express their agreement or disagreement. The first section will analyse respondents' answers, where indication had to be given on whether or not respondents think certain criteria have improved or worsened as a result of the KKNK (Table 4.6). The second part elaborates on statements given to respondents to which they had to indicate whether they agree or disagree with the respective statements, this is indicated in Table 4.7 (Slabbert *et al.*, 2007:48).

The next table indicates positive and negative impacts (as indicated by community members) as a result of the festival.

Table 4.6: Specific impacts A

STATEMENT	INCREASE / BETTER	DECREASED / WORSE	NO CHANGE	DO NOT KNOW
Due to the KKNK...				
The noise levels in the area...	35%	25%	32%	8%
The job opportunities in Oudtshoorn...	62%	8%	24%	6%
The variety of things to do in Oudtshoorn...	59%	4%	28%	9%
The number of people in the area...	67.7%	6%	16.7%	9.6%
Rowdy behaviour...	41%	16%	32%	11%
Property value in the area...	64%	3%	17%	16%
Crime levels...	35.5%	15.1%	33.5%	15.9%
Community participation in activities...	44%	6%	29%	21%
Entertainment opportunities...	63%	6%	24%	7%
Prices of goods and services ..	56%	12%	21%	11%
Community pride towards Oudtshoorn...	56%	9%	25%	10%
General cost of living...	51%	10%	31%	8%
Litter in the area...	43%	18%	31%	8%
Damages to the area...	25.2%	12%	40.4%	22.4%
Opportunities to meet new people...	74%	5%	14%	7%
Opportunities for local businesses...	67.7%	3.6%	15.5%	13.1%
The number of tourists who visit Oudtshoorn throughout the year...	78%	5%	6%	11%
Excessive alcohol and/or drug use...	51%	13%	22%	14%
The number of people who permanently move to Oudtshoorn or buy holiday houses...	46%	2%	17%	35%
Funding for community activities...	38%	9%	22%	31%
The rights and privileges of residents...	24%	13%	43%	20%
Skill levels for event management in Oudtshoorn...	49%	7%	19%	25%
During the KKNK...				
The availability of parking...	22%	57%	17%	4%
Traffic congestions...	38%	35%	20%	7%
The turnover of local businesses...	68%	5%	9%	18%

(Slabbert *et al.*, 2007:49)

The following paragraph discusses the positive economic impacts as indicated by the community (Table 4.6). Sixty-two percent of the respondents indicated that they think the festival creates job opportunities. Sixty-four percent indicated that the property value has increased, 67.7% think the festival provides opportunities for businesses and 68% think the turnover of local businesses shows a positive impact as a result of the KKNK. Seventy-eight percent see more tourists visiting Oudtshoorn throughout the year as an advantage. These indications are in correlation with what many authors said when they stated that one of a festival's positive impacts is that it facilitates the flow of money into the region (Auld & McArthur, 2003:192; Heilbrun & Gray, 2001:357; Getz, 1997:51; Saayman, 2001:84; Yeoman *et al.*, 2004:33).

Other positive social impacts indicated in the above results are: 59% of the respondents indicate that there is a greater variety of things to do; 63% indicated that entertainment opportunities increased. Fifty-six percent of the residents feel that the community pride has increased; and 74% indicated that the festival provides the opportunity to meet new people.

The negative impacts (as indicated by respondents) in Table 4.6 are the following: 57% indicated that the decrease in availability of parking is a negative aspect and 35% indicated that they consider the traffic congestion as a negative impact; Douglas *et al.* (2001:34) and Hughes (2000:45) stated that overcrowding is a general negative aspect present at festivals. Fifty-six percent of the respondents see the price increases on goods and services during the festival as disadvantageous – this relates to the 10% who indicated that the cost of living increases during the festival. 13% also indicated that alcohol and drug use increase during the festival.

From the above, it is clear that there are more positive than negative effects resulting from the festival. Nine positive impacts with moderate to high community agreement were explained as opposed to only five negative impacts with very low to moderate community agreement. The negative effects are temporary and are mostly restricted to the period of the festival only. In contrast to this, the positive effects have mostly long-term influences.

Table 4.7 indicates specific impacts with which the community had to state their agreement or to indicate if they do not know the influences described by each statement.

Table 4.7: Specific impacts B

	AGREE	DON'T AGREE	DON'T KNOW
The KKNK ...			
Entertains residents and provides them the opportunity to attend a national event.	77%	17%	6%
Interferes with residents lives and causes tension.	32%	57%	11%
Increases social inequity because it only provides opportunities for the rich and not for the poor residents.	48%	43%	9%
Gives the community the opportunity to show others how special the community is.	59%	28%	13%
Brings too many people into my community.	24%	69%	7%
Improves the Western Cape's reputation as an events province.	74%	12%	14%
Promotes good values.	41%	40%	19%
Provides the opportunity for family and friends to have fun together.	84%	11%	5%

	AGREE	DON'T AGREE	DON'T KNOW
General			
The public money spent on the KKNK can be put to better use.	45%	39%	16%
The media coverage of the KKNK promotes tourism and business development in Oudtshoorn.	75%	16%	9%
The theme of the KKNK does not support the culture of Oudtshoorn.	31%	50%	19%
Friends and family visit me because of the KKNK.	75%	21%	4%
The average resident has no say in the planning and management of the KKNK.	60%	25%	15%
The money spent by visitors during the KKNK helps to stimulate the economy.	70%	16%	14%

(Slabbert *et al.*, 2007:52)

From Table 4.7 the following positive impacts were identified:

- Family and friends can have fun together as a result of the festival (84%).
- The festival leads to more friends and family visits (75%).
- The festival entertains the community and provides residents with the opportunity to attend a national event (77%).
- The Western Cape's "events province" status improves due to the festival (74%).
- Tourism and business development in Oudtshoorn is promoted by the media coverage of the festival (75%).

Media coverage of festivals plays a very important role in the tourism industry. It promotes the festival and the town, (Hall 1992, as quoted by Davies & Brown, 2000:162) which creates more awareness among the public (Auld & McArthur, 2003:192; Heilbrun & Gray, 2001:358; Getz, 1997:51; Saayman, 2001:84; Yeoman *et al.*, 2004:33) and, if more people are informed, more will attend the festival (Allen *et al.*, 2005:223). Higher tourist numbers mean that extra revenue will be generated (Middleton & Clarke, 2001:88, 227) and this will, in turn, lead to more job creation possibilities (Yeoman *et al.*, 2004:xviii).

From Table 4.7 only one negative impact was identified:

- Planning and management of the festival is inaccessible by the average resident (60%).

Community involvement in planning of the event could be a key factor for the sustainability of the event (Miller & Ritchie, 2002:73). If the local community is provided with the opportunity to be involved in the planning process, there would be fewer negative attitudes from the residents (Ross, 1992; Murphy 1985; as quoted by Tiyce & Dimmock, 2000:229; Gunn, 1988; Murphy, 1985; Simmons, 1994; as quoted by Nyaupane, *et al.*, 2006:1374, 1382) and this would contribute to a more sustainable event.

Unfortunately, much can be said about the importance of community participation, but the implementation thereof is not so easily accomplished (Cernea, 1992:1; as quoted by Emmet, 2000:502-504; Nash, 2003:3). In South Africa, community participation and the fulfilment of communities' needs prove difficult to accomplish due to the many different classes, races and cultures in a community. The IDP (Oudtshoorn Municipality, 2005/2006:5) stated that community involvement takes time and money and needs careful planning since not all planning stages require equal participation. Nyaupane *et al.* (2006:1374) quoted the following reasons as to why implementation is not always possible: residents' lack of knowledge (Campbell, 1999; Gartner, 1996; Tosun, 2000), cultural differences (Tosun, 2000), and some residents may feel that it would be inappropriate for them to take part in the planning of such an event since they believe that it is the government's responsibility (Timothy, 1999). Other barriers to community involvement include "poverty, poor public transport, language barriers, illiteracy" (Theron, Ceaser, Davids, 2007), refusal to participate because of the negative event and festival impact (Reid & Arcodia, 2002:502) and some stakeholders just do not get the opportunity to participate due to conflicting interests between them and event organisers. Emmet (2000:504) quoted Hope (1995) and Sherman *et al.* (1998) who stated that community-based crime prevention strategies are ineffective due to unrealistic demands with which the government cannot comply. This is also applicable to community participation in event management. It is impossible to meet all the terms of the diverse South African communities.

Once again, it could be pointed out that the positive impacts derived from the festival far exceed the negative impacts and results correlate with theory from various authors. Six positive impacts with very high agreement among community members were indicated, versus only one negative with moderate agreement among community members.

The research results also indicated that there are some aspects where community members disagree with each other. Attention should be paid to these aspects:

- Forty-eight percent of the residents feel that the festival increases social inequality because it provides the richer residents with opportunities but not the poor. 43% do not agree with this statement.
- Forty-one percent agree and 40% disagree on the statement: The festival promotes good values.
- Forty-five percent are of the opinion that the public money spent on the festival improves tourism and business development in Oudtshoorn; 39% disagree.

4.2.1.7 SOCIAL IMPACTS: FACTOR ANALYSIS

The questionnaire contained essential factors or variables into which the researcher wanted insight. Thus, a factor analysis was used to summarise all the variables to a few fundamental variables while the original information is kept intact (Tustin *et al.*, 2005:668; Field, 2005:620; Eiselen, Uys, Potgieter, s.a:104).

A factor analysis was used to reduce measured variables with high correlating coefficients into groups (factors) with similar properties. The factor analysis divided all the variables into a minimum number of factors that are explanatory of the total variables.

The factor analysis has three stages:

Stage 1: all variables were used to create a correlation matrix. A correlation matrix is “a rectangular array of the correlation coefficients of the variables with each other”

Stage 2 extracts “factors based on the correlation coefficients of the variables” from the correlation matrix.

Stage 3 rotates factors to “maximise the relationship between the variables and some of the factors” (Tustin *et al.*, 2005:668).

A factor analysis plots variables on a system of axes, and where clusters of variables occur, they are seen as variables with similar characteristics. These variables are grouped into factors under a representative name (Field, 2005:620, 637). A factor analysis calculates a value (loading) for each variable when a chosen rotation is applied to it. Field suggested using the varimax rotation if it is expected that factors are independent, but the direct oblimin rotation could be used if theoretical proof could be given that factors correlate. A factor loading is a measure of a variable's essential relation to a specific factor; therefore, variables are grouped with factors. Factors with a loading of .364 or more are deemed important when a sample size of 200 is used. Sample sizes of 300 deem factor loadings of .298 or more as important. This study has a sample size of 260, thus the lowest factor loading of .355 is acceptable.

The loading itself is not a very user-friendly indication of the variable's importance to a factor. To find the value, square the loading. This gives an estimated variance amount between factors and variables. In this respect, Stevens (1992; as quoted by Field, 2005:637) suggested that only

variables with a loading of .4 or more should be used – “which explain around 16% of the variance in the variable”.

In conclusion, it could be stated that the factor analysis is purely a method to explain results and is indicative of patterns in data. Field (2005:666) stated that a factor analysis should be done with great care and not deciding on analysis methods that will swing answers in a desired direction, but rather that informed choices should be made.

The results were firstly calculated with the varimax rotation, but discrepancies occurred, leading the researcher and analyst to exclude eight of the variables (due to an ambiguous nature of statements in the questionnaire) and recalculating the results by means of the oblique (and direct) oblimin rotation. The oblique rotation is the recommended rotation to use when human behaviour is studied because it allows factors to correlate and aspects in social and psychological fields are often correlated; this rotation also divides the factor matrix into the “pattern matrix” and the “structure matrix.” The latter is basically a product of the first and is more complex; therefore the pattern matrix was used in this study. The analyst used the oblique rotation due to the interrelationship between factors.

From Table 4.8, 23 items were reduced and categorised into seven factors. The factor analysis was done with the pattern matrix method. The names of the factors are: community benefits, positive impacts, traffic problems, external negative impacts, networking opportunities, city beautification, and personal negative impacts.

The factor analysis is appropriate when a relationship exists between variables. The Bartlett’s test of Sphericity measures this: if a correlation matrix is not proportional to an identity matrix, there are relationships between variables that could then be included in the factor analysis. The Bartlett’s test reaches significance at a value smaller than .05, if the measure is less than .001 it is “highly significant”, meaning that the factor analysis is appropriate (Field, 2005:652). In this study’s factor analysis (Table 4.8), the Bartlett’s Test reached the value of .000 which indicates high significance and that this factor analysis is appropriate.

The questionnaire had an itemised rating scale section with four options (1.00 indicating the minimum and 4.00 the maximum whereas N=population). Thus, the mean is calculated by adding the number each respondent chose, and dividing it by the total respondents; this implies that, in example, the average answer of the questions pertaining to community benefits scores 2.7247 out of 4 (Field, 2005:4,6). The standard deviation indicates how representative the mean is of the data.

The smaller the standard deviation (relative to the mean value), the closer the data points are to the mean implying an accurate representation. From the above explanation, one can see that all the measurements are quite representative (the one least representative is traffic problems).

The component correlation matrix (Table 4.9) is a representation of correlations between the various factors. The low scores are indications of how well factors are distinguished from each other. Thus, it could be stated that the various impacts from the social survey are clearly defined and do not overlap.

The Cronbach's Alpha is a measure that indicates the reliability of questionnaires by measuring the internal consistence of questions (Field, 2005:676) The Cronbach's Alpha is expressed as a figure between 0 and 1 where 0 = "zero internal consistency" and 1 = "perfect internal consistency" (Colman, 2001). Colosi, (1997) stated that a result closer to one indicates higher reliability. Kline (1999; as quoted by Field, 2005:668) stated that it is generally accepted that a good value for the Cronbach's Alpha is .8 but, when measuring intelligence or abilities, .7 as also regarded as good. Kline (1999; as quoted by Field, 2005:668) also stated that when psychological aspects are included in the research, figures lower than .7 are realistic due to the miscellany of the measured constructs. Fletcher (2008) from the humanities and social sciences department of the University of Toronto stated that, for their work on political science, the Cronbach's alpha threshold value is .60 and the University of California (UCLA Academic technology services, s.a.) stated that when multi-dimensional data is used, low values of the Cronbach's Alpha will be regarded as normal.

Thus, factors scoring between .6 and .7 are acceptable for this study, but factor 6 and factor 7's Cronbach's alphas are .520 and .383 respectively. This indicates that the internal consistence of these questions is low due to a low repetition of similar questions, thus the questionnaire needs to be modified (Table 4.8).

Total Variance explains 57% of the results and the KMO (Kaiser-Meyer-Olkin) measure tests whether or not the sample is large enough to ensure that clearly perceptible and trustworthy factors are produced from the factor analysis (Table 4.8). This measure could range between 0 and 1. The closer to 1, the closer separate correlations' variables lie to each other, implying that factors are reliable. Hutcheson and Sofroniou (1999; as quoted by Field, 2005:640) stated that values between .7 and .8 are "good".

Table 4.8: Pattern matrix

Specific impacts	Component / Factor							
	Community benefits	Positive impacts	Traffic problems	External negative impacts	Networking opportunities	City beautification	Personal negative impacts	
Mean values	2.7247	2.4208	1.8261	2.4624	2.3441	2.3340	2.3288	
The rights and civil liberties of local residents have...	.819							
Public funding for community activities has...	.734							
The number of people moving to Oudtshoorn permanently or buying holiday homes here has...	.690							
The skill base for event management in Oudtshoorn is...	.400							
Entertainment opportunities have...		.721						
Participation in community activities has...		.658						
The range of things to do in Oudtshoorn has...		.644						
Employment opportunities in Oudtshoorn have...		.566						
Property values in the area have...		.386						
Parking availability in the area has...			.881					
Traffic congestion in the area has...			.839					

Damage to the environment has...						.794						
Litter in the area has...						.724						
Crime levels have...						.591						
Rowdy and delinquent behaviour has...						.355						
The opportunities to meet new people have...							.797					
Opportunities for local business have...							.732					
The number of tourists visiting at other times of the year has...							.476					
Interactions between locals and tourists have...							.485					
The appearance of the area is...								.738				
The maintenance of public facilities in the area is...								.735				
The overall cost of living has...									.765			
Social and moral values have...									.383			
Cronbach's Alpha					.696		.683	.729	.608	.637	.520	.382
Total variance explained = 57.339%												
KMO measure of sampling adequacy = .773												
Bartlett's test of sphericity = .000												

Table 4.9: Component correlation matrix

Component	Community benefits	Positive impacts	Traffic problems	External negative impacts	Networking opportunities	City beautification	Personal negative impacts
Community benefits	1.000	-.190	.097	.164	-.287	.114	.198
Positive impacts	-.190	1.000	-.031	-.117	.192	-.185	-.116
Traffic problems	.097	-.031	1.000	.049	-.098	.040	.069
External negative impacts	.164	-.117	.049	1.000	-.135	.136	.192
Networking opportunities	-.287	.192	-.098	-.135	1.000	-.133	-.183
City beautification	.114	-.185	.040	.136	-.133	1.000	.107
Personal negative impacts	.198	-.116	.069	.192	-.183	.107	1.000

- Factor 1: Community benefits. These benefits include the rights and civil liberties of local residents, public funding for community activities, the number of people permanently moving to Oudtshoorn or buying holiday homes there and the skill base for event management in Oudtshoorn. The following authors also listed skills, or training and investment as benefits derived from hosting of festivals: Tiyce and Dimmock (2000:223), Allen *et al.* (2005:32) and Sherwood (2007:40, 87, 245). Sherwood listed civil rights under community benefits resulting from events and quoted Crompton & McKay (1994) who listed the importance of public funding for events. Community benefits have the highest mean value of all seven factors, namely 2.7247. This is an indication that these benefits are the festival-related effects that the community members experience the most.
- Factor 2: Positive impacts. These impacts include entertainment opportunities, participation in community activities, the range of things to do in Oudtshoorn, employment opportunities in Oudtshoorn and property values in the area. Dwyer *et al.* (2006a:56), Dyer *et al.* (2007:412-419), Allen *et al.* (2005:32) and Fredline (2000:iv, 9) also listed these as positive impacts of events. Positive impacts have a mean value of 2.4208.
- Factor 3: Traffic problems. Traffic problems include parking availability in the area and traffic congestion in the area. These are common impacts of festivals on host communities (Dwyer *et al.*, 2006a:56; Dyer *et al.*, 2007:418; Allen *et al.*, 2005:32; Andereck *et al.*, 2005:1068; Tiyce & Dimmock, 2000:223; Fredline, 2000:iv, 9). Traffic problems have a mean value of 1.8261.
- Factor 4: External negative impacts. These impacts include damage to the environment, litter in the area, crime levels and rowdy and delinquent behaviour. Sherwood (2007:86), Dyer *et al.* (2007:418), Dwyer *et al.* (2006a:56), Allen *et al.* (2005:32), Fredline (2000:9), Andereck *et al.* (2005:1068) and Tiyce and Dimmock (2000:223) all found two or more of the above factors in their research on impacts of tourism or events. External negative impacts have a mean value of 2.4624.
- Factor 5: Networking opportunities. Networking opportunities include the opportunities to meet new people, opportunities for local business, the number of tourists visiting at other times of the year and interactions between locals and tourists. Fredline (2000:9, 171) found events to provide opportunities for businesses and to meet new people, Fredline also quoted Ritchie and Beliveau (1974) who stated that events prolong the tourist season of a host town. Allen *et al.* (2005:32) also listed some of the above opportunities in their book on festival management. Networking opportunities have a mean value of 2.3441.

- Factor 6: City beautification. City beautification includes the appearance of the area and the maintenance of public facilities in the area. Allen *et al.* (2005:32) and Fredline (2000:9) stated that events could lead to regeneration or upgrading of the area. City beautification has a mean value of 2.3340
- Factor 7: Personal negative impacts. These impacts include the overall cost of living and social and moral values. Travis (1994) as quoted by Tiyce and Dimmock (2000:223) and Fredline (2000:9, 222) indicated that moral values could change during events, and lifestyles or quality of life could be influenced as a result of the festival. Fredline (2000:9), Allen *et al.* (2005:32) and Dwyer *et al.* (2006a:56) stated that price inflation on goods and services could be experienced as a result of events. Personal negative impacts have a mean value of 2.3288.

4.2.2 RESULTS OF SURVEY 2: ECONOMIC IMPACT

The Business survey focused on economic impacts such as job creation, leakages, and impacts on annual incomes. The next section will discuss all these results, starting with the type of businesses that completed the second survey.

The different business sectors of Oudtshoorn are set out in Table 4.1 in the economic overview of Oudtshoorn. Table 4.10 provides an indication of businesses that formed part of the business survey.

Table 4.10: Type of business

Type of business	Percentage
Guesthouse	19%
Restaurant	9%
Curio/café	8%
Pharmacy	5%
Butchery	4%
Clothing store	4%
Hardware shop	3%
Bookshop	3%
Petrol station	3%
Supermarket	2%
Gift shop	1%
Bar	1%
Other	38%

(Slabbert *et al.*, 2007:31)

Guesthouses formed 19% of the business survey while the “Other” category formed 38% of the survey and included businesses such as home industries, estate agents, hair studios and art shops. Twenty-four percent of the respondents were in the food industry (9% restaurants, 8% curios or cafés; 4% were butcheries; 2% supermarkets, and 1% bars).

Employment is an important issue from the festival as well as from the socio-economic viewpoint. Yeoman *et al.* (2004:33) stated in a definition of a festival that it should contribute to job creation, Huws (2002:7) stated that employment and job creation is something that socio-economists should focus on. Etzioni (1990:452) stated that the cure for unemployment is to educate and empower the unemployed and De Beer *et al.* (1997:11) quoted De Beer and Elliffe (1997) who stated that empowering of local community members would increase the sustainability of tourism activities.

Forty-two percent of the responding businesses indicated to have created additional jobs during the festival; which is a 17% decrease in comparison with 2006 (Saayman, Slabbert & Saayman, 2006:27), but more permanent job creation took place in 2007 than in the past. Twenty-two percent of the businesses only employed one extra employee while 19% of the additional job creating businesses created three additional jobs and 12% of the respondents employed more than 20 additional workers.

The number of permanent additional jobs created is very low. Only 10% of the additional job creation that resulted from the festival is permanent. This is, however, a significant improvement since Van Schalkwyk’s study in 2003 on the KKNK (Van Schalkwyk, 2004:90), which proved no permanent jobs were created (this 10% increase in permanent job creation could be an indication that the festival is becoming more sustainable). Eighty-seven per cent (87%) of the additional created jobs are temporary while only 3% of the job creation is overtime.

Businesses that took part in the survey were asked to indicate changes in revenue during the festival period. The majority of the businesses indicated that they experienced a slight increase in annual income (43%) and 32% of the responding businesses experienced a significant increase in annual income. Eighteen percent stated that no change in their incomes take place, 1% experienced a slight decrease and 6% of the respondents stated that their annual income decreased significantly during the festival (Slabbert *et al.*, 2007:33).

Table 4.11 indicates leakages caused by respondents of the business survey that bought products and services from suppliers outside Oudtshoorn. Leakages occur when stock and services are bought outside Oudtshoorn by businesses and members of the community. If more purchases are

made outside of Oudtshoorn and less locally produced products and services are bought, the less the economy will grow contributing to fewer economic advantages resulting from the festival (Heilbrun & Gray, 2001:347) To benefit from a festival, leakages have to be identified and reduced to a minimum (Saayman & Saayman, 2004:631).

Table 4.11: Leakages

Percentage purchases	Percentage
0-10% Outside purchases	24%
11-20% Outside purchases	9%
21-30% Outside purchases	4%
31-40% Outside purchases	6%
41-50% Outside purchases	6%
51-60% Outside purchases	5%
61-70% Outside purchases	2%
71-80% Outside purchases	12%
81-90% Outside purchases	5%
91-100% Outside purchases	27%
Weighted Average	51.3%

(Slabbert *et al.*, 2007:33)

Table 4.11 indicates that 27% of the responding businesses bought between 91-100% of their stock from suppliers outside of Oudtshoorn. The table also indicates that 24% of the businesses only bought between 0-10% of their stock outside of Oudtshoorn. The weighted average leakage is calculated at 51.3%. The reduced leakage could lead to the increase in employment because money is re-spent in town. When more permanent jobs are created, people have a fixed income, thus increasing their living standards and the socio-economic influence of the festival.

4.2.3 RESULTS OF SURVEY 3: VISITOR SURVEY

The following section will discuss the results of the visitor survey. Table 4.12 is an indication of the typical profile of the KKNK visitor. Specific attention will be paid to economic impact influencing factors that festinos might have on the KKNK. These factors include length of stay, travel group size, and extent of expenditure.

4.2.3.1 VISITOR PROFILE TO THE KKNK

Table 4.12: Visitors profile to the KKNK

CATEGORY	DETERMINANTS & PERCENTAGES		
	Male	Female	
GENDER	48%	52%	
AVERAGE AGE	Av.		
	43		

LANGUAGE	Afrikaans	English	Other	
	95%	4%	1%	
OCCUPATION	Professional	Self-employed	Manager	Other
	28%	14%	12%	46%
PROVINCE	Western Cape	Eastern Cape	Gauteng	Other
	61%	15%	14%	10%
AVERAGE GROUP SIZE	Average			
	3 people			
AVERAGE NUMBER OF PEOPLE ONE VISITOR IS FINANCIALLY RESPONSIBLE FOR	Average			
	2.75 people			
AVERAGE LENGTH OF STAY	Average days	Average nights		
	4.42	4.5		
TYPE OF ACCOMMODATION	Guesthouse/B&B	Family/Friend	Camp	Other
	13%	17%	25%	45%

(Slabbert *et al.*, 2007:12-22)

Table 4.12 summarises the profile of the average festino. It indicates that almost all of the festinos are Afrikaans-speaking (95%) and there are slightly more female visitors (52%) than men (48%) – this tendency is also portrayed in Kelly and Godbey’s (1992:442) book: “The sociology of leisure” – it stated that more women attend art shows than men. The most of these visitors follow a professional career (28%), originate from the Western Cape (61%) and the average age of the festivalgoer is 43. The “other” determinants include the following: *Language* (German and Spanish); *Occupation* (Pensioner, student, administrative, housewife, farmer, government employee, sales personnel, technical, mining, unemployed, and non-profit worker and additional others, including correctional services, video productions, secretarial, bus drivers and publishers); *Province* (all other South African Provinces as well as 1% from other countries); and *Type of accommodation* (resident of Oudtshoorn, festival guesthouse, hotel, rent full house, train at the station, day visitor, and other accommodation such as hostels, and resorts and chalets). For a detailed breakdown of all above categories, see Slabbert *et al.*, 2007.

Table 4.12 also portrays percentages of factors that contribute to the total visitor expenditure. The average group size was 3 in 2007 but the average number of persons one visitor is financially responsible for was 2.75 people. Respondents indicated that an average of 4.42 days are spent at the festival with an average of 4.5 nights in town, and 25% of all of these overnight visitors made use of camping sites. Length of stay greatly influences visitor expenditure - the longer a visitor stays, the higher the total expenditure (Saayman & Saayman, 2004:638).

4.2.3.2 VISITOR EXPENDITURE

Table 4.13 indicates amounts of expenditure by respondents where the average total expenditure by a respondent with financial responsibility of 2.75 other festinos, is calculated on R3 719.98 and the total direct expenditure by festino's equal R46.8million. The most money was spent on accommodation (R955.22 and total: R12 million) and transport to the KKNK (R618.37 and total: R7.78 million). The "other" expenditure is the lowest and includes CD and DVD purchases as well as magazine subscriptions. Some of these figures need to be adapted because not all income from ticket sales, for example, accrues to the area and sales normally take place before the event. The next section will discuss this aspect as part of the economic impact.

Table 4.13: Visitor expenditure

Category	Expenditure per respondent with financial responsibility of 2.75 others	Total expenditure
Accommodation	R 955.22	R 12,019,446.42
Food and restaurants	R 338.13	R 4,254,659.05
Alcoholic drinks	R 287.67	R 3,619,725.46
Non-alcoholic drinks	R 182.23	R 2,292,983.52
Shows	R 538.73	R 7,345,021.52
Retail shopping (excluding food and drinks)	R 201.76	R 2,538,727.74
Shopping at stalls (excluding food and drinks)	R 412.73	R 5,193,344.07
Amusement parks and adventure activities	R 32.21	R 405,295.50
Transport to KKNK	R 618.37	R 7,780,893.49
Transport at KKNK	R 67.16	R 845,068.17
Parking	R 27.04	R 340,241.86
Other	R 13.64	R 171,630.88
Totals	R 3719.89	R 46,807,037.70

In explanation of the above table, total expenditure on the category of *Food and restaurants* will be discussed. The average expenditure of a typical non-local festino (who is financially responsible for 2.75 people) on the category *Food and restaurants* is R338.13. In per person terms, expenditure is therefore $R338.13/2.75=R122.9527$. Expenditure per person is multiplied by the total number of non-local festinos (34 603) to derive total expenditure of non locals on *Food and restaurants* namely R 4 254 659.05. A similar calculation was used in all the other categories.

4.3 ECONOMIC IMPACT

This section focuses on the economic impact of festinos on the festival where leakages on show tickets, souvenirs, food, and transport are brought into calculation. To calculate the total impact of the festival, the leakages (adaption factor) of each spending sector and the multiplier needs to be

calculated. After these effects have been considered, the total economic impact (including indirect and induced spending) could be calculated.

The economic impact of the festival greatly depends on purchases made in Oudtshoorn and not elsewhere. Considering show tickets bought, it needs to be borne in mind that many tickets are bought outside the regional boundaries of Oudtshoorn over the internet or from Computicket in the visitors' hometowns. Therefore the ticket sales figure needs to be adapted due to VAT, commission and artist salaries since The National Treasury (situated in Pretoria) receives the VAT, Computicket (whose main offices are not situated in Oudtshoorn) receives commission and Oudtshoorn is not the hometown of the majority of the artists.

Not many Oudtshoorn locals own exhibiting stalls at the festival. The festival committee indicated that local residents own approximately 21% of all stalls and non-locals own some of the food-selling stalls, thus adaption factors have to be calculated on money spent at these stalls. This is also true for transport since it is believed that visitors fill their vehicles with fuel before leaving Oudtshoorn. There is an increase in transport costs in comparison with previous years, which could be explained by the increase in fuel prices and the fact that some of the respondents were from international shores.

The analytical framework that was used to determine the total economical impact of the festival by determining the total direct expenditure (DS – equation 5) and total indirect and induced expenditure (TS – equation 6) accruing to the community, are indicated in Table 4.14. This framework is adapted from Saayman and Saayman (2004:633) and the framework indicates that V_e represents the number of non-local festinos as a proportion of total festinos V and the ratio of non-local festinos is given by Φ (equation 1).

The total number of festinos coming to the festival is calculated by using the number of tickets sold, the average ticket price, and the average expenditure per respondent (who is financially responsible for 2.75 visitors) on show tickets. The percentage of locals included in this data captured is subtracted (the average percentage of locals attending the festival over the last four years is 6%) to give the total of 34 603 festinos to the 2007 KKNK. Thus, Φ in equation (1) equals 94% or 0.94, and V_e in equation (1) is then 34 603.

Only non-local festino expenditure was included in these calculations because it could not be determined whether or not locals would stay in town and increase their normal expenditure due to the festival, and by excluding the locals, the researcher was able to determine the total

amount of money that flows in from outside Oudtshoorn. S indicates the total expenditure and S_i denotes the total expenditure on category i while α_i is the average expenditure of a member on expenditure category i (equation 2). Thus, the different values of α_i are the values listed in Table 4.13 for each expenditure category, but divided by 2.75 to obtain the spending per person on a specific category. This is then multiplied by V_e (34 603), to obtain the value of total spending (S_i) on a specific category (such as parking). By summing the various spending categories, total spending by festinos can be derived, and it is estimated to equal R46 807 037.70.

λ_i is the percentage of the expenditure on category i that remains in the local community, the symbol β_i is used to indicate the percentage (or adaption factor) assigned to each category i (equation 3). As explained above, not all spending takes place in Oudtshoorn, and this accounted for by the use of the adaptation factors. The adaptation (β_i in equation 3) factor for ticket sales is calculated on 24% (which is the same figure used as in 2006), meaning that Oudtshoorn only receives 24% of all ticket sales. The adaptation factor for souvenirs is 21% (which is based on the percentage of stalls owned by locals). For food, it is 90% (because all restaurants are based in Oudtshoorn, but 10% of the food stalls are owned by non-locals) and, for transport, it is calculated at 40% (since festinos fill their vehicles with fuel in their hometowns before leaving for the festival and refill again in Oudtshoorn before leaving for home).

A fallback experienced with the research methodology in assessing economic advantages occurring from festivals, is that very few look at the cost aspect in the hosting of the event; this was identified by Getz (1991); Wang and Gittelson (1988) as quoted by Saayman and Saayman (2004:631). The festival's organising committee uses funds received from sponsors and stall space renters to organise the festivals and ticket sales. The payments the organisers undertake include payment to artists, equipment and venue hire, marketing and personnel wages.

Therefore the expenditure by the event organisers is also brought into calculation (represented by S_j in equation 4) which also has to be multiplied by the relevant adaptation factor, β_j (equation 5). The organising committee's expenditure is included since the monies spent are those received from sponsors and stall owners, and the main sponsors to the KKNK as well as the majority of the stall owners are non-local companies and individuals.

The festival's organising committee has a turnover of R10.18 million that is used to organise the festival and the related advertising, hiring of equipment, venues, contractors, personnel, and technicians. Artists' accommodation and the remuneration of organisers are also paid from this turnover. This amount is compiled by summarising sponsorships received from sponsors, which

contribute to R8.3 million, while exhibitors have to hire stall space, totalling R1.87 million. Therefore, the value of S_j in equation (4) is R10.18 million.

However, not all of the festival committee's spending accrues to the local community. The festival committee indicated that 80% of all hired personnel and equipment are Oudtshoorn residents (Slabbert *et al.*, 2007:40). Therefore, the value of the adaptation factor (β_j) in equations (5) is 0.8.

By substituting equations 1 to 3 into the equation for total spending (equation 4), the total direct expenditure could be calculated (DS – equation 5). Accordingly, the total direct expenditure is calculated on R39 580 806.

By multiplying the DS with the multiplier, which is given by μ , (to bring indirect and induced spending into calculation), the total spending (TS – equation 6) resulting from the festival could be calculated (Saayman & Saayman, 2004:633).

Table 4.14: System of equations for estimating local economic impact

Equation Description	Number
$V_e = \Phi V$	(1)
$S_i = V_e \alpha_i$	(2)
$\lambda_i = \beta_i \alpha_i$	(3)
$S = V_e \sum_{i=1}^n \lambda_i + \sum_{j=1}^m S_j$	(4)
$DS = \Phi V \sum_{i=1}^n \lambda_i + \sum_{j=1}^m \beta_j S_j$	(5)
$TS = (\Phi V \sum_{i=1}^n \beta_i \alpha_i + \sum_{j=1}^m \beta_j S_j) \mu$	(6)

(Adapted from Saayman & Saayman, 2004:633)

The leakages captured in Table 4.11 are leakage percentages as indicated by responding businesses of the business survey. The weighted average leakages are used in the calculation of the multiplier. The basic Keynesian multiplier is calculated by the following formula: Multiplier = 1/leakages. With average leakages calculated on 63.43% (Table 4.15), the multiplier equals 1.58 (The average leakage is calculated by finding the average the leakages per sector (from Table 4.15) and then determining the average of the various sectors' leakages. It is therefore a weighted average, which is determined 63.43%. The multiplier is calculated as follows: 1/0.6343 = 1.58).

This multiplier is higher than the multipliers of previous years (which was 1.47), thus it should be seen as a best-case scenario. The increase in the multiplier size could be ascribed to the fact that, in 2007, a larger percentage of the stall owners were locals, visitors spent more in 2007 and the leakages might have decreased (Slabbert *et al.*, 2007:40). The implementation of this multiplier

(equation 6), represented by symbol μ , brings the total economic impact (TS) of the festival on Oudtshoorn to R62 537 673.

Table 4.15: Leakages per sector

Type of business	Number of respondents	Average percentage of stock bought outside Oudtshoorn
Accommodation	15	12
Curio	4	63.75
Food	21	48.81
Retail	23	70.17
Transport	6	86
Wholesaler	3	91.67
Manufacturing	1	75
Services	5	60

In 2003 and 2006, multipliers of 1.43 and 1.47 were used. The effect of a smaller multiplier is indicated along with the higher multiplier of 2007 in Table 4.16 to give a more conservative prediction of the total economic impact that accrues to Oudtshoorn due to the festival. Table 4.16 gives a summary of all the above calculations and indicates the total direct and indirect expenditure. This table does, however, exclude all expenses undergone by the local authorities or residents in preparation of the festival.

Table 4.16: Total economic impact

Total non-local festino expenditure	R46 807 037.70	
Adaption Factors (β_i):		
Show tickets	24%	
Souvenirs	21%	
Food	90%	
Transport	40%	
Total Direct non-local festino expenditure	R31 436 806.63	
Organisers expenditure ($\beta_j = 0.8$)	R8 144 000	
Total Direct Expenditure	R 39 580 806.63	
	SCENARIO 1	SCENARIO 2
Multiplier	1.47	1.58
Indirect impact	R18 602 979.12	R22 956 867.85
TOTAL IMPACT	R58 183 785.75	R62 537 674.48

4.4 CONCLUSIONS

This chapter discussed the research results of the three surveys that were conducted, clarifying the social and economical impacts that the KKNK has on the community of Oudtshoorn. The economic impacts influence the lives of residents leading to a change in socio-economics of residents.

The social impact results reported on various thoughts and attitudes residents have concerning the festival. In general, the community feels that the festival contributes to employment creation, property value increases and entertainment opportunities. The largest concern among residents is the unavailability of parking during the festival.

The economic impact results determined that business turnover increases. The economic profile (Oudtshoorn info, 2005a:27) stated that no permanent jobs were created during the 2003 festival, but the short duration of the festival led to 7,8% of Oudtshoorn's total trading income (almost R90m); the profile further showed that this festival-generated income could result in new businesses and additional employment in Oudtshoorn. It was indicated in the economic impact survey that more local producers and suppliers are supported, a larger percentage of stall owners originate from Oudtshoorn.

The more local products bought leads to a better multiplier of expenditure and, in turn, more job creation as is found by the 2007 results concerning permanent jobs. Less unemployment increases the socio-economic status of residents.

The visitor impact results indicate that the expenditure is highest on accommodation, which is a sector with low leakage, thus if visitors stay longer, the economic impact will increase.

Chapter 5 will discuss the results of the literature and empirical studies and provide recommendations on it as well as for further research.

CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

This chapter will give an overview of the conclusions of each of the preceding chapters. The aim of this chapter is to draw conclusions from the conducted literature and empirical research as well as to make recommendations concerning the research.

The main goal of this research was:

- To determine the socio-economic impact of the Klein Karoo National Arts Festival on Oudtshoorn.

To reach the main goal, four objectives were formulated, they were:

- To analyse the socio-economic phenomena.
- To analyse the tourism events industry and its main stakeholders.
- To do a survey to determine the socio-economic impact of the event.
- To draw conclusions and make recommendations.

Chapter 1 introduced key terms to this study and formulated the problem statement, which is to determine the socio-economic impact of the KKNK on Oudtshoorn. The goal and secondary objectives were discussed, as well as the research methods that this study would follow.

The first objective was to analyse the tourism events industry and the main stakeholders, which was achieved in Chapter 2 (cf. 1.4.2). The different categories under which events could be grouped were discussed according to Figure 2.1 and the many positive impacts of events were stated to be the drawcard to get stakeholders involved in the events industry. The main stakeholders were discussed according to Figure 2.3 and the chapter concluded with reasons that events fail.

Chapter 3 analysed the socio-economic paradigm in the events industry, which is the second objective (cf. 1.4.2). This chapter discussed the importance of socio-economic research in events tourism and expanded potential positive and negative social and economical impacts that accrue due to the hosting of events. External influencing factors on the size of events' impacts were also discussed.

The third objective was to conduct socio-economic research at the festival to determine the socio-economic impact of the festival on the host community. The results and interpretations of this empirical research were discussed in Chapter 4 and these research results enabled the researcher to draw the conclusions that will be discussed later in this chapter.

5.2 CONCLUSIONS

Conclusions will be drawn according to the literature review and empirical research.

5.2.1 CONCLUSIONS WITH REGARD TO THE EVENTS INDUSTRY AND ITS MAIN STAKEHOLDERS

The main conclusions derived from Chapter 2: *The events industry* pertains to the first research objective (cf. 1.4.2):

- Events could be divided into two main categories of “scale or size”, and “form or content”. Festivals are classified under the latter (cf. 2.2 & 2.2.2.1)
- Governments and corporate sectors deem festivals and events as very important due to this industry’s many positive impacts, especially those of an economic nature (cf. 2.4.1.1). This dissertation indicated that the KKNK has many more positive impacts than negative impacts, thus these results could facilitate increased governmental support
- The literature review did not find performers as part of the stakeholders, but this dissertation indicated that performers should be considered as a main stakeholder along with the other stakeholders of the host organisation (including the government and corporate sector), sponsors, the media, co-workers, and visitors (cf. 2.4.7)
- Event organisers should meet all stakeholder needs as far as possible to maintain a sustainable event as well as keeping the support of the current stakeholders (cf. 2.4)
- An event’s socio-economic outputs are determined by stakeholder involvement in inputs and processes of the event (cf. 2.4)
- Positive event impacts, such as increasing a community’s sense of place, creating job opportunities and fostering a community’s sense of belonging, are what encourage governments to support events (cf. 2.4.1.1)

- Including the local community in event planning is crucial to the success of the event. Giving locals a say in the planning could lead to them taking ownership of the event. This portrays a positive image of the event to the outside world, which is necessary to attract visitors (cf. 2.4.2)
- Events cannot take place without the aid of sponsors. Sponsors contribute financially, through advertising, by selling the event, building its image and increasing its standards (cf. 2.4.3)
- Visitors ultimately determine the event's success through their expenditure and attendance numbers (cf. 2.4.6)
- Lack of stakeholder participation and support, negative impacts and ineptness, to name but a few, could lead to event failure (cf. 2.5)

5.2.2 CONCLUSIONS WITH REGARD TO SOCIO-ECONOMICS IN THE EVENTS INDUSTRY

The main conclusions derived from Chapter 3, *Socio-economics in events tourism* pertain to the second research objective (cf. 1.4.2):

- Events have quality of life altering socio-economic outputs (or impacts) (cf. 3.1 & 3.1.1)
- Aspects such as employment, income, education, overcrowding and congestion, social activities, intimacy with friends and relatives, crime and pollution are seen as quality of life influencing aspects. Events have the above mentioned impacts on communities and thus are aspects that should be measured in socio-economic research (cf. 3.1.1)
- A democratic political system contributes to a happier community, and a person's appreciation of life or "feeling useful" increases the quality of life, this emphasises the importance of the inclusion of the community in event planning (cf. 3.1.1)
- Events could lead to new developments that could bring about changes in aspects that community members cherish, such as their wealth, living standards, and moral values. This emphasises the importance for socio-economic impact studies since the above mentioned aspects are researched in socio-economic studies (cf. 3.1.2)

- Positive and negative results of events could be measured by conducting socio-economic impact studies (cf. 3.1.3)
- Economic impact studies aid in identifying economic activity that arises from events and in determining the value events bring to host communities (cf. 3.2)
- Events bring new money (via visitor expenditure) into economies, which leads to job creation and extra income (cf. 3.2 and 3.2.1)
- The community feel that they should gain from the festival for the sacrifices they make (social exchange theory). The benefits received from the event would influence their attitudes toward it and hence increase the sustainability of the event (cf. 3.3.1)
- Events have positive and negative economic impacts. The most common positive impacts of an economic nature are:
 - New developments and infrastructure
 - Increases in foreign investment, entrepreneurial activity, business opportunities and sales, and workers' income
 - Events could stabilise the tourism market and elongate the tourism season. This could also decrease the unequal income distribution because of a wider and extended distribution of tourism benefits
 - Job creation
 - Increases in property value and higher tax incomes for the government (cf. 3.2.2.1)
- The most common negative economic impacts of events include:
 - Masses of tourists could lead to business interruption and decreases in business turnover due to barricading of stores
 - Local stores could increase prices of goods and services during the festival period
 - Employment and income from the events industry are mostly only seasonal (cf. 3.2.2.2)
- The social impacts of events could also be positive and negative. Some social impacts of events could result in a positive or negative outcome; therefore, these are listed in both the positive and the negative list of impacts below. The positive social impacts of events include:
 - Increases in community pride, image, and identity

- Possible improvement in locals' quality of life
 - Conservation and strengthening of host nation traditions and improvement of cultural opportunities
 - Community involvement increases
 - Host-guest relations improve
 - Recreational facilities could be upgraded
 - Regional values could improve (cf. 3.3.2.1)
- Negative social impacts of events include:
 - A change in community image and identity - this could be perceived as negative when the image changes to suit tourists better than to reflect what the locals want. This could make local residents feel inferior in their own town
 - A decrease in quality of life – this could be due to all the other negative aspects that event hosting brings
 - The demonstration effect could take place as a result of event hosting, which could lead to the loss of, or commercialisation of local traditions and cultures
 - Litter and pollution could increase
 - Noise pollution could increase
 - Congestion takes place because of event hosting. This includes congestion of people as well as traffic congestion and parking deficiencies
 - One of the most negative social impacts is that crime increases with the hosting of events
 - Hooliganism increases as well as occurrences of property damage and vandalism
 - Prostitution
 - A decrease in community and/or individual values or morals takes place
 - A host nation could lose amenity and natural aesthetics due to large tourist numbers visiting the host town
 - The unequal distribution of tourism-related benefits could lead to a division between host residents (cf. 3.3.2.2)
 - There are external influencing factors on events that could play a determining role in the extent of event outcomes. These factors (over which the event organiser has no control) could be of a social or cultural, competitive, technological, economics, or political nature (cf. 3.3)
 - Community attitudes could influence their participation in the event. Negative attitudes and no local participation or support could sink the event (cf. 3.4.1)

- Event organisers have to stay informed on new market competition and event trends to prohibit event failure (cf. 3.4.2)
- To reach optimal economical benefit from events, leakages have to be identified and minimised (cf. 3.4.4)

5.2.3 CONCLUSIONS WITH REGARD TO THE SURVEYS

The next section will review results from the empirical research. Conclusions will highlight some of the main findings of each of the three surveys: social impact survey, economic impact survey, and visitor survey. From these results and a socio-economic perspective, it is clear that the KKNK has a very positive impact on the community of Oudtshoorn.

5.2.3.1 SURVEY ONE: SOCIAL IMPACT SURVEY (COMMUNITY)

- Fifty-four percent of the respondents were female, 57% were Caucasian (white) and 44% were born in Oudtshoorn (cf. 4.2.1.1)
- Of the respondents, 26% pursued a professional career and 46% have a diploma or degree as their highest qualification (cf. 4.2.1.1)
- The community is mostly positive towards the festival in that 20% indicated that the festival has a very positive impact on the personal lives of respondents, and 36.5% indicated that it has a very positive impact on the community as a whole. This is opposed to the 4% and 5.5% respectively of the respondents who felt that the festival has a very negative effect on their personal lives and on that of the community as a whole (cf. 4.2.1.5)
- These positive contributions took place from the hosting of the KKNK, as indicated by community members:
 - Job opportunities (62%)
 - Property value increase (64%)
 - Business opportunities increase (67.7%)
 - Business turnover increases (68%)
 - Increased number of tourists (78%)
 - More things to do in Oudtshoorn (59%)
 - Entertainment opportunities increased (63%)
 - Community pride increased (56%)
 - Opportunities to meet new people (74%)

- The event provides the opportunity for families and friends to have fun together (83%)
 - Family and friends visit more often due to the event (73%)
 - The festival entertains the community (74%)
 - Residents get the opportunity to attend a national event (74%)
 - The KKNK improves the Western Cape's status as an "events province" (73%)
 - Media coverage of the KKNK promotes tourism and business in this area (73%) (cf. 4.2.1.6)
- These negative aspects pertaining to the KKNK were indicated by local residents:
 - Lack of parking (57%)
 - Traffic congestion (35%)
 - Prices of goods and services increased (56%)
 - Cost of living increased (10%);
 - Substance abuse (drugs and alcohol) increased during the festival (13%)
 - The locals do not have access to the management and planning of the festival (60%) (cf. 4.2.1.6)
- The factor analysis indicated that the social impact results could be reduced and subdivided under seven factors with similar properties. These factors are representative of the total variables. These factors are:
 - community benefits
 - positive impacts
 - traffic problems
 - external negative impacts
 - networking opportunities
 - city beautification
 - personal negative impacts (cf. 4.2.1.7)

The above results clearly indicate that the majority of the impacts are positive and the majority of the responding residents agree on the positive aspects, indicating a positive attitude towards the KKNK. Only six negative aspects pertaining to the event were identified. The local residents do not all agree on these negative impacts since the research results indicate that on only three of these impacts more than half of the community agreed that these impacts are negative. The other three negative impacts were not seen as negative by more than 35%, 13% and 10% of the community respectively.

5.2.3.2 SURVEY TWO: ECONOMIC SURVEY (LOCAL BUSINESSES)

- The majority of the responding businesses to the survey were Guest houses, while the 24% of the businesses were in the food industry (cf. 4.2.2)
- Forty-two percent of the businesses created additional jobs during the festival, but only 10% of these jobs are permanent appointments, which could be an indication that the festival and its related impacts are becoming more sustainable since this is a great improvement on 2003's festival where no permanent jobs were created (cf. 4.2.2)
- Of the responding businesses, 32% indicated that they have experienced significant income increases and 43% slight income increases. Only 7% of the businesses experienced losses during the festival period (4.2.2)
- The weighted average of leakages from businesses purchasing supplies outside of Outshoorn, is 51.3%. Twenty-four percent of the businesses purchase between 1 and 10% of their stock outside Oudtshoorn, but 27% of the businesses purchase between 91-100% of their stock outside Oudtshoorn (cf. 4.2.2)

5.2.3.3 SURVEY THREE: VISITOR SURVEY

The visitor profile of the 2007 KKNK festino could be summarised as:

Table 5.1: Festino profile summary

Category	2007 KKNK figures
Gender	Female (52%)
Average age	43 years
Language	Afrikaans (95%)
Occupation	Professional (28%)
Province	Western Cape (61%)
Average group size	3
Average number of people paid for	2.75
Average length of stay	4.4 Days; 4.5 Nights
Type of accommodation	Camp (25%)
Expenditure per respondent with financial responsibility of 2.75 other	R3 719.89

5.2.3.4 COMBINED CONCLUSIONS FROM SURVEY TWO AND THREE

- The leakages per sector were calculated as 63.43%, which was used to calculate the multiplier of 1.58 (cf. 4.3)
- The total expenditure by festinos equals R46 807 037.70 but, due to leakages, adaption factors had to be applied on specific areas of expenditure. After these and expenditure by the event organisers were brought into calculation, total direct expenditure equalled R39 580 806.63 (cf. 4.3)
- The multiplier for 2007's festival is higher than normal, thus two scenarios were created to determine the total impact of the festival. The first scenario used a previous year's multiplier, and calculated a total impact of R58 183 785.75. This year's higher multiplier calculated a total impact of R62 537 674.48 (cf. 4.3)

5.3 RECOMMENDATIONS

This section provides recommendations made regarding this study. Recommendations are grouped into three subsections. The first subsection presents recommendations regarding the literature. In the second subsection, recommendations are made to contribute to a better socio-economic impact on the host community and, in the last subsection, recommendations are made for possible research improvements or expansions.

5.3.1 RECOMMENDATIONS REGARDING THE SOCIO-ECONOMIC IMPACT OF THE KKNK

- Performers (artists) should be regarded as a main stakeholder in an event. Performers should be involved in organising the festivals since they could make valuable contributions to the marketing of the festival while performing somewhere else prior to the event or mention the event in television or magazine interviews.
- Great effort should be made to give local residents the opportunity to participate in the planning and decision making of the event. This could be done by organising mass meetings. Advertising the meetings, progress and plans, and promoting resident participation on a continuous basis in newspapers, billboards and local radio stations would aid in involving the community. Additionally, punch card questionnaires could be sent out (as flyers and by email), asking relevant questions regarding resident attitudes and ideas toward certain festival related aspects. These questionnaires require minimal human input since computers are used to analyse and interpret these questionnaires.

- Event organisers should stay informed on the latest trends in demographics, needs, technology, and marketing strategies to be aware of possible threats, to have action plans ready in case of change or disaster, and to obtain a competitive advantage above other festivals.
- Leakages have a large influence on the size of the total economic impact of an event, thus leakages should be identified and minimised. This could be done by educating the locals in the workings of the multiplier effect - this could serve to gain the local business owners' support in decreasing leakages. The festival organisers should try to subcontract only local service providers in all fields to minimise leakages from their expenditures. A large billboard could be used to indicate previous years' economic impacts and urge local businesses (in their buying from local suppliers) to create an even higher impact every year.
- Storeowners should be discouraged from increasing prices for the event while the locals should be encouraged (or reminded) to do necessary shopping before prices are increased and the festival starts.
- Festival organisers should try to increase high spending festinos' length of stay. High spenders stay in guesthouses and hotels; hotels are also more labour intensive than other accommodation facilities such as campsites, thus the expanding of this market could prove to have a number of benefits such as higher expenditure and more job creation. New infrastructure in the accommodation sector should be planned carefully to ensure that these new facilities are not underutilised in low-tourism seasons.
- Research results should be presented to the local government. The government, in collaboration with the festival organisers, should process the results into condensed, understandable format and present these to the public since more people who are better informed on the positive impacts and the workings of economics and the tourism industry could lead to more positive attitudes toward the festival. This could increase community participation, which could help to determine community needs and their fulfilment. Through this, the event sustainability and impact could increase and socio-economic impacts could improve, which could lead to more job creation and thus crime could decrease with the increase in residents who are financially self provident.

5.3.2 RECOMMENDATIONS FOR AMPLIFYING THE POSITIVE SOCIO-ECONOMIC IMPACTS

- A tour product should be developed for the festival period in an attempt to improve or lengthen the seasonality of tourism, to widen the distribution of benefits, and to increase visitors' length of stay (since a longer visitor stay leads to more expenditure and a higher economic impact). This tour product should include festival shows (of the festino's choice and be booked on behalf of clients) and travels to Oudtshoorn's other tourist attractions (such as ostrich farms, the Cango Caves, and the Swartberg World Heritage site). These could be pre-festival, post-festival travels or could take place during the festival period.

Such a travel product could also lead to a less crowded festival terrain as well as reduced traffic congestion since the tour operator would substitute a few cars by transporting tourists in a bus instead of each tourist group travelling in separate cars. The distribution of tourist expenditure also benefits a wider area.

An alternative could be to vigorously market these other tourist attractions before and during the festival, advertising special rates for these tourist attractions just before and after the festival period. This could also increase visitor length of stay.

- The KKNK organising committee should link the festival with other local tourism products such as the Swartberg World Heritage Site. Eco-tourism enhances a community's image, and literature indicated that a better image leads to many more benefits in terms of investment and more tourist arrivals, thus the KKNK should include the heritage site in their theme, even if it is just done once. The festival could be themed: eco-friendly arts, or eco-Afrikaans arts festival, and all stakeholders should be asked to participate in expressing the arts in an eco-themed fashion.
- Locals employed by the festival organisers (directly or indirectly) should attend development support programmes relevant to the field in which they will be employed to ensure that socio-economic impacts of tourism developments are sustainable and experienced throughout the whole community. These development programmes should train locals with the goal of empowering them to further a career in this specific field. This is a similar plan to the one that was implemented by the ICC 2003 World Cup committee.
- Host-guest relations could be improved by integration opportunities or participatory events between locals and visitors. An example could be a local church or school that provides camping accommodation could launch a contest, touch-rugby for example, between locals

(congregation members) and festival visitors residing in the campsite. This social integration could lead to better host-guest relationships and understanding of local cultures or traditions through which reciprocal respect could be built.

- Research questions should be more specific, asking questions that could be measured and reacted to in measurable terms. An example is to ask questions regarding the happiness of residents to determine additional aspects than employment and income, already defined as contributors to happiness. For instance, a question could ask: would you feel safer if fences are erected surrounding the festival area or around an open field (to restrict visitor movement to certain areas)? In which areas should more police/security guards be deployed? Once specific measurable answers are interpreted, the organising committee and the host organisation should implement action plans to address problem areas and hence increase resident happiness and quality of life.
- Developments stemming from the event should contribute to, or focus on, education. The organising committee, in collaboration with the municipality, could implement a strategy where new developments (or existing businesses) should contribute to a social cause, focusing on education, since research indicated that education and health are socio-economic aspects that improve the quality of life. Organisations taking part in this strategy should be assessed and awarded points for their contributions to education and the empowerment of community members. These points could then be used as a discount on renting stall space at the next festival.

5.3.3 RECOMMENDATIONS REGARDING FURTHER RESEARCH

Further research should study the following aspects in these separate areas:

- Community:

The community survey should contain additional aspects that are addressed more specifically to provide more measurable answers and surveys should include relevant respondents. By doing this, the researcher can interpret real benefits and negative impacts and avoid speculated answers from uninformed respondents. For instance:

 - The community was asked if property value has increased due to the KKNK – this question should be asked to relevant organisations and estate agents to attain measurable answers.
 - Community members should not only indicate whether they think job opportunities, educational centres, income, or recreational activities increased or improved; but

they should be able to provide answers in measurable terms and give names of centres or activities that have improved as a result of the festival.

- Police and town reports have to be compiled and consulted, with figures pertaining to specific crimes and misbehaviours (such as rape, burglary, snatch and grab on the festival terrain, drug usage, crimes committed under the influence of substances, prostitution, noise and pollution complaints) that occur during the hosting of the KKNK. This information would indicate where the festival lacks protection and programmes that aid in the mitigation of socially unacceptable behaviour and crimes.

- Economics:

- Research concerning developments that result from the festival should be done to find local businesses' dependency on the KKNK, and to determine if there are businesses that originated because of the festival. The host organisation (including the corporate sector, the government, and influential members of the community) should be interviewed to determine what developments and infrastructure improvements have taken place as a result of the festival.
- Future research should determine why visitors only stay a limited number of days and not for the full duration of the festival. This research could indicate which aspects of the festival are too expensive (food, tickets, accommodation, travel costs), or whether festinos left due to overcrowding, noise or other irritations.

- Visitors:

- The visitor survey should include questions pertaining to Oudtshoorn's other tourism attractions to determine whether festinos are aware, have visited, or would like to visit these attractions and, if so, determine whether they would visit them during the festival. Such research could determine whether festinos have knowledge of other close by attractions. If they do not, better marketing of these attractions should be done during the festival period, and if festinos would visit these attractions, it could help with a more even distribution of benefits and tourism expenditure.

- Stakeholders:

- Performers have a determining effect on the design and attendance of festivals and events and thus should be included in festival research. Research on performers could include:

- Measuring their expenditure (since many performers are well-known celebrities and are considered to be high spenders) and over a thousand artists attend the festival
 - Measuring what their needs are (to keep them satisfied to perform at the festival)
 - Measuring how important the festival is to them and how it contributes to their profession or salary (how dependent are they on the festival)
 - Visitors could also be asked to indicate whether or not the festival hosts a certain act that was the determining factor in their attendance of the festival, who/what in this act attracted them, and what other acts/performers would they wish to see at the festival.
- Sponsors should be included in a survey to determine their reasons for sponsoring. Whether or not it is purely economic, or does it entail social responsibilities as well. If it includes the latter, these companies have to provide measurable terms of how they have contributed to an improved quality of life of community members.
- General:
 - Research at other festivals should contain questions asking why visitors do not attend certain other festivals such as the KKNK. This could help determine if current marketing strategies are inefficient and what should be changed to attract these people of the events market to the KKNK.

5.4 LIMITATIONS OF THIS STUDY

Some expenditures undergone to host the event (by various parties) are not accounted for. Getz (1997:351) stated that in some cases, national governments do marketing for festivals but costs have to be paid by local municipalities and communities. Some of these costs are higher than the expected advantages, but these aspects are not often measured in impact assessments. This study did not measure these impacts, and thus, this is an aspect that should be addressed in future research.

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APPENDIX A: SOCIAL IMPACT SURVEY

SECTION A: DEMOGRAPHIC INFORMATION

A1. In what year were you born?

19

A2. What is your gender?

Female	1
Male	2

A3. Occupation? Please mark only one box.

Professional	1
Manager	2
Administrative	3
Technical	4
Sales personnel	5
Farmer, Forester	6
Mining	7
Civil service worker	8
Self-employed	9
Non-profit worker	10
Pensioner	11
Home duties	12
Unempolyed	13
Other (Please specify)	14

A4. What is the highest education level you have completed? Please mark only one box.

No school	1
Matric	2
Diploma, Degree	3
Post Graduate	4
Professional	5
Other (Specify)	6

C2. Why did you not attend this year? (please select main reason only)

Didn't have time => Go to C4	1
Have been before, doesn't interest me => Go to C4	2
Didn't want to => Go to C4	3
Other (please state) => Go to C4	4

C3. Have you attended KKNK in previous years?

No	1
Yes	2

C4. Approximately how many times in total have you ever attended KKNK?

Times

C5. Which of the following statements best summarises your level of interest in the KKNK?

Please mark only one box.

I am an avid fan of KKNK and try to attend every year	1
I am interested in the KKNK and attend some aspects of the event when I can	2
I am not interested in the KKNK, but I sometimes attend it because family/friends are interested	3
I have absolutely no interest in the KKNK and do not wish to attend it	4

SECTION D: COMMUNITY ATTACHMENT

D1. Where were you born?

Oudtshoorn => go to D3	1
Elsewhere in Western Cape => go to D2	2
Elsewhere in South Africa => go to D2	3
In another country => go to D2	4

D2. If not in Oudtshoorn, approximately how long have you lived here? _____ years

D3. Which of the following statements best describes how you feel about living in Oudtshoorn?

I love it, I can't think of anywhere else I would rather live	1
I enjoy living in Oudtshoorn but can think of other places I would equally enjoy	2
I only live here because circumstances demand it and would prefer to live somewhere else	3

SECTION E: SPECIFIC SOCIAL IMPACTS				
BECAUSE OF THE KKNK				
	DECREASED WORSE	INCREASED BETTER	NO CHANGE	DO NOT KNOW
1	1	2	3	4
2	1	2	3	4
3	1	2	3	4
4	1	2	3	4
5	1	2	3	4
6	1	2	3	4
7	1	2	3	4
8	1	2	3	4
9	1	2	3	4
10	1	2	3	4
11	1	2	3	4
12	1	2	3	4
13	1	2	3	4
14	1	2	3	4
15	1	2	3	4
16	1	2	3	4
17	1	2	3	4
18	1	2	3	4
19	1	2	3	4
20	1	2	3	4
21	1	2	3	4
22	1	2	3	4
23	1	2	3	4
24	1	2	3	4
25	1	2	3	4
26	1	2	3	4
27	1	2	3	4
28	1	2	3	4
DURING KKNK				
	DECREASED WORSE	INCREASED BETTER	NO CHANGE	DO NOT KNOW
29	1	2	3	4
30	1	2	3	4
31	1	2	3	4
SOCIAL IMPACT STATEMENTS				
	AGREE	DISAGREE	DO NOT KNOW	
32	1	2	3	
33	1	2	3	
34	1	2	3	
35	1	2	3	
36	1	2	3	
37	1	2	3	
38	1	2	3	
39	1	2	3	
40	1	2	3	
41	1	2	3	
42	1	2	3	
43	1	2	3	
44	1	2	3	
45	1	2	3	

SECTION F: COMMUNITY SUPPORT

THE KNKNS IS LIKELY TO	STRONGLY OPPOSE	OPPOSE	NEUTRAL	SUPPORT	STRONGLY SUPPORT
1 create more jobs for the community					
2 conservation of natural resources					
3 attract more investment to the local community					
4 provide more business for local people and small businesses					
5 result in an unpleasantly overcrowded town and other places					
6 create additional tax revenue for local governments					
7 encourage development of a variety of cultural activities by locals					
8 lead to an increase in the prices of goods and services					
9 result in more cultural exchange between tourists and residents					
10 create a positive impact on the cultural identity of the community					
11 lead to local residents suffering from living in Oudtshoorn					
12 meeting people from other places					
13 a better understanding of the community and their culture					
14 increase in the crime rate					
15 provide more recreational opportunities for local residents					
16 the restoration of historical buildings					
17 traffic problems					
18 lead to more vandalism in the community					
19 preservation of the local culture					
20 roads and public facilities to be well maintained					
21 lead to prostitution in the community					
22 lead to changes in the traditional culture					
23 lead to construction of accommodation and other tourist facilities that can destroy the natural environment					
24 lead to noise and pollution					
25 put more pressure on local service such as roads and police					
26 high spending tourists likely to negatively affecting the way of living					

HOW CONCERNED ARE YOU ABOUT LOCAL CONDITIONS RELATED TO:	NOT AT ALL	LITTLE	NEUTRAL	FAIRLY	VERY MUCH
27 Crime					
28 Recreation					
29 Culture					
30 Roads and transport					
31 Schools					
32 Economic development					
33 Environment					
COMMUNITY ATTACHMENT	NOT AT ALL	LITTLE	NEUTRAL	FAIRLY	VERY MUCH
34 How much do you feel at home in this community?					
35 What interest do you have in knowing what goes on in the community?					
36 Assume that you have been living in this community for a while. Suppose that for some reasons you had to move away, how sorry would you be?					
EGOCENTRIC ATTITUDES	AGREE	DISAGREE	DO NOT KNOW		
37 When humans interfere with nature it often leads to problems					
38 The balance in nature is strong enough to cope with the impacts of development					
39 If things continue on their present course, we will soon experience ecological problems					

SECTION G: COMMUNICATION WITH THE COMMUNITY

Do you currently receive information about the KKNK?	NEVER	RARELY	1-2 YEARS	3-4 MONTHS	MONTHLY	WEEKLY
1 General KKNK festival information						
2 New development within the KKNK						
3 Community participation						
4 KKNK newsletters						
Would you like to receive information in future about:	NEVER	RARELY	1-2 YEARS	3-4 MONTHS	MONTHLY	WEEKLY
5 General KKNK festival information						
6 New development within the KKNK						
7 Community participation						
8 KKNK newsletters						
How often can you currently give feedback to the KKNK management?	NEVER	RARELY	1-2 YEARS	3-4 MONTHS	MONTHLY	WEEKLY
9						

10 Which communication channels currently exist to receive information about the KKNK and give feedback?

Pamphlets	1
Meetings	2
E-mail	3
Per sms	4
Newsletter	5
Other:	6

11 How would you like to receive information and give feedback to the KKNK board, in the future?

Pamphlets	1
Meetings	2
E-mail	3
Per sms	4
Newsletter	5
Other:	6

	NO	MODERATE	YES	NOT APPLICABLE
12.1 According to you, is communication currently effective?	1	2	3	4
12.2 According to you, does the KKNK meet your needs in their programs	1	2	3	4

	NOT IMPORTANT	SLIGHTLY IMPORTANT	IMPORTANT	MORE IMPORTANT	VERY IMPORTANT
13.1 It is important for me to be part of the decision-making process:	1	2	3	4	5
13.2 It is important for me to be more active in festival programs:	1	2	3	4	5
13.3 It is important for me to receive festival information	1	2	3	4	5
13.4 How important is community participation in the festival for you	1	2	3	4	5
13.5 How important is the KKNK to Oudtshoorn	1	2	3	4	5

APPENDIX B: BUSINESS SURVEY

KKNK 2007 - PLAASLIKE ONDERNEMINGS KKNK 2007 - LOCAL BUSINESSES

1. Tipe onderneming.../ *Type of business...*

Apteeke/ <i>Pharmacy</i>	1
Blomwinkel/ <i>Florist</i>	2
Boekwinkel/ <i>Book shop</i>	3
Fietswinkel/ <i>Cycle shop</i>	4
Gastehuis, akkommodasie/ <i>Guesthouse, accommodation</i>	5
Geskenkwinkel/ <i>Gift shop</i>	6
Hardewarewinkel/ <i>Hardwarestore</i>	7
Kafee, wegneemetes/ <i>Café, take aways</i>	8
Klerewinkel/ <i>Boutique, outfitters</i>	9
Kroeg, drankwinkel/ <i>Bar, bottlestore</i>	10
Restaurant, koffiehuis/ <i>Coffee shop</i>	11
Slaghuis/ <i>Butchery</i>	12
Supermark/ <i>Supermarket</i>	13
Vuilstasie/ <i>Petrol station</i>	14
Ander: spesifiseer/ <i>Other: specify</i>	15

2. Het u onderneming skade gely tydens die fees?/ *Did your business suffer any losses during the festival?*

Ja/ <i>Yes</i>	1
Nee/ <i>No</i>	2
Onseker/ <i>Uncertain</i>	3

3. Indien ja, was die skade in terme van.../ *If yes, were these losses in terms of...*

Diefstal/ <i>Theft</i>	1
Breekskade/ <i>Breakage</i>	2
Voorraadafskrywing/ <i>Stock written off</i>	3
N.v.t./ <i>N/a</i>	4

4. Indien ja, was die skade... as in die verlede?/ *If yes, were the losses... than in previous years?*

Meer/ <i>More</i>	1
Minder/ <i>Less</i>	2
Die selfde/ <i>The same</i>	3
N.v.t. - geen/ <i>N/a - no losses</i>	4

5. Watter persentasie van u goedere word buite Oudtshoorn aangekoop? (bv 10%) / *Which percentage of your stock is bought outside Oudtshoorn? (eg 10%)*

6. Wat is die impak van die fees op u besigheid se jaarlikse inkomste? / *Which impact does the festival have on the yearly income of your business?*

Lei tot 'n beduidende styging/ <i>Leads to a significant increase</i>	1
Lei tot 'n geringe styging/ <i>Leads to a slight increase</i>	2
Geen impak/ <i>No impact</i>	3
Lei tot 'n geringe afname/ <i>Leads to a slight decrease</i>	4
Lei tot 'n beduidende afname/ <i>Leads to a significant decrease</i>	5

7. Het u addisionele werknemers indiens geneem vir die fees?/ *Did you employ additional workers for the festival?*

Ja/ <i>Yes</i>	1
Nee/ <i>No</i>	2

8. Hoeveel addisionele werksgeleenthede is in u onderneming geskep a.g.v. die fees?/ *How many additional job opportunities were created in your business due to the festival?*

9. Hoeveel van die werksgeleenthede is.../ *How many of these job opportunities are...*

Tydelik/ <i>Temporary</i>	1
Permanent	2
Oortyd/ <i>Overtime</i>	3

10. Slegs akkommodasie fasiliteite / *Only accommodation facility*

10.1 Hoeveel beddens het u beskikbaar? / *How many beds do you have available?*

Dubbel/ *Double*
Enkel / *Single*

10.2 Wat is u bedokkupasie? / *What is your bed occupancy?*

%

Dankie vir u ondersteuning!
Thank you for your co-operation!

APPENDIX C: VISITOR SURVEY

AFDELING A/SECTION A

1. Geslag/ Gender?

Manlik/ Male	1
Vroulik/ Female	2

2. Ouderdom/ Age?

3. Huistaal/ Language?

Afrikaans	1
Engels/ English	2
Xhosa	3
Ander (Spesifiseer) / Other (Specify):	4

4. Beroep/ Occupation?

Professioneel/ Professional	1
Bestuur/ Management	2
Self-werkgewend/ Self-employed	3
Tegniese personeel/ Technical	4
Verkoopspersoneel/ Sales	5
Boer/ Farmer	6
Mynbou/ Mining	7
Administratiewe/ Administrative	8
Staatsdienswerknemer/ Civil service worker	9
Nie-wins werker/ Non-profit worker	10
Huisvrou/ House wife	11
Pensionaris/ Pensioner	12
Student	13
Werkloos/ Unemployed	14
Ander (Spesifiseer) / Other (Specify):	15

5. Hoeveel persone is in u reisgeselskap? / How many people are in your group?

Aantal/ Number

6. Vir hoeveel persone betaal u tydens die fees? / How many people are you paying for at the festival?

Aantal/ Number

7a. Hoeveel dae spandeer u by die fees? / How many days are you staying at the festival?

Aantal/ Number

7b. Hoeveel nagte bly u in Oudtshoorn? / How many nights to you stay over in Oudtshoorn?

Aantal/ Number

8. Waar woon u/ Where do you live?

Stad/ City/ Dorp/ Town:

9. Provinsie/ Province?

Noord-Wes/ North West	1
Gauteng	2
Mpumalanga	3
Vrystaat/ Free State	4
Oos-Kaap/ Eastern Cape	5
Wes-Kaap/ Western Cape	6
Noord-Kaap/ Northern Cape	7
KwaZulu-Natal	8
Limpopo	9
Buite RSA/ Outside RSA borders	10

10. Naastebly hoeveel Rand het u gedurende u besoek aan Absa KKNK op die volgende bestee? / Estimate how much did you spent on the following during your visit to Absa KKNK

Akkommodasie/ Accommodation	R
Voedsel & Restaurant/ Food and restaurants	R
Alkoholiese drankies/ Alcoholic drinks	R
Nie-alkoholiese drankies/ Non-alcoholic drinks	R
Vertonings/ Shows	R
Inkoopies by kleinhandelwinkels (Voedsel & drank uitgesluit)/ Retail Shopping (Excluding food & drinks)	R
Inkoopies by stalletjies (Voedsel & drank / uitgesluit / Shopping at stalls (Excluding food & drinks)	R
Pretparke & Avontuuraktiwiteite / Amusement parks & Adventure activities	R
Vervoer na Absa KKNK (Retour) / Transport to Absa KKNK (Return)	R
Vervoer tydens KKNK/ Transport during KKNK	R
Parkering/ Parking	R
Ander (Spesifiseer) / Other (Specify):	R

11. Maak u van die fees se pendeldiens gebruik? / Do you make use of the festival's taxi service?

Dikwels/Often	1
Selde/ Seldom	2
Nooit / Never	3

12. Watter tipe akkommodasie maak u van gebruik? / What type of accommodation do you use during your stay?

Inwoner van Oudtshoorn/ Local resident	1
Familie of Vriende/ Family or Friends	2
Geregistreerde gastehuis & B&B/ Registered guesthouse or B & B	3
Feesgastehuis (net tydens fees)/ Festival guesthouse (only during the festival)	4
Hotel	5
Kampeel/ Camping	6
Huur volle huis/ Rent full house	7
Trein by stasie/ Train at station	8
Dagbesoeker/ Day visitor	9
Ander (Spesifiseer) / Other (Specify):	10

13. Is u verblyf verder as 20km uit Oudtshoorn? / Is your accommodation more than 20km outside Oudtshoorn?

Ja/ Yes

Nee/ No

AFDELING B/SECTION B

14. Wat is die vernaamste rede waarom u Absa KKNK besoek? / What is your main reason for visiting Absa KKNK? (Mark slegs 1/ Select only 1)

Kwaliteit produksies/ Quality productions	1
Verskeidenheid van produksies/ Variety of productions	2
Veiligheid tydens fees/ Safety	3
Dit is die naaste kunstefees aan my/ The closest arts festival	4
Bekostigbare kaartjiespryse / Affordable ticket prices	5
Dis 'n Afrikaanse fees/ Afrikaans festival	6
Anders as ander feeste/ Different to other festivals	7
Lekker/gesellig/ Sociable	8
Ander (Spesifiseer) / Other (Specify):	9

15. Hoeveel kaartjies het u vir vertonings gekoop? / How many tickets did you purchase for shows?

Aantal / Number:

16. Vir watter tipe vertonings het u kaartjies gekoop? / For which type of shows did you buy tickets?

Toneel/ Drama	1
Danstheater & beweging/ Dance theatre & movement	2
Woordkuns, poësie/ Word art & Poetry	3
Kindertheater/ Childrens' Theatre	4
lesings en gesprekke/ Lectures & discussions	5
Kontemporêre musiek/ Contemporary music	6
Musiekteater & kabaret/ Music theatre & cabaret	7
Klassieke musiek & kore/ Classical music & choirs	8
Rolprentfees/ Movie festival	9
Visuele kuns & uitstallings / Visual art & exhibitions	10
Ander (Spesifiseer) / Other (Specify):	11

17a. Woon u gratis vertonings by? / Do you attend free shows?

Ja/ Yes	1
Neel/ No	2

17b. Indien Ja, hoeveel? / If yes, how many?

Aantal/ Number

18. Het u die Huisgenoot Musiekplaas besoek? / Did you visit the Huisgenoot Musiekplaas?

Ja/ Yes	1
Neel/ No	2

19. Hoeveel dae het u die Huisgenoot Musiekplaas besoek? / How many days did you visit the Huisgenoot Musiekplaas?

Aantal/ Number

20. Spesifiseer watter gratis vermaak u gewoonlik bywoon. / Specify which free entertainment you normally attend

Kunsuitstallings/ Art exhibitions	1
Boekeparadys/ Book exhibition	2
Absa Plein (Musiekverhoog/Musical Stage)	3
ATKV Amfiteater / Amphitheatre (Musiekverhoog/ Musical stage)	4
DebateerBAR (Musiekverhoog/Musical stage)	5
Die Burger (Musiekverhoog/Musical stage)	6
Feeskasteel @ Hap & Tap (Musiekverhoog/Musical stage)	7
Red Heart Rum (Musiekverhoog/Musical stage)	8
RSG (Musiekverhoog/Musical stage)	9

21. Hoe sal u die "venues" wat u besoek het beoordeel? / How would you evaluate the venues you visited?

	Ja/Yes	Neel/No
Te ver van feeskern/ Too far from festival core	1	2
Moelik om te kry/ Difficult to find	1	2
Duidelike aanduidings/ Clear indications	1	2
Gerieflik ingerig/ Comfortable inside	1	2
Klank & beligting is professioneel / Sound & lighting are professional	1	2
Vriendelike personeel / Friendly staff	1	2
Behulpsume personeel / Staff is willing to help	1	2

22. Watter van die ander kunstefees het u die afgelope 3 jaar bygewoon? / Which of the following arts festivals did you attend in the past 3 years?

Aardklop	1
Grahamstad / Grahamstown	2
Volksblad	3
Innibos	4
Kultuur	5
Suldoosterfees	6
Woordfees	7
Ander (Spesifiseer) / Other (Specify):	8

23. Hoeveel keer het u al Absa KKNK bygewoon? / How many times have you been at Absa KKNK?

Aantal/ Number

24. Sal u Absa KKNK weer besoek? / Would you visit Absa KKNK again?

Ja, beslis/ Yes, definitely	1
Neel, beslis nie/ No, definitely not	2
Miskien / Perhaps	3

25. Hoe vergelyk Absa KKNK 2007 met vorige jare in terme van? / How does Absa KKNK 2007 compare with previous years in terms of:

B=Beter/ Better; S/W=Slegter/ Worse
O/U= Onveranderd/Unchanged

Kan nie op onderstaande reageer nie - dit is my eerste Absa KKNK/ Cannot respond to aspects below - it is my first Absa KKNK				
Kaartjies: verkope, diens/ Tickets:sales, service	B	S/W	OU	
Venues, voorportaal/diens/ front of house	B	S/W	OU	
Akkommodasie: Prys, diens / Accommodation: price, service	B	S/W	OU	
Vertonings: kwaliteit/ Shows: quality	B	S/W	OU	
Restaurante/s: prys/ price, diens/ service	B	S/W	OU	
Feesterrein/ Festival area	B	S/W	OU	
Organisasie/ Organisation	B	S/W	OU	
Inligting: voor, tydens fees/ Info: before and during festival	B	S/W	OU	

26. Hoe het u gehoor van KKNK?/ How did you hear about KKNK?

Televisie/ TV	1
Radio	2
Absa KKNK-Webwerf/ Website	3
Absa KKNK E-Pos/ E-mail	4
Tydskrifte/ Magazines	6
Koerante/ Newspapers	7
Hoorsê/ Word of mouth	8
Ander (Spesifiseer) / Other (Specify):	9

27. Is die fees die hoof/enigste rede vir u besoek aan Oudtshoorn? / Is the festival the main/only reason for your visit to Oudtshoorn?

Ja / Yes	1
Nee / No	2
Inwoner / Local	3

28. Enige ander voorstelle?/ Any suggestions?

Dankie vir u samewerking!!!
Thank you for your co-operation!!!

Vir enige navrae skakel Dr E Slabbert by 018 - 299 1806