

**Spending behaviour of visitors to the
Klein Karoo National Arts Festival**

Martinette Kruger

13018493

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Supervisor: Prof. Dr. M. Saayman

Assistant supervisor: Prof. A. Saayman

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"The future belongs to those who believe in the beauty of their dreams."

- Eleanor Roosevelt

ABSTRACT

SPENDING BEHAVIOUR OF VISITORS TO THE KLEIN KAROO NATIONAL ARTS FESTIVAL

The Klein Karoo National Arts Festival (KKNK) is one of the most popular arts festivals in South Africa, but ticket sales have alarmingly declined since 2005 resulting in the Festival already being in a decline phase of its product life cycle. This has a negative impact on the Festival's economic impact and future sustainability. It is therefore vital to increase the ticket sales in order for the Festival to maintain a steady growth rate. Market segmentation can assist the Festival's marketers/organisers to address this problem by identifying the high spending segment at the Festival since they stay longer and are keener to buy tickets supporting the Festival's shows/productions.

Market segmentation is the process of dividing the festival market into smaller, more clearly defined groups that share similar, needs, wants and characteristics. The more detailed the knowledge of the needs and motives of potential visitors, the closer the Festival can get to a customised festival program creating greater satisfaction, long-term relationships, repeat visits and an increase in tickets supporting the shows/productions.

The main purpose of this study was therefore to determine the spending behaviour of visitors to the KKNK by means of establishing the determinants which influence visitor's expenditure and by applying expenditure-based segmentation in order to determine the high spending segment at the Festival. To determine the above goal, the study is divided into 2 articles. Research for both the articles was undertaken at the Festival and data obtained from 2005 to 2008 were used. Questionnaires were interview-administered and distributed randomly during the course of the Festival. In total 1940 questionnaires have been completed in the visitor survey since 2005.

Article 1 is titled: "Socio-demographic and behavioural determinants of visitor spending at the Klein Karoo National Arts Festival." The main purpose of this article was to identify the various socio-demographic and behavioural determinants that influence visitor spending at the KKNK. This was done in order to determine which visitors spend most at the Festival and which determinants are most significant in determining their expenditure levels. A regression analysis was used as an instrument to achieve the mentioned goal. Results indicated that occupation, distance travelled, length of stay, the reason for attending the Festival and preferred type of shows/productions were significant determinants that influence the amount of money visitors

spent at the Festival. These results generated strategic insights on marketing for the festival in order to increase visitor spending especially on purchasing more tickets for shows/productions.

Article 2 is titled: "Expenditure-based segmentation of visitors at the Klein Karoo National Arts festival." The main purpose of this article was to apply expenditure-based segmentation to visitors at the KKNK in order to identify the high spending segment at the festival. An analysis of variance (ANOVA) was used to determine whether there were significant differences between the different expenditure groups. The Festival's market was divided into high, medium and low expenditure groups. Results revealed that the high spenders at the Festival were distinguishable from the low spenders based on their longer length of stay, older age, higher income, main reason to attend the Festival and preferred type of shows/productions. These results were used to compile a complete profile of the high spenders and how the Festival's appeal can be maximised in order to attract more high spenders.

This research therefore revealed that certain socio-demographic determinants influence visitor's spending behaviour at the Klein Karoo National Arts Festival. There are further two distinct expenditure groups at the Festival, namely a high and low expenditure group. Knowledge of the determinants which influence visitor spending can be used in combination with the profile of the high spenders to maximise the Festival's appeal in order to attract more high spenders who buy tickets supporting the Festivals shows/productions. This will lead to an increase in ticket sales, a greater economic impact and ultimately to the continuous sustainability of the Klein Karoo National Arts Festival.

Key words: *Klein Karoo National Arts Festival; Determinants of spending, Expenditure-based segmentation, Market segmentation, Marketing*

OPSOMMING

BESTEDINGSGEDRAG VAN BESOEKERS AAN DIE KLEIN KAROO NASIONALE KUNSTEFEEES

Die Klein Karoo Nasionale Kunstefees (KKNK) is een van Suid-Afrika se mees populêre feeste. Die fees toon egter vanaf 2005 'n daling in kaartjieverkope wat aandui dat die fees se lewensiklus reeds in die afname fase is, en dit het 'n negatiewe invloed op die fees se ekonomiese impak en volhoubaarheid. Dus sal dit uiters belangrik wees om kaartjieverkope te verhoog om te verseker dat die fees 'n stabiele groeikoers handhaaf. Die probleem kan aangespreek word deur marksegmentering te doen en die hoëbestedingsegment te identifiseer omrede dié segment van die feesmark langer bly, meer kaartjies koop en die feesproduksies/vertonings ondersteun.

Marksegmentering is die proses waar die feesmark in kleiner, meer gedefinieerde groepe, wat soortgelyke behoeftes en karaktereienskappe besit, verdeel word. Om feesvertoningondersteuners en kaartjieverkope te verhoog, moet kennis aangaande die behoeftes en motiveringsfaktore van moontlike besoekers deeglik uiteengesit word – dit sal ook bydra tot 'n feesprogram wat meer in besoekersvoorkeure val en lei tot verhoogde besteding, langtermynverhoudings en herhaalde besoeke.

Die hoofdoel van die studie was om die besoekers aan die KKNK se bestedingsgedrag vas te stel deur middel van die bepaling van determinante wat 'n invloed op besoekersbesteding het, en om die hoëbestedingsegment by die fees te bepaal deur uitgawegebaseerde segmentering toe te pas. Die studie is in twee artikels verdeel om die bogenoemde doel te bereik. Navorsing rakende die twee artikels is by die fees gedoen waar data van die jare 2005 tot 2008 gebruik was. 'n Totaal van 1940 besoekersvraelyste is sedert 2005 ingevul.

Artikel 1 is getiteld: "Socio-demographic and behavioural determinants of visitor spending at the Klein Karoo National Arts Festival". Die hoofdoel van die artikel was om te bepaal watter sosio-demografiese en gedragsdeterminante besoekersspandering tydens die KKNK beïnvloed. Dit was gedoen om te bepaal watter besoekers die meeste spandeer en watter determinante hul bestedingsgedrag die meeste beïnvloed. Die doel was bereik deur 'n regressie-analise te gebruik. Die resultate toon dat beroep, afstand afgelê, lengte van verblyf, rede vir fees besoek en voorkeur vertonings/produksies merkwaardige invloede het op die hoeveelheid geld wat besoekers tydens die fees spandeer. Die resultate lewer waardevolle insig vir feesbemarking wat sal bydra tot verhoogde besoekersbesteding, veral deur die verkoop van meer vertonings/produksiekaartjies.

Artikel 2 is getiteld: "Expenditure-based segmentation of visitors at the Klein Karoo National Arts Festival". Die hoofdoel van die artikel was om die bestedingsgebaseerde segmentering van besoekers aan die KKNK toe te pas sodat die hoëspanderingsgroep geïdentifiseer kan word. Die feesgangers is in lae, middel en hoëspanderingsgroepe verdeel deur gebruik te maak van 'n variansie analise (ANOVA). Uit die resultate blyk dit dat daar 'n definitiewe onderskeid getref kan word tussen lae- en hoëbesteders in terme van hul lengte van verblyf, ouderdom, hoër inkomste, hoof rede waarom die fees bygewoon word en voorkeur vertonings/produksies. Die resultate was gebruik om die volledige besoekersprofiel op te stel asook om die fees se aantrekkingskrag te verhoog om meer hoëbesteders te lok.

Navorsingsresultate het getoon dat seker sosio-demografiese determinante besoekers se bestedingsgedrag by die KKNK beïnvloed en daar word ook duidelike onderskeid getref tussen lae- en hoëbesteders. Dit word ook aangedui dat hoëbesteders se profiel en die kennis rakende die determinante wat 'n invloed op besoekersbesteding het, gebruik kan word om die fees se aantrekkingskrag tot die hoëbestedingsgroepe te verhoog. Deur meer hoëbesteders te lok sal kaartjieverkope verhoog, en dus ook die ekonomiese impak, wat sal bydra tot 'n meer volhoubare fees.

Key words: *Klein Karoo Nasionale Kunstefees; Spanderings determinante, Bestedingsgebaseerde segmentering, Marksegmentering, Bemarking*

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CHAPTER 1

Introduction, problem statement, objectives and method of research

1

*Let us watch well our beginnings, and results
will manage themselves. ~Alexander Clark*

1.1 INTRODUCTION

All available indicators strongly suggest that the number, diversity, and popularity of events have grown spectacularly over the past several decades (Getz, 1991:67; Hoyle, 2002:152). Today, events are seen as a sector with considerable economic and job creation benefits (Getz, 1997:5). Since these events vary in size and impact, terms such as special events, mega-events, hallmark events and major events are used to describe and categorise events. Categorisation according to type and sector, such as public, cultural, sporting, tourism and corporate events is also used. However according to Jackson and O'Sullivan (2002:326) one of the fastest growing segments in events tourism are arts festivals.

An arts festival can be defined as a community-themed event or celebration designed to showcase different art forms and activities – along with the related tourism and hospitality experiences – for external communities (Kruger & Petzer, 2008:113). Ritchie (1984:228) indicated that events/festivals have the following advantages; extension of the tourist season, generation of revenue for governments and having positive economic impacts on the local economy by generating income, supporting existing businesses and encouraging new businesses. Added to this, Snowball (2004:1081); Fredline, Jago and Deery (2003:23); Gursoy, Kim and Uysal (2004:171); Jackson and O'Sullivan (2002:328); Dwyer, Forsyth and Spurr (2005:351) and Getz (1997:4) agree that several positive outcomes accrue from festivals which include:

- increased community pride and spirit;
- strengthened traditions and values;
- greater participation in sports, arts or other activities related to the festival theme;
- adaptation of new social patterns or cultural forms through exposure at the festival;
- increased long-term benefits and community group activity;
- intercultural interaction and co-operation;

- environmental improvements e.g. restoring historic buildings and renovating old theatres;
- stimulation of economic growth and job creation.

From the above, it is clear that events/festivals offer various benefits to hosting communities and organisations. It is therefore understandable that more destinations are offering or hosting different forms of events. In South Africa, there are approximately 211 events/festivals of various kinds held throughout the year, each with its own unique feel, programme and festival-goer (Saayman & Saayman, 2005:570; Van Zyl, 2005:13; Visser, 2005:165).

The largest arts festival in South Africa, in terms of economic impact, is held annually during the March/April school holidays in the small town of Oudtshoorn, and is better known as The Klein Karoo National Arts Festival (KKNK^{*}). The main aim of the KKNK is to promote the arts in Afrikaans (Hauptfleisch, 2001:173), as well as to give the host community of Oudtshoorn a financial injection by using the festival as a mass tourist attraction (Kitshoff, 2004:237). Oudtshoorn attracts about 1000 artists in approximately 200 productions and exhibitions every year over eight days (ANON, 2007:1). The festival accommodates both visual and performing arts: drama, cabaret, musical theatre, classical music, jazz and light music. Open-air concerts have also become a unique characteristic of the KKNK (ANON, 2001:2). In 2007, the estimated economic impact totalled R89.90 million emphasising the festival's valuable financial contribution to the host community (Saayman, Saayman, Slabbert & Viviers, 2007:55).

From a marketing point of view, the attendance at the KKNK showed remarkable growth after a modest beginning in 1994 and, according to visitor numbers, it is the biggest South African Arts Festival, attracting more than 150 000 visitors each year (ANON(b), 2001:1; Kitshoff, 2004:240). It is, however, not possible to calculate the exact number of visitors to the festival because everyone does not necessarily buy tickets for the shows (ANON(b), 2001:2). Due to the festival's popularity, the festival period has been lengthened in 2004 when a ninth day was added in celebration of the festival's 10th anniversary. The KKNK has also spawned other festivals in South Africa and provides regular income for artists (Kitshoff, 2004:237).

If the KKNK is to be judged by its popularity and community involvement, it is undeniably one of the most successful festivals in the country (Kitshoff, 2004:240). Increasing visitor numbers, however, does not mean a successful festival and can, in itself, be problematic. Not all visitors visit the KKNK for artistic fulfilment. There are thousands of visitors who go to the festival for the socialisation and *not* for the arts. These visitors may attend the occasional festival show/production, but for the rest they prefer the stalls, restaurants, wine tasting booths and

* For the purpose of this study the term KKNK will be used when references are made to the festival.

pubs (Cruywagen, 2002:190; Hauptfleisch, 2001:175; Kitshoff, 2003:11). The increase in visitor numbers dangerously congests the area and threatens Oudtshoorn's already restricted infrastructure (Kitshoff, 2004:237). The festival also involves costs such as increases in prices of goods and services, an increased level of crowding in shops and streets, traffic congestion, and parking problems. This leads to the authentic character of the festival diminishing or disappearing and, along with the problems of overcrowding, commercialism taking over (Gursoy *et al.*, 2004:173; Lee & Graefe, 2003:1). It is thus evident that the festival, in addition to creating numerous benefits, also creates problems for the community, especially if the wrong target market is attracted.

The purpose of this chapter is to discuss the research process to be followed in this study. This will be realised by firstly analysing the problem statement, which will be followed by the goals and objectives, the research methodology, definitions of key concepts and, lastly, the chapter classification.

1.2 PROBLEM STATEMENT

When considering the benefits as well as the impacts of events/festivals, it is important from a marketing perspective that the festival marketers/organisers decide which market is best suited to target. Le Grange (2003:66) indicated that festival marketers/organisers must decide whether they want to cater for tastes of the festival visitors who are there for the socialisation, or whether they want to cater for the tastes of the art lovers or festival junkies. From a sustainable point of view, it is better to have 10 visitors spending R100 each on festival shows/productions as opposed to 100 visitors spending R10 each on buying souvenirs at the stalls. However, from an economic point of view, those visitors who do not necessarily attend the festival for the arts also contribute financially to the festival by spending money, albeit on other things. It can therefore be argued that a combination of types of visitors is needed to ensure the festival's sustainability.

According to Saayman and Saayman (2006:219; 2005:582) sustainability of the festival must be achieved on three levels, economic, environmental, and socio-cultural. The economic impact is measured by the size of the festival in terms of ticketed shows/productions. The advantage of this is that if ticket sales are achieved, the overcrowding associated with the festival may be avoided. It will also have a positive impact on the environment and the host community. To sustain the nature of the festival, it is thus important to identify and determine the types of visitors who attend ticketed shows/productions and to understand and expand on this market as well as to attract them. Ticket sales should therefore be used as an indicator of visitor interest in the festival and how successfully the programme addresses and fulfils visitors' needs. Since the festival's life cycle is linked to visitor interest, ticket sales can also reveal whether the festival programme/product must be modified or changed, because this is determined by changes in

visitor interest (Saayman, 2006:114). This can be seen as a solution to the problem discussed above, ensuring the continuous existence and success of the KKNK.

As indicated by Table 1.1, even though a large number of visitors attend the festival, ticket sales for the KKNK shows/productions have shown an alarming decline from previous years, especially since 2005 (Saayman *et al.*, 2007:10).

Table 1.1: Number of tickets sold

Year	Number of ticket sold	Year	Number of ticket sold
1995	30 000	2002	163 890
1996	61 000	2003	160 000
1997	80 000	2004	190 000
1998	100 000	2005	186 099
1999	105 000	2006	137 464
2000	125 000	2007	133 856
2001	160 451	2008	107161

Source: Slabbert, Viviers, Saayman & Saayman, 2008:2

Since 1995, ticket sales steadily increased until 2002. In 2004, the festival had the highest sale in tickets, most likely because of its 10th anniversary, but ticket sales declined the year after. Since 2007, ticket sales have declined by 41%. A decline of nearly 50 000 from 2005 to 2006, and the continuous decline since then causes concern for the future growth and sustainability of the festival.

It is evident from the decline in ticket sales that the KKNK is in the decline phase of the festival's life cycle. This has a serious impact on the future profitability and sustainability of the festival. It is necessary either to modify the festival programme/product or to identify the reasons for the current target market's lack of interest in buying tickets for the festival shows/productions. The festival can then also determine whether a new market needs to be approached. Frisby and Getz (1989:7) noted that all tourism products, including events/festivals, go through successive stages of growth, but their programme/product must also respond to changes in demand. With market research, these changes can be determined and this will assist festival marketers and organisers in providing a relevant programme.

According to Morgan and Pritchard (2001:153), market segmentation is widely considered to be at the very heart of marketing. McIntosh and Goeldner (1990:407) defined market segmentation as the process of dividing the present and potential market in homogeneous groups based on meaningful characteristics. Promotion, product, place and pricing efforts can then be

concentrated on serving the most prominent portions of the market – the target markets. Mahoney (1983:5) supports this idea by defining it as the process of (a) grouping existing and potential visitors with similar preferences into groups called market segments, (b) selecting the most promising segments as target markets, and (c) designing marketing mixes that satisfy the special needs, desires and behaviours of the target markets.

The market can only be beneficially segmented once the characteristics within these groups have been identified, and only when those segments have been quantified and assessed can a targeting strategy be developed. The more detailed the knowledge of each festival visitor, the closer the festival marketers can get to a customised offering creating greater satisfaction and long-term visitor relationships by offering the target markets what they want (Ali-Knight, Drummond, McMahan-Beattie, Robertson & Yeoman, 2004:136).

Market segmentation recognises that visitors differ in their tastes, needs, lifestyles and motivations, and maximises market demand by directing marketing efforts at what is regarded as economically significant groups of visitors. The technique is an analytical process, which puts visitors first, helps maximise resources and emphasises festival strengths over competitors. This offers a route to more effective and better aimed marketing programmes, fewer direct confrontations with competitors and more satisfied visitors (Dibb & Simkin, 1996:1). Segmentation can also answer questions about the size of potential markets, spending patterns, price sensitivity, loyalty, response to changes in the marketing mix, and the potential effectiveness of promotions (Getz, 1997:260).

Many research studies indicate the benefits derived from market segmentation, especially with regards to arts festivals. These include: clear definition of the visitor (Andereck & Caldwell, 1994:40; Arrimond & Elfessi, 2001:391), better understanding of the market based on motivation (Getz, 1993:949; Van der Wagen, 2005:80), ability to respond to markets' changing needs (Ferrell, Hartline & Lucas, 2002:74; Frisby & Getz, 1989:7), identification of niche markets (Getz, 1997:260; Keller & Kotler, 2006:242,246), increasing the cost effectiveness of marketing (Moutinho & Witt, 1994:305), innovative ideas (Van der Wagen, 2005:80), understanding and assessing the competition (Burke & Resnick, 2000:39; Dibb & Simkin, 2001:610), the development of a sustainable product and better positioning of the product (Bennett & Strydom, 2001:64; Lee, Lee & Wicks, 2004:1; Mayfield & Crompton, 1995:14).

With these benefits in mind, it is imperative to identify the needs, motives and expectations of potential visitors through the process of market segmentation. Old or young, rich or poor, arts or music supporters, the target audience should be quite clear (Calantone, Benedeto, Hakam & Bojanic, 1990:25; Hassan, 2000:239; Van Zyl, 2005:66). By knowing the festinos' (as referred to

by Saayman and Saayman (2006)) specific needs and motives for attending the festival, the festival programme can be designed to meet their needs and ensure repeat visits (Burke & Resnick, 2000:39; Getz, 1997:272; Kastenholz, 2005:556).

According to Slabbert (2002:40), various methods are used to do comprehensive market segmentation to understand these needs, motives, and expectations. These include cluster analysis, correspondence analysis, regression analysis, Automatic Interaction (AID) analysis, latent class analysis; judgment based segmentation, factor and component analysis as well as using expenditure. In tourism, market segmentation is often done through expenditure-based segmentation (dividing visitors into low, medium and high spenders) and by using the socio-demographic and travel characteristics to identify the important determinants affecting travel expenditure.

Saayman, Van der Merwe and Pienaar (2008:18), indicated that these approaches are effective alternative methods of market segmentation. These methods give a complete visitor profile and are used to identify and compare different segments. The results can be implemented to increase the festival's economic impact. This can be achieved since the markets are profiled using the determinants that influence expenditure to segment the market in different expenditure groups. The high spenders, who spend more money supporting the festival shows/productions (Thrane, 2002:281; Saayman & Saayman, 2006:220) can also be identified. Correlations between different determinants can further be made and this information can be used to increase visitor spending, resulting in a greater economic impact. Enhancing the economic benefits of the festival is an important aspect of achieving sustainability (WTO, 2002:1). Increased visitor spending will not only ensure the continued existence of the festival but will also create income and job opportunities for Oudtshoorn's residents (Crompton, 1999:150; Miller, 2007:2). This, in turn, will lead to a positive host community who support the festival and its shows/productions on a continuous basis. Since this is imperative with regard to the KKNK, these methods will be applied in this study.

Based on the above-mentioned, the research question this dissertation will attempt to address is which markets can be identified by means of socio-demographic and behavioural determinants as well as expenditure patterns of visitors to the Klein Karoo National Arts Festival.

1.3 GOAL AND OBJECTIVES OF THE STUDY

1.3.1 Goal

To determine the spending behaviour of visitors to the Klein Karoo National Arts Festival by means of different methods of segmentation.

1.3.2 Objectives

The achievement of the goal relies on the following objectives:

Objective 1

To identify the socio-demographic and behavioural determinants of visitor spending at the KKNK.

Objective 2

To apply expenditure-based segmentation on visitors at the KKNK.

Objective 3

To draw conclusions and make recommendations with regard to this study.

1.4 METHOD OF RESEARCH

This is a quantitative study, collecting secondary data on the topic from existing sources and using a self-administered questionnaire to collect problem-specific data (primary data).

1.4.1 Literature Study

A literature study was based on specific keywords: *tourism, event tourism, art festival, market segmentation, target market, economic impact* and *expenditure*. The theoretical framework of market segmentation was investigated. This was done by means of analyses of journal articles, theses, dissertations, newspaper articles, books and other tourism related literature as well as sources on the KKNK, market segmentation and tourism. Information searches were conducted mainly through library catalogues and indexes, as well as the Internet. Scientific databases such as ScienceDirect and Ebscohost played a vital role in searching for the most recent, relevant publications and information. Through these sources, a complete analysis of market segmentation was done by looking at the importance and benefits of market segmentation as well as the various methods of conducting comprehensive segmentation. Since an intensive literature study as well as an empirical survey (that was facilitated using questionnaires) was used, this study incorporates both primary and secondary sources.

1.4.2 Empirical Study (Survey)

The following section highlights the methods chosen to conduct the empirical analysis.

1.4.2.1 Research design and method of collecting data

According to Slabbert (2004:63), the advantages of a quantitative approach include:

- It is suitable for collecting demographic information, for example gender, age and income.

- It is inexpensive to conduct.
- It is relatively easy to tabulate and analyse the data using statistical programmes.

In this approach the researcher is interested in the meaning of the participants' experiences concerning the festival. The research will therefore be causal in nature. This study will attempt to determine the visitor expenditure patterns and determinants affecting expenditure to comprehensively profile visitors to the KKNK.

Four previous surveys (2003 and 2005 to 2007) were conducted at the KKNK by the Institute for Tourism and Leisure Studies at the North-West University, Potchefstroom Campus. A fifth survey was conducted during the festival in 2008. For the purpose of this study, data from the surveys done from 2005 to 2008 during the Klein Karoo National Arts Festival in Oudtshoorn were used. A total of 1337 questionnaires have been completed over the course of three years as shown in Table 1.2. An additional 608 questionnaires were completed during the 2008 survey. A structured questionnaire previously served as the instrument for collecting the data and was also used for the 2008 survey. The data was used to compile graphs and tables to design a profile of the festival visitor.

Table 1.2: Questionnaires completed during the KKNK

Date	2005 25-28 March	2006 30 March – 8 April	2007 30 March – 8 April	2008 21 – 27 March
Number of visitor questionnaires	400	452	512	608
Questionnaires divided	Not indicated when survey was done	1 April: 61 questionnaires 2 April: 102 questionnaires 4 April: 81 questionnaires 5 April: 95 questionnaires 6 April: 73 questionnaires 7 April: 42 questionnaires	2 April: 32 questionnaires 3 April: 113 questionnaires 4 April: 113 questionnaires 5 April: 79 questionnaires 6 April: 87 questionnaires 7 April: 88 questionnaires	21 March: 77 questionnaires 22 March: 92 questionnaires 23 March: 96 questionnaires 24 March: 87 questionnaires 25 March: 89 questionnaires 26 March: 84 questionnaires 27 March: 82 questionnaires

Source: Slabbert *et al.*, 2008:4

1.4.2.2 Selection of the sampling frame

Cooper and Emory (1995:207), state that using an availability sampling method with a population (N) of 100 000, as is the case of this study, the recommended sample size (S) is 384. However, these authors also indicated that, as a rule of thumb, the law of diminishing returns will apply when the sample size is greater than 300.

According to the Oudtshoorn Economic profile (2005:56), 125 000 visitors attended the festival in 2005 (these visitors did not necessarily buy tickets for the shows). The average travel group size was four in 2007 (Saayman *et al.*, 2007:15). A completed questionnaire is representative of the travel group; therefore, $125\ 000/4 = (N) 31\ 250$ visitor travel groups. Applying the formula used by Cooper and Emory (1995:207), it was found that 384 visitors needed to complete questionnaires to be representative. Since a stepwise regression will be used, only questionnaires that have complete spending information and have indicated the number of people in the travel group will be used in the final analyses. The sample size was therefore increased to 500 to take the latter into account. The number of questionnaires thus encompasses more than the required number of questionnaires according to the formula given by Cooper and Emory (1995:207).

1.4.2.3 Sampling method

The survey followed a non-probability sampling method. A convenience or availability sample was used to conduct the surveys during the duration of the festival. The survey consisted of a self-administered questionnaire. A destination-based survey was undertaken, where interviews were held on-site during the event. The interviews took place at several locations throughout the city of Oudtshoorn to limit bias toward certain visitors. However, they were generally conducted in the concert areas/venues, in the closed streets where the festival visitors gather between shows and on the main festival grounds. Adult visitors were randomly selected as they entered or departed from these areas and when they were sitting down and relaxing at the various venues.

The field workers were trained to ensure that they understood the aim of the study as well as the questionnaire. Respondents were further briefed about the purpose of the research beforehand to ensure that they participated willingly and responded openly and honestly. The questionnaires were progressively handed out towards the end of the festival as this gives a more accurate account of visitor spending. Questionnaires were evenly distributed over the extent of the festival during the 2008 survey.

1.4.2.4 Development of the questionnaire

The Institute for Tourism and Leisure Studies at the North-West University, Potchefstroom Campus developed the questionnaire in collaboration with the festival organisers. The questionnaire dealt with demographic, socio-economic, geographic and psychographic information (see Appendix 1). Questions were used to measure the independent variables and demographic information. The questionnaire used to survey the visitors to the KKNK remained similar throughout the period (2005-2008) of data collection. Ten questions were asked to collect socio-demographic information about the visitors followed by an additional ten questions specifically concerning the festival programme, type of productions and perceived level of services. Basic demographic questions included gender, age, occupation, and language. Other key questions asked in the survey included the length of stay at the festival, the number of show tickets bought, the number of people that the respondent is paying for as well as the size of the travel group and the expenditure of visitors on different spending components. The spending questions were detailed by spending category, including accommodation, shows, food and beverages, shopping, recreation etc. A pilot study was not necessary, because the questionnaire had been successfully used in four surveys carried out previously at the KKNK, and changes have been continuously made to improve it.

1.4.2.5 Data analysis

The data analysis involved initial data analysis (descriptive statistics), hypothesis testing (ANOVA) and regression analysis. A regression analysis was done to identify the determinants of spending by visitors to the KKNK and an ANOVA was applied using the determinants to do expenditure-based segmentation. The Statistical Services at the North-West University, Potchefstroom Campus, assisted in the processing of the data and the Eviews 6 and SPSS software was used to process the information. The SPSS program, which is a statistical package used extensively by academics and for other analyses, was used for the calculations of the relationships between variables. SPSS is a world leader in e-Intelligence software and services, enabling its visitors to turn raw data into usable knowledge. Using this programme, an ANOVA-analysis was done. Eviews 6 is also a worldwide leader in statistical, econometrics and simulation software. The program includes a wide range of single and multiple equation estimation techniques for both time series and cross section data. Eviews 6 was therefore used to conduct a regression analysis.

Although the survey alone will provide some insight into the characteristics of the visitor spending at the KKNK, such analyses do not describe the relative strength or the significance of the relationship between spending and its different determinants. Such an examination requires a regression and ANOVA analysis. Both, or a combination of these methods, have successfully been applied in studies done by Fish and Waggle (1996:72); Jang, Bai, Hong and O'Leary (2004:334); Kastenholz (2005:558); Qui and Zhang (1995:44); Seiler, Seiler, Hsieh and Hsieh

(1992:52) and Saayman, Krugell and Van der Merwe (2007) to identify the determinants of spending and the significant influence they have on expenditure. A brief description of each analysis to be used will be given in the next section.

a. Regression Analysis

According to Gujarati (2006:133), regression analysis is concerned with the study of the relationship between one variable called the dependant variable and one or more other independent variables. For the purpose of this study, the model was a linear regression of total spending on a number of quantitative and qualitative determinants of spending (Tustin, Ligthelm, Martins & Van Wyk, 2005).

b. ANOVA analysis (Analysis of Variance)

An ANOVA, sometimes called an *F*-test, is closely related to the *t*-test. The major difference is that, where the *t*-test assesses the difference between the means of two groups, an ANOVA assesses the difference between the means of two or more groups. The purpose of analysis of variance (ANOVA) is therefore to test whether there is a statistically significant difference in the population means of more than two groups (Eiselen, Uys & Potgieter, 2005:119). ANOVA-analysis was carried out to determine differences between expenditure groups on the variables predictive of expenditure group membership.

1.5 DEFINITIONS OF KEY CONCEPTS

The following concepts have been used regularly throughout the dissertation:

1.5.1 Art festivals

According to Kruger and Petzer (2008:113), an arts festival can be defined as a community-themed event or celebration designed to showcase different art forms and activities – along with the related tourism and hospitality experiences – for external communities. Jackson and O'Sullivan (2002:327) agree and define an arts festival as a community celebration that serves as a public demonstration of “what the community is all about”. Added to this, McIntosh and Goeldner (1990:158) indicate that art festivals often include various types of fine arts together with other cultural expressions to make them more broadly appealing.

1.5.2 KKNK

The Klein Karoo National Arts Festival (KKNK) is an annual arts festival hosted in Oudtshoorn during the



March/April school holidays. The main aim of the KKNK is to promote the arts in Afrikaans, as well as to give the host community of Oudtshoorn a financial injection by using the festival as a mass tourism attraction. Oudtshoorn attracts about 1000 artistes in about 200 productions and exhibitions yearly over eight days. The festival accommodates both visual and performing arts; drama, cabaret, musical theatre, classical music, jazz and light music. Open-air concerts have become a unique characteristic of the KKNK (ANON, 2001:2; ANON, 2007:1; Kitshoff, 2004:237).

1.5.3 Tourist expenditure

Tourist expenditure can be defined as the total consumption expenditure made by a visitor or on behalf of a visitor for and during his/her trip and stay at destination (Vellas & Bécherel, 1995:194).

1.5.4 Market segmentation

McIntosh and Goeldner (1990:407) define market segmentation as the process of dividing the present and potential market based on meaningful characteristics and concentrating promotion, product, and pricing efforts on serving the most prominent portions of the market – the target markets. According to Dibb and Simkin (2004:58), it is an effective way of subdividing a larger market. McDonald and Dunbar (1995:10) support these views and, according to them, market segmentation is the process of splitting visitors (tourists) into different groups, or segments, within which visitors with similar characteristics have similar needs. By doing this, each one can be targeted and reached with a distinct marketing mix. For market segmentation, the essential question is whether it is possible to identify groups of visitors with different mean purchase rates dependent on certain variables, such as income, age, and occupation (Bass, Tigert & Lonsdale, 1968:265). According to Mudambi and Baum, (1997:33), the primary segmentation variable in expenditure-based segmentation is expenditure and other visitor characteristics are secondary variables.

1.6 CHAPTER CLASSIFICATION

This study consists of four chapters. The following section includes a brief outline of what the reader can expect from each of the chapters.

Chapter one includes the introduction, problem statement, aims and objectives, method of research and definition of key concepts. The aim of this chapter is to give an overview of the festival background and the problem faced by the festival marketers and organisers. It also aims to emphasise the importance of market segmentation for the KKNK and the benefits that will be derived from applying the segmentation methods described in Chapters 2 and 3.

Chapter two contains Article 1, which established the socio-demographic and behavioural determinants of spending by visitors to the festival. This article attempts to show the viability of identifying the determinants of spending, especially regarding the festival. The benefits and impacts of these determinants are outlined as well as ways that they can be applied to increase visitor spending, to improve the festival program and, especially, the marketing.

Chapter three contains Article 2. In this article, the determinants identified in Chapter two, was used to apply expenditure-based segmentation to visitors at the KKNK. With this method a comprehensive profile of the target market was drawn and the financially most viable market will be identified.

The final chapter consists of conclusions drawn from the discussion in the foregoing chapters. Recommendations are made to aid festival organisers and marketers in the effective planning and marketing of the festival. In this chapter, a summary is given of the importance of market segmentation, especially by festival management, as well as a summary of the main issues that need to be considered when doing so.

CHAPTER 2

Socio-demographic and behavioural determinants of visitor spending at the Klein Karoo National Arts Festival

2

ABSTRACT

The Klein Karoo National Arts Festival (KKNK) is one of the most popular arts festivals in South Africa. However the festival is already in the decline phase of its product life cycle. This leads to serious concerns for its future profitability and sustainability. Given the economic value of the festival, an understanding of expenditure patterns and the determinants influencing spending behaviour is vital to the festival marketers/organisers. Therefore the aim of this article is to investigate the socio-demographic and behavioural determinants that influence visitor expenditure at the KKNK, based on visitor surveys conducted at the festival from 2005 to 2008. Regression analysis was applied to establish the most significant determinants in each year. Results indicate that occupation, distance travelled, length of stay, the reason for attending the festival and preferred type of shows/productions are significant determinants influencing the amount of money visitors spent at the festival. These findings will not only generate strategic insights on marketing for the festival, but knowledge of these determinants can also lead to a greater economic impact, as well as a competitive advantage.

Key words: *The Klein Karoo National Arts Festival, Determinants of spending, Marketing*

SOCIO-DEMOGRAPHIC AND BEHAVIOURAL DETERMINANTS OF VISITOR SPENDING AT THE KLEIN KAROO NATIONAL ARTS FESTIVAL

2.1 INTRODUCTION

The Klein Karoo National Arts Festival (KKNK^{*}) is a South African celebration and enhancement of the arts through the medium of Afrikaans. Launched in 1994, the week-long festival, held annually in Oudtshoorn during the March/April school holidays, features a range of pop, rock, cabaret, classical music, drama and dance. The festival presents over 200 productions, working with over 750 artistes in 40 different venues attracting more than 100 000 visitors each year, making it one of the biggest and most popular arts festivals in the country (ANON, 2007:1; Kitshoff, 2004:240).

Like most festivals, the KKNK is generally viewed by its organisers and host community as being a social or cultural celebration (Frisby & Getz, 1989:7; Stewart & Deibert, 1993:216). To a greater extent, the festival is also being viewed as a tourist attraction which has a considerable economic impact on the surrounding region (Fredline, Jago & Deery, 2003:23; Frisby & Getz, 1989:7; Gursoy, Kim & Uysal, 2004:171). In 2007, the estimated economic impact totalled R89.90 million making it South Africa's largest festival from an economic point of view (Saayman, Saayman, Slabbert & Viviers, 2007:55). According to Thrane (2002:281), this beneficial economic impact on the host community surrounding the festival area, due to visitor expenditure, is one of the most important reasons for organising festivals in the first place. Crompton, Lee and Shuster (2001:79) agree, and point out that festivals, such as the KKNK, attract non-resident visitors who spend money in the local community both inside and outside of the festival. According to Dwyer, Forsyth and Spurr (2005:351), this new money from outside the community creates income and jobs in the community of Oudtshoorn. It is therefore important to attract visitors who are high spenders but who also buy tickets to support the festival productions since the overall success of the festival is measured in the ticket sales for the shows/productions at the festival.

Since 2006, ticket sales to the festival have decreased alarmingly (Saayman *et al.*, 2007:3), resulting in the festival being in the decline phase of its product life cycle and according to Le Grange (2003:56), this raises serious concerns for the future sustainability of the festival. Thousands of visitors stream to Oudtshoorn during the festival each year, but a small percentage actually buys tickets for the festival shows/productions (Hauptfleisch, 2001:175). Kitshoff (2003:11) added by saying that thousands of people who go to the festival go for the

* For the purpose of this article the term KKNK will be used when references are made to the festival.

socialisation rather than the arts. They may attend the occasional festival production, but for the rest they prefer the stalls, restaurants, wine tasting booths and pubs (Cruywagen, 2002:190; Hauptfleisch, 2001:175; Kitshoff, 2003:11). Reasons for this could be that visitors are either not interested in the festival productions or that tickets to the shows are too expensive. This has a negative impact on the festival's main goal i.e. promoting the arts in Afrikaans by means of theatre productions and to generate revenue for the host community of Oudtshoorn.

With this problem in mind, research done by Thrane (2002:281) and Saayman and Saayman (2006:220), indicated that visitors attending festival shows/productions spend more than those not interested and, as a consequence of this, their overall personal expenditure during the festival will be greater. To increase the spending Gokovali, Bahar and Kozak (2007:737), Kastenholz (2005:556) and WTO (2002:2) found that the longer visitors stay at the festival, the more they spend, especially on buying tickets for the festival shows/productions, and thus the greater the economic benefits of the festival. Therefore Mok and Iverson (2000:300), state that it is crucial to understand visitor spending behaviour at the festival and the underlying determinants affecting such behaviour. These determinants can be used to increase visitor spending and to attract those visitors contributing to the arts. This will ensure the continuous sustainability of the festival without congesting the restricted infrastructure of Oudtshoorn by attracting thousands of the "wrong" visitors.

The aim of this article is to explore the various socio-demographic and behavioural factors that influence spending by visitors at the KKNK. Taking into account the influence of various socio-demographic and behavioural characteristics on spending of visitors to the KKNK, this research can assist marketers, festival organisers and the festival industry in general to do comprehensive market segmentation. To achieve the latter, the article is structured in the following manner: a literature review is followed by a description of the survey and a discussion of the results and, finally, the implications and the conclusions.

2.2 LITERATURE REVIEW

The growing contribution of tourism to the economy of an area has been accompanied by an increased interest in understanding the determinants that influence tourist expenditure (Seiler, Seiler, Hsieh & Hsieh, 2002:48). According to Jang, Bai, Hong and O'Leary (2004:331), travel expenditure patterns are vital to travel organisers and destination marketers since expenditure patterns help to describe the size of each travel market in economic terms. It also leads to the identification of determinants influencing travel expenditure characteristics among market segments. Taking this into consideration, Perez and Sampol (2000:624), revealed that the differences in expenditure for various profiles are significant. This information enables one to obtain the necessary information to implement more adequate tourism policies in increasingly segmented markets.

According to Spotts and Mahoney (1991:24), segmenting travel markets on the basis of travel expenditure is a useful alternative to the more common approach of segmenting on the basis of travel activity when some type of volume segmentation is desired. This is because travel marketers seek visitors who will spend money, and not just time, on their tourism products (in this case, festivals) (Mok & Iverson, 2000:299). This information can especially assist the KKNK marketers when conducting market segmentation since the festival seeks those visitors who do not necessarily stay longer but who are willing to spend more on the festival shows/productions.

Research relating to consumer spending and segmentation, based on variables such as expenditure levels (which reflect consumer spending choices), have found that economic determinants alone account for much of the variation in tourist numbers and expenditure (Crouch, 1994:12; Legohérel, 1998:20). Along with numerous benefits derived from understanding the determinants influencing expenditure, tourist/visitor spending is furthermore one of the most critical variables of analysis for tourist destinations, since it directly determines the tourism sector's profitability (Frechtling, 2006:1).

According to Kastenholz (2005:557) it is important to determine which visitors spend most at the destination and which variables are most influential in determining their expenditure levels. Once the factors that affect the visitor expenditure are determined, policy development will be possible to strengthen the spending to maximise economic benefits of a festival (Gokovali *et al.*, 2007:737). Festival organisers can thus effectively apply the determinants when doing market segmentation to focus their marketing efforts on those visitors who spend the most at the festival. This will also assist in the development of a customised festival programme which will ensure that the right target market is attracted.

Added to this, researchers like Downward and Lumsdon (2004:415); Spotts and Mahoney (1991:24); Wilton and Nickerson (2006:24); Kastenholtz (2005:556); Letho, Cai, O'Leary and Huan (2004:320); Mok and Iverson (2000:300) and Saayman and Saayman (2006:211) indicate the following reasons for the importance of establishing the determinants of spending:

- it leads to strategic planning of facilities and amenities;
- tourism products can be developed in a sustainable and profitable way;
- it leads to strategic marketing;
- a market profile can be developed;
- niche markets can be identified;
- policies can be formulated;
- it leads to retail merchandising;
- it leads to customer service;

- it provides a better understanding of tourist spending behaviour and the underlying factors affecting such behaviour.

According to Craggs and Schofield (2006), a wide range of socio-demographic and behavioural determinants influence visitor expenditure. Previous research on tourism expenditure has revealed many determinants that positively influence visitor expenditure and these will be discussed accordingly. A number of tourism studies have documented that household income is commonly used to predict visitor expenditure behaviour and has a positive influence on tourism expenditure in general. Fish and Waggle (1996:70) found that higher income visitors stay longer and spend more per day than visitors with lower incomes. This is supported by results from studies done by Cannon and Ford (2002:264); Crouch (1994:12); Legohérel (1998:22); Mak, Moncur and Yonamine (1977:6); Mehmetoglu (2007:213); Taylor, Fletcher and Clabaugh (1993:33) and Thrane (2002:281). For this reason, higher household income should be associated with higher expenditures during the festival.

In most of the travel expenditure studies, length of stay at a destination is positively related to expenditure. Saayman, Krugell and Van der Merwe (2007:191) and Seiler *et al.* (2002:47) found in their respective studies that the longer visitors stay at a destination, the more money they will spend. However, Downward and Lumsdon (2004:415), Cannon and Ford (2002:263), Sun and Stynes (2006:721) as well as Mehmetoglu (2007:213), found that decreased spending per day was related to a longer duration of stay. Research has also shown that the distance travelled to visit tourist attractions affects expenditures positively (Cannon & Ford, 2002:263; Lee, 2001:663; Long & Perdue, 1990:12; Saayman *et al.*, 2007:185). Saayman and Saayman (2008), Saayman *et al.* (2007:18) and Slabbert *et al.* (2008:11), further found that province of origin (location) also plays an important role in the spending of visitors at arts festivals and national parks in South Africa. Results indicated that visitors originating from richer provinces, especially Gauteng and Western Cape, tend to spend more. Hence, it is to be expected that visitors staying longer at the festival, living further away from the festival area and travelling from Gauteng and Western Cape, will spend more money than local people.

While Saayman *et al.* (2007:190) found that the effect of marital status on expenditure is inconclusive, Mak *et al.* (1977:6) demonstrated that married visitors stay fewer days and spend significantly less per person per day than non-marrieds. Gokovali *et al.* (2007:743) along with Mak *et al.* (1977:6) and Saayman *et al.* (2007:190) found that visitors with a higher education level do not stay significantly longer, and spend less per day on average than less educated visitors. This suggests that the less educated visitor is more prone to spend more at the festival. Limited research has been done to determine the influence of preferred accommodation on visitor spending. Some results were produced from studies done by Saayman and Saayman

(2008) and Saayman *et al.* (2007:18) who determined the influence of type of catering on visitor expenditure at the Kruger National Park. Their respective results indicated that visitors with more elaborate catering needs and who prefer a combination of self-catering and other types of catering, tend to spend more.

Although the effect of family size or the size of the travel group on expenditure has also been considered in a number of studies, the results varied considerably. Mak *et al.* (1977:6) found in their study of U.S. visitors to Hawaii that the size of the travel group does not appear to significantly affect the length of stay, but does influence daily expenditure. Thrane (2002:284) supports these findings in a study relating to expenditure by Jazz festival visitors, and concluded that per capita daily expenditures vary inversely with party size. In a study of visitor spending to the Kruger National Park in South Africa, Saayman and Saayman (2008) found that the increase in the number of people in the travel party leads to a decrease in spending per person. While Seiler *et al.* (2002:56) and Lee (2001:663) found in their respective research on Taiwanese tourism expenditure and recreational boater expenditure, that people travelling with a larger group size, tend to spend more money but stay for a shorter time. Gokovali *et al.* (2007:743), on the other hand, indicated that visitors spend more per group due to their typically longer duration of stay. However, this was not linked to the size of the travel group. The latter is supported by findings from a study researching visitor spending at National Parks in the U.K. done by Downward and Lumsdon (2004:419). Cannon and Ford (2002:263), Cai, Hong and Morrison (1995:36) and Saayman and Saayman (2006:217) further indicated that children included in the party results in decreased spending per day while Lee (2001:663) found that the presence of children had no significant effect on expenditure. It is thus evident that the effect of family size or the size of the travel group on expenditure varies considerably from one research study to the next.

According to Mok and Iverson (2000:302) and Letho *et al.* (2004:320) the reason for travelling has a significant impact on the visitors spending, with business travellers exhibiting the greatest spending and the most expensive travel style. Saayman and Saayman (2006:217) and Thrane (2002:284) found that visitors who mainly travel to attend the festival and who decided to attend a long time in advance spend more money than those who decided closer to the time to attend and who attend the festival for other reasons. Saayman and Saayman (2006:217) also revealed that visitors who have attended other festivals are also more inclined to fall into the "high-spender" category. Gyte and Phelps (1989) as well as Long and Perdue (1990:12) further indicated that repeat visitors tend to spend more while Mak *et al.* (1977:7) revealed that repeat visitors stay longer than first time visitors, but do not spend significantly more or less. However, Jang *et al.* (2004:332), Opperman (1997:178) and Pouta, Neuvonen and Sievänen (2006:132) found that first time visitors spend more than repeat visitors despite their shorter length of stay.

The overall benefit of repeat visits should not be ignored in this context since the KKNK is dependent on repeat visits accompanied by visitor loyalty. However, the impact of first time visitors should also not be excluded.

Cai *et al.* (1995:36) concluded that the influence of age is inconclusive, while Mak *et al.* (1977:6) revealed that age also has an influence on length of stay and daily expenditure. Results indicated that young and aged visitors stay significantly longer, but average significantly less in daily expenditure than visitors of the in-between age groups. Saayman and Saayman (2006:217) and Thrane (2002:284) found that older visitors spent more than younger visitors at a festival while in a study of nature-based tourists, Mehmetoglu (2007:213) and Pouta *et al.* (2006:131), found that younger and middle-aged visitors are likely to be high spenders. The effect of age on expenditure is, however, not clear in studies done by Lee (2001:663) and Saayman *et al.* (2007:190). Thrane (2002:284) furthermore found that male visitors spent more than females, while Craggs and Schofield (2006) and Letho *et al.* (2004:293) concluded that female visitors tend to spend more. This was based on their respective studies of visitor spending at the Salford Quays (UK) and Taiwanese tourist shopping preferences and expenditures. A number of other factors influencing tourist behaviour (and expenditures) have, to varying extents, been used in the tourism literature but a positive correlation with visitor spending is also not clear. These include determinants such as language, race/ethnicity, trip activities and seasonality (Cannon & Ford, 2002:263; Crouch, 1994:12; Dimara & Skuras, 2001:690; Lee, 2001:659; Letho *et al.*, 2004:320; Perez & Sampol, 2000:625; Saayman & Saayman, 2006:220).

It is evident that many studies have been conducted on using the socio-demographic and travel characteristics to identify the important determinants affecting travel expenditure. These types of studies, however, have been limitedly applied to national arts festivals in South Africa. This research will thus greatly assist festival marketers and organisers in general, to attract the right target market and to increase the spending of the target. The primary purpose of this article is therefore to establish the determinants that influence visitor spending at the KKNK.

2.3 METHOD OF RESEARCH

Since 2003, the Institute of Tourism and Leisure Studies at the North-West University, Potchefstroom, has conducted a visitor survey at the KKNK. A total of 1940 questionnaires have been completed in the visitor surveys carried out from 2005-2008. Because the data used in this analysis were gathered over a period of four years (2005-2008), using consumer-based questionnaires, the methodology used will be discussed under the following headings: (i) the questionnaire, (ii) the samples, and (iii) the method.

2.3.1 The questionnaire

The questionnaire used in the longitudinal study since 2005 was used to collect the data from the respondents. Ten questions were asked to collect socio-demographic information about the visitors, followed by an additional 10 questions concerning the festival programme, type of productions and perceived level of services. Basic demographic questions included gender, age, occupation and language. Other key questions asked in the survey included the length of stay at the festival, the number of show tickets bought, the number of people that the respondent is paying for as well as the size of the travel group, and the expenditure of visitors on different spending components. Due to the sensitive nature of the question, household income is not asked in the questionnaire. To account for household income, the occupation of visitors is classified into high, medium, and low income jobs, and this can be viewed as a weak proxy for income.

The questionnaire was pre-coded where possible for ease of data capturing. The dependent variable is spending per person, which was calculated by adding the spending of the respondent on the various components asked, and subtracting transport cost to the festival from the number obtained, since the inclusion of transport cost would automatically cause a bias for visitors further away from Oudtshoorn. This gave total spending excluding transport, which was then divided by the number of people whom the respondent was paying for in the trip, to give spending per person. The socio-demographic and behavioural determinants used in the analysis are described in Table 2.1.

Table 2.1: Questions used and their descriptions

Category	Question description	Coding	Variable
Socio-demographics	Home language	Afrikaans = 1; Other = 0	LANGUAGE
	Gender	Female = 1; Male = 0	GENDER
	Age	Open question	AGE
	<u>Occupation:</u>		
	<u>High income</u> = Professional, Management, Self-employed	Yes = 1; No = 0	OCCUP1
	<u>Medium income</u> = Technical, Sales, Farmer, Mining, Administrative, Civil service, Education	Yes = 1; No = 0	OCCUP2
	<u>Low income</u> = Housewife, Pensioner, Student, Unemployed	Yes = 1; No = 0	OCCUP3
	<u>Province:</u>		
	Gauteng	Yes = 1; No = 0	GAUTENG
	Western Cape	Yes = 1; No = 0	WESTERN CAPE
Other	Yes = 1; Gauteng and Western Cape = 0	OTHER PROVINCES	

Behavioural	<u>Accommodation:</u>		
	<u>Non-paid accommodation</u> = Local resident, Family or friends, Day visitor	Yes = 1; No = 0	ACCOMM1
	<u>Paid accommodation</u> = Registered guesthouse or B+B / Festival guesthouse, Hotel, Rent full house, Other	Yes = 1; No = 0	ACCOMM2
	<u>Camping</u>	Yes = 1; No = 0	CAMPING
	Group size	Open question	GROUP
	Number of days	Open question	DAYS
	Number of visits to KKNK	Open question	TIMES
	Attendance of other festivals over the past three years	Attend = 1; Not attend = 0	OTHER FESTIVALS
	Festival main reason for visit to Oudtshoorn	Yes = 1; No = 0	REASON
Type of shows / productions attended	Drama	Yes = 1; No = 0	DRAMA
	Dance theatre	Yes = 1; No = 0	DANCE THEATRE
	Word art & poetry	Yes = 1; No = 0	POETRY
	Children's theatre	Yes = 1; No = 0	CHILD THEATRE
	Lectures & discussions	Yes = 1; No = 0	LECTURES
	Contemporary music	Yes = 1; No = 0	CONTEMPORARY MUSIC
	Music theatre & cabaret	Yes = 1; No = 0	MUSIC THEATRE
	Classical music & choirs	Yes = 1; No = 0	CLASSICAL MUSIC
	Film festival	Yes = 1; No = 0	FILM FESTIVAL
	Visual art & exhibitions	Yes = 1; No = 0	VISUAL ARTS

Some clarifications on the "province", "occupation" and "accommodation" variables might be necessary. Other provinces were distinguished from Gauteng and Western Cape, since the majority of visitors to the festival originate from these provinces (Slabbert *et al.*, 2008:12). Other provinces can therefore be used to determine the significance of both Gauteng and Western Cape in the analysis. Occupation is divided into three categories based on the level of perceived income. This is done to determine the influence of discretionary income on higher spending. Since camping is the most preferred type of accommodation (Slabbert *et al.*, 2008:15), it is distinguished from paid and non-paid accommodation. It is thus possible to determine whether visitors who prefer to camp tend to spend more at the festival.

The natural logarithm of all the continuous variables (the open questions) was taken to ensure that a consistent scale of measurement is used. The dummy variables are coded 1 and 0 according to the Table above. It should be noted that one can never include all the dummies created for a single category, since it would lead to perfect multicollinearity.

2.3.2 The Samples

The surveys were conducted annually during the festival in Oudtshoorn between the March/April school holidays. In Table 2.2, the sample sizes for each year are listed, and it is evident that the sample size has grown significantly over the past years. These surveys consisted of a personal face-to-face interview (explaining the goal of the survey) and a self-administered questionnaire. Trained students from the North-West University carried out the personal interviews according to an intercept approach, distributing the questionnaires at the end of the personal interviews. The interviews took place on several locations throughout the city of Oudtshoorn to limit bias toward certain visitors. However, they were generally conducted in the concert areas/show venues and in the closed streets where the festival visitors gathered between the various shows. Adult visitors were randomly selected as they entered or departed from these areas and when they were sitting down and relaxing at the various venues. The spending questions were detailed by spending category, including accommodation, shows, food and beverages, shopping, recreation, transport etc.

Table 2.2: Questionnaires compiled during KKNK – 2005 to 2008

Date	2005 25-28 March	2006 30 March – 8 April	2007 30 March – 8 April	2008 22-27 March
Number of visitor questionnaires	400	452	512	608
Adjusted sample	369	440	476	555

Source: Slabbert, Viviers, Saayman & Saayman, 2008:6

Only questionnaires that had complete spending information and indicated the number of people in the travel party could be used in the final analysis. This caused a slight decline in the final samples (N=1840), which is also indicated in Table 2.2. While there are missing values in the other questionnaires as well, as many questionnaires as possible were included in the analysis.

2.3.3 The Method

Although the survey alone will provide some insight into the characteristics of visitor spending at the KKNK, such analysis does not describe the relative strength or the significance of the relationship between spending and its different determinants. Such an examination requires a regression analysis. This method has successfully been applied in many studies (c.f. Fish & Waggle, 1996:72; Jang *et al.*, 2004:334; Kastenholz, 2005:558; Qui & Zhang, 1995:44; Seiler *et al.*, 1992:52; Saayman *et al.*, 2007) to identify the determinants of spending.

The model is a linear regression of total spending on a number of quantitative and qualitative determinants of spending (Tustin, Ligthelm, Martins & Van Wyk, 2005). The estimating equation can be expressed as follows:

$$Y_i = c + \beta X_i + u_i \quad (1)$$

In which Y_i represents the total spending by a festival visitor and X_i is a vector of the determinants of spending. These explanatory variables may include quantitative variables like age, length of stay, number of times that KKNK has been visited, or the size of the travel party. It may also include qualitative variables that indicate the presence or absence of a quality or attribute which may influence total spending at the festival. Such qualitative (or dummy) variables were constructed, as indicated in Table 1, for the following variables: gender, language, marital status, occupation, types of shows attended and preferred type of accommodation.

The estimation strategy involves estimating a linear model using the cross-section data obtained in the survey. An ordinary least squares (OLS) estimator is used and all estimations are done using Eviews 6. The inclusion of a wide variety of dummy variables leads to the use of a structured approach to estimating the regressions. Firstly, the regressions were performed with only the socio-demographic variables (see Table 2.1) as dependent variables. After identifying the socio-demographic variables that significantly influences spending per person at the KKNK, the behavioural indicators were added[†]. Only the variables that remained significant from both the socio-demographics and behavioural pool were then used in further regressions where the preferred types of shows of visitors were added. Since the last category (the preferred type of shows that visitors to KKNK attend) has not previously been added in similar research, it is tested for inclusion in this final stage of the regressions, and only the significant results will be reported.

The results of the final regressions were subjected to diagnostic analysis, especially heteroskedasticity tests, since cross-section data are typically subject to the problem of heteroskedasticity. White's heteroskedasticity test was performed on the results, and it was found that the null hypothesis of no heteroskedasticity could be rejected only in 2005. The 2005 results reported thus include White's heteroskedasticity-corrected standard errors and covariances.

2.3.4 Results

The results will be discussed in two sections: firstly the variables identified by the stepwise regression, and then the regression results for each year.

[†] Variables that were not significant in a specific year, but that were significant in other years were also included in the subsequent regressions in order to be comparable.

2.3.4.1 Variables identified by the regressions

In order to identify the significant variables in each year, the most significant socio-demographic variables were firstly identified. Table 2.3 indicates that age is the socio-demographic variable identified in all years (2005-2008) as having an influence on spending. This is followed by Gauteng (GAUTENG) which is present in 2006-2008. Gender and the high income occupations (OCCUP1) are significant in 2005 and 2008 and 2007 and 2008 respectively, while second level of income proxy (OCCUP2) was only significant in 2007. When interpreting the sign of the coefficient, the negative value in the gender category indicates that female visitors spend more than male visitors. The sign indicates the nature (positive or negative) of the variables' effect on visitor spending at the KKNK.

Table 2.3: Socio-demographic variables identified by the first regression

2005	2006	2007	2008
AGE (+)	AGE (+)	AGE (+)	AGE (+)
GENDER (-)	OCCUP1 (+)	OCCUP1 (+)	GENDER (-)
	GAUTENG (+)	OCCUP2 (+)	GAUTENG (+)
		GAUTENG (+)	WESTERN CAPE (-)

The most significant behavioural variables were then identified, together with the most significant socio-demographic variables, and the resulting behavioural indicators that were identified as being significant are summarised in Table 2.4. The number of days visitors spent at the festival (DAYS) was constantly significant in all years (2005-2008). The main reason visitors attend the festival (REASON) was significant in 2006-2008, while group size (GROUP), other festivals (OTHER FESTIVALS) visited and camping (CAMPING) only showed up in two of the years. Again, the sign indicates the nature (positive or negative) of the variables' effect on visitor spending.

Table 2.4: Behavioural variables identified by the second regression

2005	2006	2007	2008
DAYS (+)	DAYS (+)	DAYS (+)	DAYS (+)
OTHER FESTIVALS (+)	GROUP (-)	GROUP (-)	REASON (+)
	REASON (+)	REASON (+)	OTHER FESTIVALS (+)
	CAMPING (-)	CAMPING (-)	

It should be noted that in none of the second regressions was second level of income proxy (OCCUP2) significant. This variable is therefore omitted from further analysis. All the other socio-demographic and behavioural indicators identified above were significant in at least one year's regression.

Since the significance of preferred type of productions has not been tested previously (as indicated above), the result was re-estimated to include various combinations of this variable together with the combination of significant socio-demographic and behavioural variables. The latter was only included in the final regression of each year to eliminate the possibility of distorting the results and is therefore not indicated in Tables 2.3 and 2.4. The results of the regression analysis for each year will subsequently be discussed.

2.3.4.2 Regression results for 2005

Table 2.5: Regression results for 2005

Dependent Variable: LSPENDPP
Method: Least Squares
Included observations: 349
White Heteroskedasticity-Consistent Standard Errors & Covariance

	Coefficient	Std. Error	t-Statistic	Prob.
C	4.444307	0.478947	9.279330	0.0000
AGE	0.336549	0.123758	2.719412	0.0069
GENDER	-0.048592	0.038420	-1.264773	0.2068
OCCUP1	0.151624	0.078242	1.937880	0.0535
GAUTENG	0.045644	0.126076	0.362032	0.7176
WESTERN CAPE	0.426031	0.246984	1.724931	0.0855
GROUP	-0.050839	0.110140	-0.461585	0.6447
DAYS	1.340874	0.111844	11.98875	0.0000
REASON	0.068714	0.131564	0.522288	0.6018
OTHER FESTIVALS	0.183419	0.087667	2.092215	0.0372
DRAMA	0.259253	0.087228	2.972120	0.0032
CAMPING	-0.038922	0.095031	-0.409575	0.6824
R-squared	0.462583	Mean dependent var		7.300803
Adjusted R-squared	0.445041	S.D. dependent var		0.959345
S.E. of regression	0.714669	Akaike info criterion		2.199785
Sum squared residual	172.1235	Schwarz criterion		2.332338
Log likelihood	-371.8625	Hannan-Quinn criter.		2.252552
F-statistic	26.37033	Durbin-Watson stat		2.067654
Prob (F-statistic)	0.000000			

The results of the regression analysis for 2005 (Table 2.5) indicate that age, province of origin and occupation are the most significant socio-demographic indicators. The positive sign in the age category indicates that older visitors tend to spend more than younger visitors. Discretionary income, as expected, also positively influenced spending and therefore the higher income groups are inclined to spend more at the festival. It was further indicated that visitors who travel from Western Cape are inclined to be higher spenders. A possible reason for this could be that the majority of visitors to the festival originate from the Western Cape (Slabbert *et*

al., 2005:12), since it is easier for these visitors to travel to Oudtshoorn, which is located in the same province.

Behavioural indicators: number of days spent at the festival, other festivals attended and the type of shows/productions are also significant. Visitors who were especially interested in the drama productions at the festival and who have attended other festivals are inclined to spend more. Visitors who spent more days at the festival also tend to be higher spenders.

Even though province (Gauteng), group size, reason and camping are also important variables included in the results indicated in Table 2.4, province had no considerable influence on higher spending and is therefore not included in the discussion.

2.3.4.3 Regression results for 2006

Table 2.6: Regression results for 2006

Dependent Variable: LSPENDPP				
Method: Least Squares				
Included observations: 430				
	Coefficient	Std. Error	t-Statistic	Prob.
C	4.859612	0.437895	11.09766	0.0000
AGE	0.165789	0.113329	1.462898	0.1443
GENDER	0.052695	0.037724	1.396855	0.1632
OCCUP1	0.257750	0.077258	3.336231	0.0009
GAUTENG	0.243161	0.106625	2.280531	0.0231
WESTERN CAPE	-0.513371	0.271614	-1.890078	0.0594
GROUP	-0.178700	0.082713	-2.160479	0.0313
DAYS	1.154742	0.079258	14.56939	0.0000
REASON	0.503303	0.094629	5.318675	0.0000
OTHER FESTIVALS	0.017517	0.076719	0.228324	0.8195
CAMPING	-0.138149	0.097937	-1.410586	0.1591
DRAMA	0.333025	0.078855	4.223266	0.0000
LECTURES	0.615153	0.215427	2.855505	0.0045
MUSIC THEATRE	0.247135	0.087274	2.831735	0.0049
R-squared	0.482128	Mean dependent var		7.295975
Adjusted R-squared	0.465945	S.D. dependent var		1.015063
S.E. of regression	0.741799	Akaike info criterion		2.272539
Sum squared residual	228.9105	Schwarz criterion		2.404849
Log likelihood	-474.5960	Hannan-Quinn criter.		2.324784
F-statistic	29.79138	Durbin-Watson stat		1.754744
Prob (F-statistic)	0.000000			

In the regression estimates for 2006 (Table 2.6), the positive sign of the coefficients indicates that visitors with higher income jobs and originating from Gauteng are more likely to spend more at the KKNK. In contrast to 2005, the negative value in the Western Cape category indicates

that these visitors are not inclined to be high spenders in 2006. This could most probably be explained by the fact that visitors from the Western Cape are mostly day visitors, or tend to stay with family and friends during the festival.

Just as in 2005, visitors who stayed more days at the festival and who are interested in drama productions tend to spend more. Visitors who also attend the lectures and discussions and music theatre and cabaret productions spend more. Visitors who are in Oudtshoorn for the sole purpose of attending the festival tend to spend more than local residents and those visitors who are in town for other purposes. A larger group size also has a negative influence on higher spending, and visitors travelling in smaller groups tend to spend more. A possible reason for this could be that more costs can be shared since there are more people in the travel party.

2.3.4.4 Regression results for 2007

Table 2.7: Regression results for 2007

Dependent Variable: LSPENDPP				
Method: Least Squares				
Included observations: 419				
	Coefficient	Std. Error	t-Statistic	Prob.
C	4.970681	0.505192	9.839183	0.0000
AGE	0.180721	0.127801	1.414078	0.1581
GENDER	0.005547	0.041772	0.132803	0.8944
OCCUP1	0.186788	0.086120	2.168936	0.0307
GAUTENG	0.349649	0.125218	2.792319	0.0055
WESTERN CAPE	0.128059	0.278872	0.459205	0.6463
GROUP	-0.223611	0.106289	-2.103790	0.0360
DAYS	1.055699	0.095621	11.04044	0.0000
REASON	0.562063	0.109903	5.114178	0.0000
OTHER FESTIVALS	-0.030001	0.097364	-0.308132	0.7581
CAMPING	-0.105952	0.097825	-1.083079	0.2794
DRAMA	0.454112	0.091064	4.986746	0.0000
MUSIC THEATRE	0.165531	0.089631	1.846804	0.0655
VISUAL ARTS	0.316130	0.166341	1.900496	0.0581
R-squared	0.441058	Mean dependent var		7.472778
Adjusted R-squared	0.423117	S.D. dependent var		1.104924
S.E. of regression	0.839221	Akaike info criterion		2.520156
Sum squared residual	285.2382	Schwarz criterion		2.655073
Log likelihood	-513.9728	Hannan-Quinn criter.		2.573487
F-statistic	24.58335	Durbin-Watson stat		1.627006
Prob (F-statistic)	0.000000			

Table 2.7 indicates the regression results for the year 2007. With regard to the significant socio-demographic variables, visitors with higher income and travelling from Gauteng tend to spend more at the festival. These results correlate with the results from 2006. The behavioural results

also correlate with results from 2006 and visitors who spent more days at the festival, travel in smaller groups, travel for the purpose of the festival and buy tickets for drama, music theatre and cabaret productions, tend to be high spenders. In contrast to 2006, visual arts and exhibitions have a significant influence on higher spending.

2.3.4.5 Regression results for 2008

Table 2.8: Regression results for 2008

Dependent Variable: LSPENDPP				
Method: Least Squares				
Included observations: 500				
	Coefficient	Std. Error	t-Statistic	Prob.
C	5.327873	0.454498	11.72253	0.0000
AGE	0.145767	0.107076	1.361331	0.1740
GENDER	-0.082124	0.039641	-2.071715	0.0388
OCCUP1	0.069437	0.078064	0.889480	0.3742
GAUTENG	0.154173	0.139341	1.106443	0.2691
WESTERN CAPE	-0.003391	0.090249	-0.037574	0.9700
GROUP	-0.178182	0.067158	-2.653182	0.0082
DAYS	0.784267	0.067895	11.55119	0.0000
OTHER FESTIVALS	0.196958	0.085963	2.291192	0.0224
REASON	0.336581	0.122698	2.743153	0.0063
DRAMA	0.209608	0.085005	2.465831	0.0140
CONTEMPORARY				
MUSIC	0.220943	0.082295	2.684764	0.0075
MUSIC THEATRE	0.157901	0.080001	1.973746	0.0490
CAMPING	-0.058412	0.096111	-0.607762	0.5436
R-squared	0.378941	Mean dependent var		7.229944
Adjusted R-squared	0.362328	S.D. dependent var		1.059417
S.E. of regression	0.845991	Akaike info criterion		2.530984
Sum squared residual	347.8303	Schwarz criterion		2.648993
Log likelihood	-618.7459	Hannan-Quinn criter.		2.577290
F-statistic	22.81030	Durbin-Watson stat		1.968493
Prob (F-statistic)	0.000000			

In contrast to previous years, results indicate that the only significant socio-demographic indicator in 2008 is gender (see Table 2.8) and female visitors tend to spend more than males at the festival. While higher income was a significant variable in the previous years (2005-2007), it has, for the first time, no influence on the analysis. The same applies for Gauteng and Western Cape which were also not significant in this years' results. A possible explanation for this could be a decline in visitors travelling from these provinces to the festival.

The interpretation of the behavioural results is, however, again not surprising and correlates with the results from 2005-2007. An interesting result is that, although contemporary music is used as a motivator to market the festival, it is only a significant indicator in 2008. Possible

explanations for this could be that ticket prices were more affordable, visitors were more interested in the artistes and type of productions, or that marketing efforts in this regard are showing positive results.

2.4 FINDINGS AND IMPLICATIONS

The results of the analysis confirm research by Craggs and Schofield (2006) that a combination of socio-demographic and behavioural determinants influence visitor spending at the KKNK. The behavioural determinants are the most significant in all years. These include group size, number of days spend at the festival, the reason for attending the festival, other festivals attended and the type of shows/productions. The socio-demographic determinants that influence spending per person include age, gender, high income occupation and province of origin. Based on the results the following findings were revealed:

- Visitors who spend more days at the festival are inclined to spend more at the festival. This research finding supports the results of Saayman *et al.* (2007) and Seiler *et al.* (2002) who revealed that duration of stay positively correlates with overall expenditure levels.
- Visitors who travel for the sole purpose of attending the festival spend more than visitors who are in Oudtshoorn for other reasons. This result supports the research done by Thrane (2002) and Saayman and Saayman (2006).
- Visitors earning a higher income (weakly proxied by occupation) tend to spend more at the festival. These results are consistent with research done by Fish and Waggle (1996); Cannon and Ford (2002); Crouch (1994); Legohérel (1998); Mak, Moncur and Yonamine (1977); Mehmetoglu (2007); Taylor, Fletcher and Clabaugh (1993) and Thrane (2002).
- Since visitors travelling from Gauteng tend to be high spenders at the KKNK, this research confirms findings by Saayman *et al.* (2007), Slabbert *et al.* (2008) and Saayman and Saayman (2008) who found significant results between province of origin (location) and spending in South Africa. Results in 2005 also revealed that visitors originating from Western Cape tend to be higher spenders, but the opposite result was indicated in 2006.
- The influence of gender was only significant in 2008 and the result indicated that female visitors spend more than males. This result is confirmed by research done by Craggs and Schofield (2006) and Letho *et al.* (2004) and contradicts the findings by Thrane (2002).
- Contrasting to research findings by Cai *et al.* (1995), age was significant in 2005 and indicated that older visitors spend more than younger visitors. This result is also in contrast to research done by Mak *et al.* (1977).
- Visitors who travel in smaller groups tend to spend more. This result is supported by research done by Saayman and Saayman (2008) and Thrane (2002),
- Results in 2005 and 2008 revealed that visitors, who attend other festivals, spend more at the KKNK. This result supports by research findings by Saayman and Saayman (2006).

- It is further evident that visitors interested especially in the drama, music theatre and cabaret productions tend to be high spenders. Apart from the latter, a different type of show/production was also significant in 2006 (lectures and discussion), 2007 (visual arts and exhibitions) and 2008 (contemporary music). It is clear that the interest in other types of shows/productions has increased as the festival progressed over the years. However, since this analysis has never before been applied to the study of National Arts Festivals in South Africa, the influence of the latter cannot be compared to previous research.

These findings suggest some important implications and challenges to the marketers/organisers of the KKNK. Firstly, the results emphasise that visitors who travel for the sole purpose of attending the festival spend more money than those who are in Oudtshoorn for other reasons. Marketing strategies should therefore be focused on targeting these visitors since they are also more likely to buy tickets supporting the festival shows/productions. It is not necessary for the KKNK to organise additional attributes in an attempt to increase visitor spending. The festival, along with the associated shows/productions is sufficient to attract the high spending visitors.

Secondly, it is evident that drama, along with music theatre and cabaret productions, has a significant positive influence on spending. These types of productions, together with the artistes involved and the unique theme of the festival, could be used in promotion and other marketing communication efforts to attract more high spenders to the festival. The focus should not only be on these types of shows/productions, seeing as visitors are developing an interest for a variety of shows/productions the more often they visit the KKNK. It is therefore necessary for the festival organisers/marketers to continuously stay aware of new trends and changes in visitor preferences in order to adapt marketing efforts accordingly. Packages, including of a variety of shows/productions, could be considered to increase exposure to the arts. Through effective marketing, love for the arts can be increased and promoted as well as encouraging visitors to travel for the purpose of the festival, and more “festival junkies” (who buy tickets supporting the arts) can be attracted. The latter is especially important, since ticket sales for the festival's shows/productions have dramatically declined in the last four years.

Thirdly, Gauteng province remains the festival's main high spending target market, and it is important to encourage repeat visits from this province. A strong awareness strategy is needed and special festival packages, with e.g. group discount, could be target marketed to Gauteng visitors. Marketing strategies should also be expanded to other provinces (especially Western Cape), since it is equally important for the festival to identify other possible target markets and to encourage visits from other provinces.

Lastly, visitors who spent more days at the festival also tend to spend more money. Thus, the festival marketers/organisers need to entice visitors to stay longer through efficient promotions. Packages that include local attractions as well as discounts for accommodation and ticket prices could be considered. The festival programme should be adapted to allow the implementation of the latter and a differentiated price strategy could be considered. With this price strategy, certain shows/productions can be charged at a higher price, while others are less expensive. The latter will also persuade visitors to stay longer and buy more tickets.

2.5 CONCLUSIONS

The purpose of this article was to establish the determinants of spending by visitors at the KKNK. The literature review revealed a number of determinants that positively influence visitor spending. The results of this research confirm that it is a combination of socio-demographic and behavioural determinants that influence visitor spending. Visitors travelling from Gauteng with higher incomes tend to spend more and can therefore be regarded as high spenders. The reason for attending the festival, preferred type of shows/productions and the length of stay are important behavioural determinants that influence visitor spending. Visitors who attend the festival for the sole purpose of what the festival has to offer, who stayed more days at the festival, and who are especially interested in the drama, music theatre and cabaret productions, spend more than visitors who are there for other reasons.

Knowledge of these determinants and the significant impact they have on visitor spending, is invaluable to the marketers/organisers of the KKNK, especially with regards to marketing. Other benefits derived from these research findings include the following:

- A market profile of the high spenders at the festival can be developed since the determinants provide insight into the spending behaviours of visitors. This leads to comprehensive market segmentation.
- A customised festival product/program can be designed to meet the needs and preferences of these visitors. The festival can then further be marketed accordingly, and niche marketing is thus possible.
- By attracting visitors who spend more, especially on buying tickets supporting the festival's shows/productions, the economic impact of the festival will not only be enhanced but the overcrowding associated with the festival will be avoided.
- This can ultimately lead to a competitive advantage and the continuous sustainability of the festival.

Along with the above-mentioned benefits, this research has the following valuable contributions:

- Limited research has been done to determine the significant determinants that influence visitor spending at tourism events, especially at arts festivals. This research can therefore

be seen as a benchmark in this field of research, and will greatly assist not only festival marketers/organisers but also future researchers.

- This research contributes towards the understanding of the influence that socio-demographic and behavioural determinants have on visitor expenditure at National Arts Festivals in South Africa.
- This research revealed significant determinants influencing visitor spending at the KKNK. Results support the findings of previous research in that a combination of determinants influences visitor spending behaviour. Yet the results contradict some of the findings referred to in the literature review. These findings, therefore, highlight the fact that determinants influencing visitor spending differ from one tourism product to another, thereby confirming the need for more research in this area.
- Significant determinants unique to this research include the influence of type of shows/productions on higher spending. As previously mentioned, visitors who prefer productions such as drama, music theatre and cabaret, are inclined to be high spenders at the festival.

The generalisation of the results in this study is unknown, since every festival is unique, not only in format, but also in terms of the composition of exhibitors, visitors and the character of the community where the festival occurs. Thus, these results cannot be considered representative for all South African arts festivals. Due to limitations inherent in the secondary data, this study was also not able to examine the motives underlying the festival visitor's preferences and the influence they might have on spending behaviour. Further research is recommended and necessary to assist the KKNK in better marketing but also to enrich research in this area to help other arts festivals in South Africa.

CHAPTER 3

Expenditure-based segmentation of visitors at the Klein Karoo National Arts Festival

3

ABSTRACT

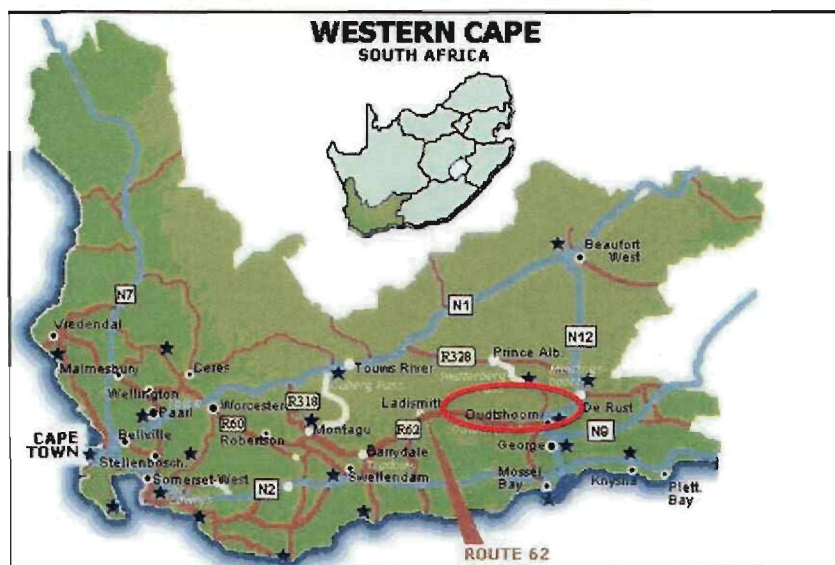
The Klein Karoo National Arts Festival (KKNK) is one of the most popular arts festivals in South Africa, but the festival is already in the decline phase of its product life cycle, which leads to serious concerns about its future profitability and sustainability. In order to maintain growth and to implement a sustainable marketing strategy, market segmentation is needed. Although expenditure-based segmentation is a popular method, it has never previously been applied in the study of National Arts Festivals in South Africa. The purpose of this article is to apply expenditure-based segmentation to visitors to the KKNK. To achieve this, surveys conducted at the festival from 2005 to 2008 were used. Regression and ANOVA analyses were used to divide the visitors into low, medium and high spenders based on total expenditure. Results show that the high spending market at the festival was distinguishable from the other segments on the basis of their longer length of stay, greater age, higher income, and main reason to attend the festival. The influence of preferred type of show/production has also been determined for the first time in this study and the results revealed that drama, music theatre and cabaret, along with contemporary music are the most popular shows/productions. The results were further used to compile a profile of the high spending visitors to the KKNK that will assist in future development and marketing strategies that will allow for sustainable development.

Key words: *Klein Karoo National Arts Festival, Expenditure-based segmentation; Market segmentation*

EXPENDITURE-BASED SEGMENTATION OF VISTORS TO THE KLEIN KAROO NATIONAL ARTS FESTIVAL

3.1 INTRODUCTION

The Klein Karoo National Arts Festival (KKNK^{*}) takes place annually in Oudtshoorn (see Map 3.1) for eight days during the March/April school holidays. The KKNK is a South African celebration of the arts through the medium of Afrikaans and accommodates both visual and performing arts, for example cabaret, music, theatre, classical music, jazz and light music. Since its modest beginning in 1994, the festival has not only grown to be a household name, but has become one of the biggest arts festivals in South Africa, attracting more than 150 000 visitors and over 1000 artistes in more than 200 productions and exhibitions (ANON, 2007:1; Kitshoff, 2004:240; Van Zyl, 2005:9). The festival has a significant economic impact on the Oudtshoorn community, generating over R89.90 million in 2007 (Saayman, Saayman, Slabbert & Viviers, 2007:55).



Map 3.1: Oudtshoorn

However, the product lifecycle of the festival measured by the ticket sales (shown in Figure 3.1) indicates that the KKNK is already in the decline phase. The dramatic decline in ticket sales since 2006 has a serious impact on the future profitability and sustainability of the festival (Le Grange, 2003:56). According to Uys (2003:13) a sustainable marketing strategy is needed to maintain a steady growth rate. The latter added that one of the best ways to secure long term growth is to understand each tourist (festival) market as an individual group of tourists (visitors). Hence, market segmentation is used to identify the target market and to better understand their needs. It also plays a key role in developing a marketing strategy suitable for the target market.

^{*} For the purpose of this article the abbreviation KKNK will be used when references are made to the festival.

Therefore, for the festival marketers/organisers to determine possible solutions for the aforementioned problem and to develop the right marketing strategy, market segmentation is vital to ensure the continuous existence and success of the KKNK.

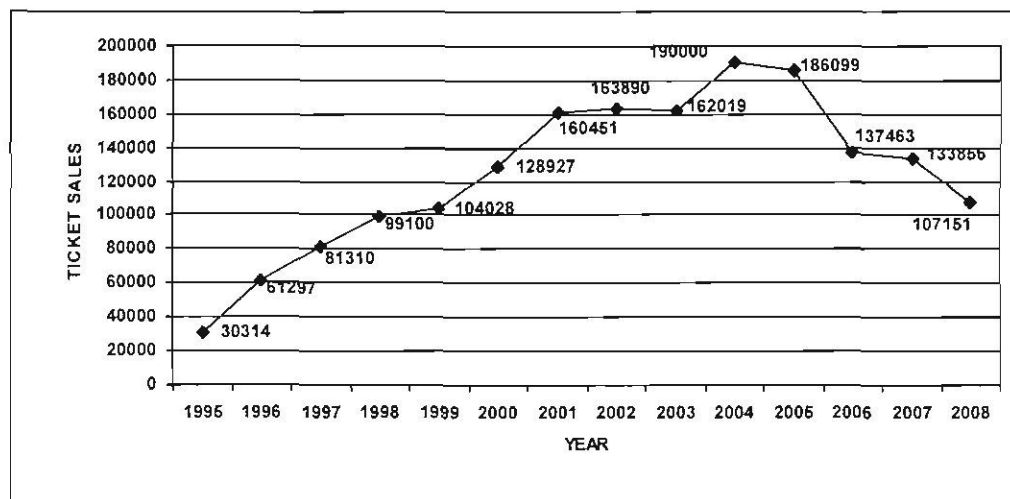


Figure 3.1: Product lifecycle measured in ticket sales
Source: Slabbert, Viviers, Saayman & Saayman, 2008:2

Market segmentation is widely regarded as being one of the key elements of modern marketing (Dibb & Simkin, 1996:1). It can be defined as the process of grouping together visitors that share similar needs and buying characteristics. It therefore involves the identification of market segments (the breaking down of the overall market into visitor groups derived from an analysis of visitors' needs and buying characteristics), the prioritising of which segment(s) to target, and the determination of a suitable brand/product positioning for the segment(s) targeted (Andereck & Caldwell, 1994:40; Armstrong & Kotler, 2005:11; Dibb & Simkin, 2004:58).

According to Slabbert (2002:40), various methods are used for comprehensive market segmentation to understand visitors' needs, motives, and expectations. These include cluster analysis, correspondence analysis, regression analysis, Automatic Interaction (AID) analysis, latent class analysis; judgment based segmentation, factor and component analysis as well as using expenditure. In tourism, market segmentation is often done through expenditure-based segmentation (dividing visitors into low, medium and high spenders). Saayman, Van der Merwe and Pienaar (2008:18) and Spotts and Mahoney (1991:27) indicated that expenditure-based segmentation is an effective alternative method of market segmentation. This method gives a complete visitor profile and is used to identify and compare different segments. The results from such segmentation can therefore distinguish the high spenders at the KKNK (who spend more money supporting the festival shows/productions) from other segments in terms of socio-demographic and behavioural characteristics such as age, group size, length of stay, trip purpose, travel mode and their expenditure patterns (Mok & Iverson, 2000:299; Spotts & Mahoney, 1991:24). Since correlations between different determinants can further be made, this

information can be used to enhance the economic benefits of the KKNK by increasing visitor spending at the festival.

It is therefore imperative for the KKNK organisers/marketers to identify the needs, motives and expectations of current and potential visitors through the process of market segmentation. By knowing the festival visitors' specific needs and motives for attending the festival, the festival product/programme can be designed to meet their needs, encourage visitors to spend more money supporting the festival's shows/productions and ensure repeat visits (Burke & Resnick, 2000:39; Getz, 1997:272; Kastenholz, 2005:556). The purpose of this article is to apply market segmentation of visitors to the KKNK by means of expenditure-based segmentation. To achieve this, the article is organised as follows: the literature review follows the introduction, the method of research is discussed next, results of the research are listed, after which certain conclusions are drawn.

3.2 LITERATURE REVIEW

Considering the importance and value of market segmentation through expenditure-based segmentation, as discussed above, segmenting travel markets based on travel expenditures is a useful alternative to the more common approach to segmenting based on travel activity when some type of volume segmentation is desired. It might be more useful to specifically target the high spenders in a region than to seek to attract either visitors who will make relatively lengthy stays in the region or visitors who will spend a relatively high percentage of their total trip-nights there (Spotts & Mahoney, 1991:24). This is because travel marketers seek visitors who will spend money, and not just time, on their tourism products (Mok & Iverson, 2000:299). In addition to this, Mok and Iverson (2000) and Spotts and Mahoney (1991:24) applied an expenditure-based technique to categorise spenders into high, medium and low spenders based on their total expenditure. By applying this method, the high spenders were distinguishable from the other segments based on their socio-demographic, behavioural and spending characteristics. These findings were especially helpful in designing a destination-marketing programme.

There are various other benefits that can be derived from applying expenditure-based segmentation - especially for effective marketing. In summary, expenditure-based segmentation can lead to the following (Wilton & Nickerson, 2006:21; Thrane, 2002:286; Woodside, Cook & Mindak, 1987:10; Davies & Mangan, 1992:698; Mok & Iverson, 2000:304):

- niche marketing
- determining the attractiveness and viability of visitor segments
- a clear distinction between heavy spenders and heavy users
- maximised economic benefits

- better aimed/strategic marketing efforts
- visitor loyalty coupled with repeat visits as well as
- better understanding and application of behavioural characteristics that influence visitor spending.

Travel expenditure often may often be superior to activity measures as a segmentation variable because travel expenditures for a given unit of travel activity can obviously vary significantly from one travelling group to the next (Legohérel, 1998:21; Spotts & Mahoney, 1991:24). Mudambi and Baum (1997:29) added that a better understanding of expenditure patterns can help to clarify the attractiveness of previously identified visitor segments. According to Thrane (2002:286), for the festival marketers/organisers, some visitors are more important than others in the sense that they spend more money on accommodation, production/show tickets, and eating and drinking more often in restaurants. Market research done by Twedt (1964:71) and Cook and Mindak (1984:79) found that many heavy users of consumer products account for a large percentage of sales. Research done by Saayman and Saayman (2006:220) and Thrane (2002:281) also indicated that the high spenders at a festival are more likely to stay longer and buy tickets supporting the festival productions than those not interested and, as a consequence of this, their overall personal expenditure during the festival will be greater. This results in a greater economic impact on the host community.

Attracting high spenders instead of crowds is thus not only desirable from an economic point of view, but also from an environmental point of view. In attracting high spenders, who buy tickets for the festival shows/productions, the overcrowding associated with the festival may be avoided (Saayman & Saayman, 2006:219; 2005:582). The success of the festival should therefore be judged on the income derived and the benefits that accrue to the community rather than on the number of visitors (Saayman & Saayman, 2006:220). It thus seems logical to emphasise meeting the needs and preferences of the high spenders, as it seems to be instrumental for successful marketing (Spotts & Mahoney, 1991:24). Therefore, a reasonable marketing strategy for the KKNK would be to attract more high spenders, who buy tickets supporting the festival's shows/productions, as opposed to low spenders. To do so, however, requires that one is able to identify the exact profile characteristics of the high spenders at the festival through expenditure-based segmentation.

In their study of visitor spending at the Salford Quays (UK), Craggs and Schofield (2006), distinguished between heavy, medium, light and no expenditure segments and concluded that there is a wide range of socio-demographic and behavioural determinants that influence visitor expenditure.

Results from studies done by Mok and Iverson (2000), Saayman and Saayman (2006), Saayman, Van der Merwe and Pienaar (2007), Spots and Mahoney (1991), Pizam and Reichel (1979), Mehmetoglu (2007), Pouta, Neuvonen and Sievänen (2006), Woodside *et al.* (1987) and Thrane (2002) showed that the high spenders were distinguished from the medium and low segments by the following characteristics:

- Better educated (Pizam & Reichel, 1979; Woodside *et al.*, 1987:11)
- Earn more (Saayman & Saayman, 2006:220; Thrane, 2002:285; Woodside *et al.*, 1987:11)
- Stay longer (Thrane, 2002:285; Mok & Iverson, 2000:303-305; Spotts & Mahoney, 1991:24; Mehmetoglu, 2007:213; Downward & Lumsdon, 2004:415; Saayman & Saayman, 2006:220)
- Travel longer distances (Saayman *et al.*, 2007:17; Pouta *et al.*, 2006:132; Cannon & Ford, 2002:263; Lee, 2001:659)
- Smaller groups (Mok & Iverson, 2000:303-305; Saayman & Saayman, 2006:220) while Saayman *et al.* (2007:17) and Spotts and Mahoney (1991:24) revealed the exact opposite and concluded that high spenders tend to travel in larger groups
- Travel for purpose to attend festival/enjoy destination (Saayman & Saayman, 2006:220; Mehmetoglu, 2007:213)

Based on the above, one could state that expenditure-based segmentation can assist the KKNK marketers/organisers to differentiate between the high spenders and determine the viability of targeting this market. Findings will further suggest how the festival's appeal to heavy spenders could be maximised, and how its existing market of heavy spenders could be encouraged to stay longer, buy more tickets for shows/productions and return in the future.

3.3 METHOD OF RESEARCH

Since 2003, the Institute of Tourism and Leisure Studies at the North-West University, Potchefstroom, has conducted visitor surveys at the KKNK. In total, 1940 questionnaires have been completed in the visitor surveys from 2005 to 2008. For the purpose of this study, data from the surveys carried out from 2005 to 2008 during the Klein Karoo National Arts Festival in Oudtshoorn were used. Seeing as the data used in this analysis was gathered over a period of four years (2005-2008), using consumer-based questionnaires, the methodology used will be discussed under the following headings: (i) the questionnaire, (ii) the samples, and (iii) the method.

3.3.1 The questionnaire

The questionnaire used to survey the visitors to the KKNK remained similar throughout the period (2005-2008) of data collection. Ten questions were asked to collect socio-demographic information about the visitors followed by an additional ten questions specifically targeting the festival programme, type of productions and perceived level of services. Basic demographic

questions included gender, age, occupation, and language. Other key questions asked in the survey included the length of stay at the festival, the number of show/production tickets bought, the number of people that the respondent is paying for as well as the size of the travel group, and the expenditure of visitors on different spending components. The spending questions were detailed by spending category, including accommodation, shows, food and beverages, shopping, recreation and transport. Due to the sensitive nature of the question, household income is not asked in the questionnaire. To account for household income, the occupation of visitors is classified into high, medium and low income jobs, and this can be viewed as a weak proxy for income.

Most questions have an assigned number to the chosen answer, which is then used in the analysis. The dependent variable is spending per person, which was calculated by adding the spending of the respondent on the various components asked, and subtracting transport cost to the festival from the value obtained, since the inclusion of transport cost would automatically cause a bias for visitors further away from Oudtshoorn. This gave total spending excluding transport, which was then divided by the number of people whom the respondent was paying for in the trip, to give spending per person. The socio-demographic and behavioural determinants used in the analysis are described in Table 3.1.

Table 3.1: Questions used and their descriptions

Category	Question description	Coding	Variable
Socio-demographics	Home language	Afrikaans = 1; Other = 0	LANGUAGE
	Gender	Female = 2; Male = 1	GENDER
	Age	Open question	AGE
	<u>Occupation:</u>		
	<u>High income</u> = Professional, Management, Self-employed	Yes = 1; No = 0	OCCUP1
	<u>Medium income</u> = Technical, Sales, Farmer, Mining, Administrative, Civil service, Education	Yes = 1; No = 0	OCCUP2
	<u>Low income</u> = Housewife, Pensioner, Student, Unemployed	Yes = 1; No = 0	OCCUP3
<u>Province:</u>			
Gauteng	Yes = 1; No = 0	GAUTENG	
Western Cape	Yes = 1; No = 0	WESTERN CAPE	
Other	Yes = 1; Gauteng and Western Cape = 0	OTHER PROVINCES	
Behavioural	<u>Accommodation:</u>		
	<u>Non-paid accommodation</u> = Local resident, Family or friends, Day visitor	Yes = 1; No = 0	ACCOMM1
	<u>Paid accommodation</u> = Registered guesthouse or B+B / Festival guesthouse, Hotel, Rent full house, Other	Yes = 1; No = 0	ACCOMM2
	<u>Camping</u>	Yes = 1; No = 0	CAMPING

	Group size	Open question	GROUP
	Number of days	Open question	DAYS
	Number of visits to KKNK		TIMES
	Attendance of other festivals over the past three years	Open question Attend = 1; Not attend = 0	OTHER FESTIVALS
	Festival main reason for visit to Oudtshoorn	Yes = 1; No = 0	REASON
Type of shows / productions attended	Drama	Yes = 1; No = 0	DRAMA
	Dance theatre	Yes = 1; No = 0	DANCE THEATRE
	Word art & poetry	Yes = 1; No = 0	POETRY
	Children's theatre	Yes = 1; No = 0	CHILD THEATRE
	Lectures & discussions	Yes = 1; No = 0	LECTURES
	Contemporary music	Yes = 1; No = 0	CONTEMPORARY MUSIC
	Music theatre & cabaret	Yes = 1; No = 0	MUSIC THEATRE
	Classical music & choirs	Yes = 1; No = 0	CLASSICAL MUSIC
	Film festival	Yes = 1; No = 0	FILM FESTIVAL
	Visual art & exhibitions	Yes = 1; No = 0	VISUAL ARTS

Some clarifications on the "province", "occupation" and "accommodation" variables might be necessary. Other provinces were distinguished from Gauteng and Western Cape, since the majority of visitors to the festival originate from these provinces (Slabbert *et al.*, 2008:12). Other provinces can therefore be used to determine the significance of both Gauteng and Western Cape in the analysis. Occupation is divided into three categories based on the level of perceived income to account for the influence of discretionary disposable income on spending. Since camping is the most preferred type of accommodation (Slabbert *et al.*, 2008:15), it is distinguished from paid and non-paid accommodation. It is thus possible to determine whether visitors who prefer to camp tend to spend more at the festival. For the regression analysis, the natural logarithm of all the continuous variables (the open questions) was taken to ensure a consistent scale of measurement.

3.3.2 The Samples

The surveys were conducted annually during the festival in Oudtshoorn during the March/April school holidays. In Table 3.2, the sample sizes for each year are listed, and it is evident that the sample size has grown significantly over the past years. These surveys consisted of a personal face-to-face interview (explaining the goal of the survey) and a self-administered questionnaire. Trained students from the North-West University carried out the personal interviews according to an intercept approach, distributing the questionnaires at the end of the personal interviews. The interviews took place on several locations throughout the city of Oudtshoorn to limit bias toward certain visitors. However, they were generally conducted in the concert areas/show venues and in the closed streets where the festival visitors gathered between the various shows. Adult visitors were randomly selected as they entered or departed from these areas and when they were sitting down and relaxing at the various venues.

Table 3.2: Questionnaires compiled during KKNK – 2005 to 2008

Date	2005	2006	2007	2008
	25-28 March	30 March – 8 April	30 March – 8 April	22-27 March
Amount of visitor questionnaires	400	452	512	608
Adjusted sample	369	440	476	555

Source: Slabbert *et al.*, 2008:6

Only questionnaires that had complete spending information and indicated the number of people in the travel party could be used in the final analysis. This caused a slight decline in the final samples (N=1840), which is also indicated in Table 3.2. While there are missing values in the other questionnaires as well, as many questionnaires as possible were included in the analysis.

3.3.3 The Method

Both Thrane (2002) and Mudambi and Baum (1997) have used Ordinary Least Squares (OLS) regression analysis and Legoharel (1998) used the Automatic Interaction Detector (AID) technique to demonstrate the relevance of an expenditure-based segmentation of tourists by determining homogeneous groups of visitors according to their expenditure levels. Both or a combination of ANOVA and a regression analysis have successfully been used in studies done by Fish and Waggle (1996:72); Jang *et al.* (2004:334); Letho, Cai, Hong and O'Leary (2004); Kastenzholz (2005:558); Qui and Zhang (1995:44); Seifer *et al.* (1992:52) and Saayman *et al.* (2007). This method is applied in this research to divide the KKNK market into three groups according to their expenditure.

Firstly, a regression analysis was carried out to determine which of the variables mentioned in Table 3.1 have a significant influence on spending at the KKNK. The estimation strategy involved estimating a linear cross-section model for each of the years, using the method of data obtained in the survey. An ordinary least squares (OLS). All estimations were done using Eviews 6. A complete discussion of the results is available from the authors.

The most significant socio-demographic and behavioural variables identified in each year are indicated in Table 3.3. The sign indicates the nature (positive or negative) of the variables' effect on visitor spending at the KKNK. As shown in Table 3.3, age is the socio-demographic variable identified in all years (2005-2008) as having an influence on spending. This is followed by Gauteng (GAUTENG) which is present in 2006-2008. Gender and the high income occupations (OCCUP1) are significant in 2005 and 2008 and 2007 and 2008 respectively, while second level of income proxy (OCCUP2) was only significant in 2007. When interpreting the sign of the

coefficient, the negative value in the gender category indicates that female visitors spend more than male visitors. The number of days visitors spent at the festival (DAYS) was significant in all years (2005-2008). The main reason visitors attend the festival (REASON) was significant in 2006 to 2008, while group size (GROUP), other festivals (OTHER FESTIVALS) visited and camping (CAMPING) only showed up in two of the years. Since the significance of preferred type of shows/productions has not been tested previously in similar research, the results were re-estimated to include various combinations of this variable together with the combination of significant socio-demographic and behavioural variables of each year. The significant socio-demographic and behavioural determinants were then tested with ANOVA analysis, along with the type of shows/production since it differs for each year. Through ANOVA analysis, the nature of the relationship was further explored.

Table 3.3: Significant variables identified by the regression analysis

	2005	2006	2007	2008
Socio-demographic	AGE (+) GENDER (-)	AGE (+) OCCUP1 (+) GAUTENG (+)	AGE (+) OCCUP1 (+) OCCUP2 (+) GAUTENG (+)	AGE (+) GENDER (-) GAUTENG (+) WESTERN CAPE (-)
Behavioural	DAYS (+) OTHER FESTIVALS (+)	DAYS (+) GROUP (-) REASON (+) CAMPING (-)	DAYS (+) GROUP (-) REASON (+) CAMPING (-)	DAYS (+) REASON (+) OTHER FESTIVALS (+)

For the purpose of expenditure-based segmentation, spending segments must be created. Following previous research (see Craggs & Schofield, 2006; Saayman *et al.*, 2008; Mok & Iverson, 2000; Spotts & Mahoney, 1991; Woodside *et al.*, 1987), three expenditure segments were created namely high, medium and low spending segments. In order to create the high, medium, and low expenditure groups, the usable responses were divided into three equal groups for each of the four years. As mentioned previously, expenditure per person was calculated after subtracting travel expenses, since this might cause biased results, and this variable derived from the data was used to create the three expenditure groups. The first group (low spenders) thus reflect the bottom 33.3% of the sample of every year; the middle group reflects the middle third 33.4% to 67.7% of the spending per person and the high expenditure group the top 33%. Following the above, analysis of variance (ANOVA) was carried out to determine whether there are significant differences between the different expenditure groups on the determinants identified via the regression analysis (shown in Table 3.3 and the type of shows/productions). Using SPSS, a one-way ANOVA was conducted between the variables indicated in Table 3.3 and the three expenditure segments created. For the purpose of the

ANOVAs, all the data was pooled, since the spending was already categorised and all other variables are ordinal in nature, and independent of time.

Three tests were conducted to determine whether there is a significant difference between the mean values of the three different expenditure groups at the festival. Levene's test of homogeneity of variance was done first to test whether the null hypotheses of equal population variances can be rejected. If Levene's test is significant (i.e. $p \leq 0.05$), it indicates that the variances for the three different expenditure groups are significantly different. If the homogeneity of variance assumption is broken, Welch and Brown-Forsythe provided two alternative versions of the *F*-ratio and is therefore included. The *F*-ratio is a means of comparing the mean scores of subgroups and is used where more than two groups are involved in the comparison (Ryan, 1995:213). Together with this *F*-ratio, a *p*-value is calculated. Similar to Levene's test, if the *p*-value is ≤ 0.05 the null hypothesis is rejected, i.e. at least two of the subgroups are different. This does however not indicate which groups are different. In order to determine this, additional hypothesis tests, known as post hoc tests, were conducted. For the purpose of this study, Tuckey's HSD and Bonferonni's test were carried out to compare all the different groups with each other (Field, 2005:354). It is therefore used to determine whether the mean values differ between the high and low, high and medium and medium and low expenditure groups at the KKNK. The ANOVA results for the socio-demographic and behavioural determinants will be discussed in the next section.

3.3.4 Results

The results of the ANOVA analysis will be discussed in three sections: firstly the socio-demographic, followed by the behavioural determinants and lastly the type of shows/productions attended.

3.3.4.1 ANOVA results for the socio-demographic determinants

The results for the ANOVA analysis for the socio-demographic determinants are indicated in Table 3.4.

Table 3.4: ANOVA – Socio-demographic determinants

Determinant	Low	Medium	High	Levene	Welch	Brown-Forsythe
Age	40.21 ^a	38.75 ^a	43.27 ^b	3.567 (0.028)*	18.031 (0.000)*	17.648 (0.000)*
Gender	1.17	1.15	1.07	7.298 (0.001)*	2.071 (0.134)	2.027 (0.132)
Occupation						
Occup1	0.45 ^a	0.47 ^a	0.55 ^b	0.915 (0.401)	7.737 (0.000)*	7.727 (0.000)*

Occup2	0.23	0.20	0.19	4.279 (0.014)*	1.066 (0.045)	1.083 (0.339)
Occup3	0.32 ^a	0.33 ^a	0.26 ^b	20.183 (0.000)*	5.101 (0.006)*	4.940 (0.007)*
Province						
Gauteng	0.08 ^a	0.11	0.15 ^b	31.766 (0.000)*	8.423 (0.000)*	8.341 (0.000)*
Western Cape	0.20	0.19	0.19	0.180 (0.836)	0.045 (0.956)	0.045 (0.956)
Other	0.72 ^a	0.69	0.65 ^b	13.278 (0.000)*	3.233 (0.040)*	3.258 (0.039)*

* Statistically significant difference: $p \leq 0.05$

^a Group differs significantly from type (in row) where ^b is indicated

Table 3.4 shows that the average age of visitors in the high expenditure category is significantly higher than those in the low and medium expenditure groups. Yet the age does not differ significantly between the low and medium spenders. Therefore, older visitors tend to spend more at the KKNK compared to younger visitors. A possible explanation could be that these are loyal visitors in a well-paid career phase, and thus have the money to spend.

The mean value of gender indicates that more females fall in the high spending category. There is however, no significant difference between the different expenditure groups in the gender category according to all the tests, and gender thus has no significant influence on spending at the festival.

In the high income occupation category, the mean values indicate that the most high spenders are represented in this category while more low and medium spenders fall in the low income occupation category. Visitors with medium income occupations are roughly equally distributed between the expenditure groups. There is further a significant difference between the high spending group and the medium and low expenditure groups for visitors in high and low income occupations. It is clear that the high spending group is most represented in the high income occupation category. This is expected, since higher discretionary disposable income is positively associated with higher spending on normal goods.

For Gauteng province, significantly more visitors to the festival are from the high expenditure group compared to the low expenditure group. Visitors from the Western Cape are almost equally represented in all expenditure segments. This could be explained by the fact that visitors originating from the Western Cape are mostly local residents and day visitors.

Significantly, more visitors from other provinces are in the low expenditure group compared to the high expenditure group.

3.3.4.2 ANOVA results for the behavioural determinants

The results for the ANOVA analysis for the behavioural determinants are reported in Table 3.5.

Table 3.5: ANOVA – Behavioural determinants

Determinant	Low	Medium	High	Levene	Welch	Brown-Forsythe
Days	2.24 ^{ac}	3.08 ^{ad}	3.99 ^b	4.613 (0.010)*	206.961 (0.000)*	209.409 (0.000)*
Group	2.72	2.86	2.58	2.817 (0.060)	2.066 (0.127)	1.957 (0.142)
Reason	0.77 ^a	0.82 ^a	0.90 ^b	92.581 (0.000)*	20.939 (0.000)*	19.614 (0.000)*
Times	3.86	3.92	4.26	1.433 (0.239)	2.879 (0.057)	2.901 (0.055)
Accommodation						
Non-paid accommodation	0.69 ^{ac}	0.35 ^{ad}	0.21 ^b	62.321 (0.000)*	177.944 (0.000)*	170.770 (0.000)*
Paid accommodation	0.31 ^{ac}	0.65 ^{ad}	0.79 ^b	63.840 (0.000)*	176.771 (0.000)*	169.720 (0.000)*
Camping	0.21 ^{ac}	0.38 ^{ac}	0.30 ^b	65.638 (0.000)*	16.496 (0.000)*	15.876 (0.000)*
Other festivals						
Aardklop	0.17 ^a	0.21	0.23 ^b	14.220 (0.000)*	3.572 (0.028)*	3.354 (0.035)*
Grahamstown	0.10	0.12	0.13	2.908 (0.055)	0.762 (0.467)	0.722 (0.486)
Volksblad	0.05	0.05	0.05	0.049 (0.952)	0.012 (0.988)	0.012 (0.988)
Innibos	0.04	0.05	0.06	8.419 (0.000)*	2.338 (0.097)	2.268 (0.104)

* Statistically significant difference: $p \leq 0.05$

^a Group differs significantly from type (in row) where ^b is indicated

^c Group differs significantly from type (in row) where ^d is indicated

The analysis of the behavioural determinants shows that high spenders stay almost four days at the KKNK, while visitors in the medium-spending category stay an average of three days and those in the low-spending category stay two days. All the test results indicate that there is a statistically significant difference between all the different expenditure groups regarding length

of stay (Table 3.5). As expected, visitors who spend more days (three to four) at the KKNK are from the high expenditure group. Visitors in the low and medium expenditure group are less likely (when compared to the high expenditure group) to stay more than two to three days at the festival.

The mean values in the reason category indicate that 90% of visitors who fall in the high spending category are there for the sole purpose of visiting the KKNK. This is significantly higher than the 82% and 77% of the medium and low spenders respectively, who travel to Oudtshoorn for reasons other than the festival.

With regard to preferred accommodation, it can be seen in Table 3.5 that most visitors in the low spending category make use of non-paid accommodation, while high spenders typically stay in paid accommodation units. Campers are more often in the medium spending group. These differences are all significant according to all the test criteria.

It is further evident that the Aardklop National Arts Festival is the other festival that is mostly attended by all the respondents, followed by the Grahamstown National Arts Festival. A possible explanation for this could be that visitors prefer the Aardklop National Arts festival since it is also a popular Afrikaans festival with a similar festival programme, atmosphere and type of shows/productions aimed at the same target market. The results indicate that high spenders are more likely to attend the Aardklop National Arts festival as well, compared to low expenditure groups. For the Grahamstown National Arts Festival, Volksblad- and Innibos art festivals, no significant differences were detected regarding the different expenditure groups.

Group size ranges between 2.6 and 2.9 for the different expenditure groups. Yet the tests indicate that the differences are not significant. It is also evident that the high spenders have attended KKNK more times, on average, than the low and medium spenders. However, these differences are also not significant.

3.3.4.3 ANOVA results for type of show/production attended

The results for the ANOVA for the type of show/production attended are shown in Table 3.6.

Table 3.6: ANOVA – Type of show/production attended

Type of show/production	Low	Medium	High	Levene	Welch	Brown-Forsythe
Drama	0.28 ^{ac}	0.48 ^{ad}	0.68 ^b	37.712 (0.000)*	116.518 (0.000)*	109.455 (0.000)*
Dance theatre	0.09 ^a	0.11	0.14 ^b	21.069 (0.000)*	5.544 (0.004)*	5.475 (0.004)*

Word art & poetry	0.03 ^a	0.06 ^a	0.11 ^b	68.791 (0.000)*	21.290 (0.000)*	19.723 (0.000)*
Children's theatre	0.06	0.07	0.08	3.250 (0.039)*	0.858 (0.424)	0.840 (0.432)
Lectures & discussions	0.01 ^a	0.03	0.04 ^b	19.879 (0.000)*	6.620 (0.001)*	5.895 (0.003)*
Contemporary music	0.22 ^{ad}	0.38 ^{ad}	0.40 ^b	142.285 (0.000)*	27.252 (0.000)*	24.239 (0.000)*
Music theatre and cabaret	0.18 ^{ac}	0.32 ^{ad}	0.42 ^b	181.139 (0.000)*	47.358 (0.000)*	40.778 (0.000)*
Classical music & choirs	0.07 ^a	0.13 ^b	0.17 ^b	65.256 (0.000)*	20.642 (0.000)*	16.259 (0.000)*
Film festival	0.03	0.05	0.06	9.191 (0.000)*	2.571 (0.077)	2.506 (0.082)
Visual art & exhibitions	0.05 ^a	0.11 ^b	0.13 ^b	40.522 (0.000)*	12.697 (0.000)*	10.077 (0.000)*

* Statistically significant difference: $p \leq 0.05$

^a Group differs significantly from type (in row) where ^b is indicated

^c Group differs significantly from type (in row) where ^d is indicated

As shown in Table 3.6, visitors to the KKNK attend a wide variety of shows/productions showcased at the festival. The mean values, however, indicate that the most popular shows/productions are drama, contemporary music and music theatre and cabaret for all the expenditure segments. The high spending visitors at the festival also mainly prefer these shows/productions and tend to be the main audience at the drama shows/productions, word art and poetry and music theatre and cabaret. For these shows/productions, their mean values differ significantly from both the medium and low expenditure groups. Both the medium and high expenditure groups attend more classical music and choir shows/productions, contemporary music shows/productions, and visual arts and exhibitions than the low expenditure segment. Although the medium expenditure segment watches fewer music theatre and cabaret shows/productions and drama and poetry shows/productions on average than the high spending segment, the mean value for attending these shows/productions is significantly higher than that of the low spending segment. Although visitors who fall in the low spending category also buy tickets for the all the type of shows/productions at the festival, they do not distinguish themselves from the other spending categories by attending more of a specific type of show/production than the other expenditure groups. One can thus conclude that low spenders are typically visitors who attend fewer shows/productions while at the KKNK. No significant differences regarding the different expenditure groups were identified for film festival and children's theatre.

3.4 FINDINGS AND IMPLICATIONS

The results from this research support Craggs and Schofield (2006), who indicates that a wide range of socio-demographic and behavioural determinants influence visitor expenditure. These determinants can therefore be used to distinguish the three different expenditure groups at the KKNK as indicated in Table 3.7 below.

Table 3.7: High, medium and low segments

Determinants	High	Medium	Low
Age	43 years	38 years	40 years
Occupation	High income occupation	Medium and low income occupation	Low income occupation
Province	Gauteng	Other provinces	Western Cape and other provinces
Days (length of stay)	3-4 days	2-3 days	2-3 days
Reason	Travel for the purpose of attending the festival	Travel for the purpose of attending the festival	Travel for the purpose of attending the festival
Accommodation	Paid accommodation	Paid accommodation and camping	Non-paid accommodation (local resident, day visitors and stay with family and friends)
Other festivals	Aardklop	Aardklop	Aardklop
Type of shows/productions	Drama, music theatre and cabaret, contemporary music, word art and poetry, classical music and choirs, visual arts and exhibitions	Contemporary music, classical music and choirs, visual arts and exhibitions	Attend all type of shows/productions but do not attend more of a specific type of show/production

Based on the results, the following findings were revealed:

- Older visitors (43 years) tend to spend more at the festival compared to younger visitors. This result supports the findings of Saayman and Saayman (2006) and Saayman *et al.* (2008).
- As expected, higher discretionary disposable income associated with higher income occupation, positively influences higher spending at the KKNK. This finding is therefore consistent with research done by Saayman and Saayman (2006); Thrane (2002); Woodside *et al.* (1987); Pouta *et al.* (2006) and Saayman *et al.* (2008).
- Visitors who travel from Gauteng province to the festival also spend more. This is supported by research done by Saayman *et al.* (2007) and is not surprising since Gauteng province has the highest per capita income in the country. Western Cape province showed no significant difference between the different expenditure groups at the KKNK and this could be explained by the fact that these visitors are mostly day visitors or local residents.

- Similar to research findings by Thrane (2002); Mok and Iverson (2000); Spotts and Mahoney (1991); Pouta *et al.* (2006); Mehemetoglu (2007) and Saayman *et al.* (2007:2008) that length of stay is positively associated with higher daily expenditure at the festival.
- It is interesting to note that group size and number of times the festival was visited, were not significant even though researchers such as Spotts and Mahoney (1991) and Downward and Lumsdon (2004) found that larger groups spend more, while Pouta *et al.* (2006) found that first-time visitors spend more than repeat visitors.
- The influence of the type of shows/productions has been measured for the first time in this study and it is evident that visitors interested especially in the drama, music theatre and cabaret and contemporary music shows/productions tend to be high spenders at the KKNK. Since, this analysis has never been applied before to the study of National Arts Festivals in South Africa, the influence of the latter cannot be compared to previous research.

These findings suggest some important implications and challenges to the marketers/organisers of the KKNK to attract more high spenders to the festival. Firstly, marketing efforts should be aimed at Gauteng province, since the results revealed that the majority of high spenders originate from this province. Visitors from this province furthermore do not mind travelling the distance to attend the festival and are more likely to buy tickets supporting the festival's shows/productions. A strong awareness strategy is needed and special festival packages, with group, ticket and accommodation discounts should be considered and target marketed to encourage these visitors to attend the festival.

Secondly, the festival should implement efforts to increase visitor spending at the KKNK especially to encourage visitors to buy more tickets supporting the festival's shows/productions. These efforts should focus on product (festival) augmentation. The results indicated that the high expenditure segment at the festival tend to buy more tickets for all the types of shows/productions compared to the other spending segments. However, the significantly higher ratings by the high expenditure segment in the drama, music theatre and cabaret and contemporary music shows/productions suggest that target promotion should emphasise these types of shows/productions at the festival. Since the medium expenditure segment also prefers these types of shows/productions, along with the classical music and choirs and visual art and exhibitions, these types of shows/productions along with the artistes involved should be marketed more intensively to persuade visitors to buy more tickets.

Thirdly, the high spenders should be encouraged to stay longer at the festival. Thus, the festival marketers/organisers need to entice visitors to stay longer through efficient promotions. Since the results indicated that the high spenders prefer to make use of paid accommodation, discounts for accommodation could be considered. Packages that include local attractions as

well as discounts for ticket prices could also be effective ways to lead towards an increase in the length of stay as well as overall spending at the festival, which will ultimately result in a greater economic impact.

Lastly, the KKNK should position itself in the minds of the high spending market based on the unique attributes of the festival. Emphasis should be placed on the quality productions and Afrikaans artistes involved at the festival. This is important, since the results revealed that the high spenders at the festival also prefer to attend the Aardklop National Arts Festival. This festival is also a major Afrikaans festival in South Africa with a similar festival programme, artistes and target market. The results further emphasised that visitors to the KKNK travel for the main purpose of attending the festival. It is therefore important for the festival to differentiate itself from the other festivals to encourage more high spender to attend the festival.

Targeting the high spenders at the festival is thus not only viable from a marketing point of view, but also from an economic point of view, since this will assist in ensuring the future profitability and sustainability of the festival.

3.5 CONCLUSIONS AND RECOMMENDATIONS

The purpose of this article was to apply market segmentation of visitors to the KKNK by means of expenditure-based segmentation. The results support the findings of previous research yet contradict some of the findings discussed in the literature review. Results revealed that visitors who differ significantly in travel expenditure at the KKNK could be identified by certain determinants. The high spenders have significantly higher expenditure levels in most categories compared to the other two expenditure segments and they were distinguishable by a number of unique characteristics. These characteristics were used to draw up a complete profile of the high spenders at the festival (see Table 3.7). Knowledge of this profile can assist the festival marketers/organisers in developing a customised festival program aimed at the high spenders. This will increase ticket sales for the festival's shows/productions, leading to a competitive advantage and the sustainability of the festival.

Along with the above-mentioned, this research has the following valuable contributions:

- Expenditure-based segmentation has been applied for the first time in this research to a National Arts Festival in South Africa (in this case the KKNK). This research can therefore be seen as a benchmark in this field of research and will greatly assist not only festival marketers/organisers but future researchers as well.
- The significant influence of the type of shows/productions on higher spending was also determined for the first time in this research. These results can be applied to attract more high spenders to the festival.

- Results provided insights into how the festival's appeal to high spenders could be maximised and how its existing market of high spenders could be encouraged to stay longer and return in the future.

Expenditure-based segmentation therefore seems to be a viable way of segmenting the visitors to the KKNK. Further research is needed to determine (1) the distinguishability of high spenders in terms of motivational factors underlying the festival visitors' preferences and their influence on spending at the KKNK; (2) the generalisation of these research results to other arts festivals in South Africa and (3) the effectiveness of this segmentation approach compared to other methods. Many other issues could be investigated which might yield valuable marketing insights. One such topic might be the relationship of expenditure levels with marketing concepts of brand loyalty.

CHAPTER 4

Conclusions and Recommendations

4

*Change is inevitable, but how we handle it determines
where we will be tomorrow. ~ Anonymous*

4.1 INTRODUCTION

The aim of the study was to determine the spending behaviour of visitors to the Klein Karoo National Arts Festival by means of different methods of segmentation. To achieve this aim, the following objectives were set in Chapter 1 and achieved in their respective chapters.

- The first objective was to identify the socio-demographic and behavioural determinants of spending by visitors to the KKNK, and was targeted in Chapter 2 (Article 1) of the study. The research clearly indicated that a combination of determinants influence visitors' spending at the festival.
- The second objective was to investigate market segmentation of visitors to the KKNK by means of expenditure-based segmentation. This goal was achieved in Chapter 3 (Article 2). The high spenders at the festival were distinguished from other segments based on certain characteristics.
- The third objective was to draw conclusions and make recommendations concerning future festivals. This chapter will conclude the findings of the research and use the research results from Chapters 2 and 3 to make recommendations concerning future festivals and further research.

The aim of this chapter is to draw conclusions and make recommendations as well as to identify aspects for future research.

4.2 CONCLUSIONS

The conclusions will be discussed with regard to the literature review and the surveys, as reported in the two articles.

4.2.1 CONCLUSIONS WITH REGARD TO THE LITERATURE STUDY

- Events like arts festivals are one of the fastest growing segments in tourism and help to promote arts, culture, understanding, and social upliftment as well as financial support, especially for local communities (c.f. 1.3).
- South Africa realises the benefits associated with arts festivals and hosts various events/festivals throughout the year (c.f. 1.3).
- All tourism products, including events/festivals, go through successive stages of growth but, because of increasing competition, their programme/product must respond to changes in demand (c.f. 1.4).
- The continuous sustainability of these events/festivals is therefore vital (c.f. 1.4).
- The largest arts festival in South Africa, in terms of economic impact, is the Klein Karoo National Arts Festival (KKNK) (c.f. 1.3).
- The KKNK is one of the most popular arts festivals in South Africa, attracting more than 150 000 visitors each year (c.f. 1.3).
- The festival is, however, already in the decline phase of its product life cycle, which leads to serious concerns about its future profitability and sustainability (c.f. 1.4).
- A sustainable marketing strategy is needed to maintain a steady growth and to ensure the continuous existence and success of the KKNK (c.f. 3.1).
- Knowledge of the needs and motivations of the market is vital for the festival marketers/organisers to successfully satisfy these needs and to ensure repeat use and visitation (c.f. 1.3).
- The travel market as a whole is too large to reach efficiently and too diverse to communicate with in any single way; therefore market segmentation needs to be understood to concentrate on more specialised segments with shared characteristics (c.f. 3.1).
- The information provided in the market segmentation process can be used to determine the profile of the market and to develop effective marketing strategies aimed at the right target market (c.f. 1.3).

- Various methods are used to segment a market to understand visitors' needs, motives and expectations. These methods of segmentation include expenditure-based segmentation (dividing visitors into low, medium and high spenders) and by using the socio-demographic and behavioural characteristics to identify the significant determinants influencing visitor expenditure. These methods give a complete visitors profile and are used to identify and compare different segments (c.f. 1.4).
- Benefits derived from establishing the determinants of visitor spending include (c.f. 2.2 & 2.5):
 - The strategic planning of facilities and amenities
 - Development of sustainable tourism products
 - Strategic marketing
 - Development of a market profile
 - Identification of niche markets
 - Formulation of policies
 - Retail merchandising
 - Customer service
 - Better understanding of tourist spending behaviour and the underlying factors affecting such behaviour.
- Expenditure-based segmentation can lead to the following (c.f. 3.2):
 - Niche marketing
 - The viability and attractiveness of visitor segments can be determined
 - A distinction between the high spenders and heavy users can be made
 - Economic benefits can be maximised
 - Better aimed/strategic marketing efforts
 - Visitor loyalty

With this in mind, through expenditure-based segmentation, the following factors can be increased: (1) the number of new arrivals; (2) the length of stay of visitors; (3) the amount of visitor expenditure per day, and (4) the frequency of visitation or repeat visitation.

- The results from such segmentation can therefore be used to distinguish the high spenders at the KKNK (who also spend more money supporting the festival's shows/productions) from other segments based on certain socio-demographic and behavioural characteristics (c.f. 1.4).

- Results from the research studies discussed in the literature review revealed that the following determinants have an influence on visitors' spending and distinguished the high spender from the medium and low spending segments (c.f. 2.4 & 3.4):
 - Age
 - Gender
 - Level of education
 - Length of stay
 - Distance travelled to destination
 - Discretionary disposable income
 - Group size
 - Trip purpose
 - Location / Province of origin
 - Repeat / First-time visits

4.2.2 CONCLUSIONS WITH REGARD TO THE SURVEYS

In Article 1, a regression analysis was done to identify the most significant socio-demographic and behavioural determinants which influence visitor spending at the KKNK. The results revealed that the following determinants have a significant influence on higher spending at the festival:

- Longer length of stay and higher discretionary disposable income has a positive influence on higher spending.
- Visitors who travel for the main purpose of attending the Festival, travelling in smaller groups and who attend other festivals spend more.
- Gender, age and province of origin – older, female visitors travelling from Gauteng tend to be high spenders.
- Visitors who prefer drama and music theatre and cabaret shows/productions tend to spend more.

By determining the socio-demographic and behavioural determinants, the marketers/organisers are able to address certain factors influencing higher spending at the festival. If, for example, the main aim is to increase tickets sales for the festivals shows/productions, knowledge of the preferred type of shows/productions can assist the marketers/organisers to adapt the festival programme accordingly and showcase more of these types of shows/productions and associated artistes. This method, however, does not give a detailed profile of the high spenders or differentiate between different segments at the festival and only identifies certain characteristics which influence visitor spending. This method of segmentation thus gives a holistic view of the entire festival market and which determinants influence their spending.

An analysis of variance (ANOVA) was done in Article 2, based on the determinants identified in Article 1 to determine whether there are significant differences between the high, medium and low expenditure groups at the festival. The results concluded that the high spender segment of visitors to the KKNK can be distinguished from the other segments by the following characteristics:

- They stay longer at the festival
- They are older with high income occupations
- They originate from Gauteng province
- They travel for the sole purpose of attending the festival
- They make use of paid accommodation
- They also attend the Aardklop National Arts Festival
- They are more likely to buy tickets supporting the festival's shows/productions - especially drama, music theatre and cabaret and contemporary music

Expenditure-based segmentation gives a detailed profile of the high spenders at the festival and can assist the marketers/organisers to attract more high spenders to the festival. A distinction between the three spending markets (high, medium and low) can also be made. A customised festival program can be developed aimed at the high spenders to increase ticket sales, ensure a continuous growth and maximise the economic impact. Since a detailed description of the other segments is also given, the festival's marketers/organisers can identify other possible segments which can be targeted to ensure the future sustainability of the festival.

4.3 RECOMMENDATIONS WITH REGARD TO THE SURVEY

This study examined the comprehensiveness of two different methods of market segmentation at a South African National Arts Festival. As mentioned above, segmentation based on the socio-demographic and behavioural determinants gives a holistic picture of the whole festival market, while expenditure-based segmentation gives a detailed profile of the different market segments at the festival based on their expenditure. Of the two methods used, expenditure-based segmentation seems to be the better method for comprehensive market segmentation. However, since expenditure-based segmentation divides the market into three different expenditure groups based on certain socio-demographic and behavioural determinants, it is recommended that the methods are used in conjunction rather than separately. This will enable marketers/organisers to have a detailed profile of the visitors as well as the determinants that influence their spending. This information can be used to increase visitor spending in each identified market segment and issues regarding the sustainability and improvement of the festival can be addressed more effectively. Where the motivational factors can be included, it is advised that a factor analysis is carried out first to determine the importance and significance of the factors before including them in the expenditure-based segmentation.

4.4 RECOMMENDATIONS WITH REGARD TO FUTURE FESTIVALS

Based on the conclusions discussed above and the research results, the following recommendations can be made:

- From a marketing point of view, the focus should primarily be on three markets, Gauteng, Western Cape and the immediate surroundings of Oudtshoorn as well as nearby towns. Although visitors from the Western Cape and surrounding regions are mostly day visitors, marketing strategies should continue intensively in these areas as most of the festival's current loyal market originates from here. Marketing efforts should also be focused on Gauteng province, since visitors from this province are willing to travel the distance to attend the festival. The festival marketers/organisers could consider discounts for visitors travelling more than 300km to attend the festival. This could encourage visitors from other provinces to travel to Oudtshoorn.
- A distinction should be made between the festival junkies (who are interested in the arts and who buy tickets for the shows/productions) and the other visitors (who, for example, come for the shopping at the stalls), as the festival junkies are likely to travel for the main purpose of attending the festival, stay longer and spend more.
- With the growth of other festivals, it is important to position the KKNK very strongly in the minds of its current market. The festival has a strong base of loyal visitors, and the festival should therefore focus on continuing to satisfy their needs. Results from this study revealed that visitors prefer to buy tickets especially for the drama, music theatre and cabaret and contemporary music shows/productions. These types of shows/productions, along with the artistes involved should be marketed more intensively. The wide variety of other Afrikaans shows/productions should also be marketed because visitors are developing an interest in a variety of shows/productions the more often they visit the festival. The selection of the artistes and types of productions should therefore be a high priority for the festival organisers. The majority of the festival visitors are Afrikaans-speaking and the festival should continue to meet their needs and promote the Afrikaans arts and culture by showcasing the country's best Afrikaans musicians and artistes.
- Market research should be carried out regularly for the festival marketers/organisers to continuously stay aware of new trends and changes in visitor preferences so that they can adapt marketing efforts accordingly. Through effective marketing aimed at the right target market, love for the arts can be increased and promoted.

- The KKNK has loyal festino's but the festival's current market is aging with the festival. A new, younger market should be targeted to make the festival sustainable in the future. The student market is a potential viable market which the festival's marketers/organisers should consider. Market research should be carried out to determine the likes and dislikes of this market and to determine which types of shows and artistes they are interested in, as well as how much they are willing to pay to see them perform. A differentiated marketing strategy is recommended to ensure continuous growth. Along with marketing efforts aimed at the current high spending and loyal market, the festival should consider a separate marketing campaign aimed at the youth, promoting shows/productions that will interest them. These shows/productions should also be less expensive than the festival's main productions.
- The festival organisers must keep the spending patterns of the visitors in mind and should consider adapting ticket prices for certain type of shows/productions to make them more affordable. A diversified pricing strategy is recommended, where some shows/productions are charged at a higher price, while others are less expensive. The festival marketers/organisers should also consider discounts or a special festival package for pensioners, students, travelling groups of more than five, visitors buying more than 10 tickets and/or for visitors travelling more than 500km to Oudtshoorn. This could encourage people to travel in larger groups and stay longer at the festival resulting in a greater economic impact.
- More community theatre productions can be considered. Ticket prices will not only be less expensive but the local community of Oudtshoorn will also get a chance to benefit more from the festival. This could also encourage members of the community who cannot normally afford to see paid productions to experience the festival. The KKNK should, however, guard against becoming a community festival, since this will not encourage more visitors to attend the festival or buy more tickets for the shows/productions.
- Product (festival) augmentation regarding certain elements of the festival should also be considered. In collaboration with the sponsors, the festival marketers/organisers could consider more "free" stages at the beer tents where a community of up-and-coming artistes can perform. This will ensure a greater exposure to the arts, especially to those visitors who attend the festival for the socialisation and not the arts. Through continuous exposure, love for the arts can be fostered and visitors will be more willing to pay for the shows/productions at future festivals.

4.5 RECOMMENDATIONS WITH REGARD TO FUTURE RESEARCH

Based on this research, the following aspects need to be further researched:

- This research should also be conducted at the Aardklop National Arts Festival and the Grahamstown National Arts Festival to compare the results for the three major arts festivals in South Africa, to determine the unique characteristics of each festival's market as well as establishing which determinants influence higher spending. The total festival market can thus be studied and gaps in the market can be identified. It can also be determined whether the market is already saturated before a festival reaches the decline phase in its product life cycle.
- The questionnaire should be structured to include the motives underlying the festival visitors' preferences to determine the influence these may have on spending behaviour. According to Crompton and McKay (1997:425) and Lohmann (2004:3), a decision to visit a festival is a directed action, which is triggered by a desire to meet a need. Motives are the starting point that launches the decision process. A visitor may have several different needs, which he/she desires to satisfy through a festival visit. Different visitors may engage in the same festival element and derive different benefits from the experience. Measuring the main desires visitors are seeking to satisfy at the festival and the motivational factors that lead to the preference of a particular festival can give a more detailed profile of the visitors and enable marketers/organisers to better address their needs with a tailor-made festival programme.
- Future research is also needed to determine the relationship of expenditure levels with marketing concepts of brand loyalty. This research will especially be valuable for the KKNK and other arts festivals in South Africa.

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APPENDIX 1: Visitor questionnaire

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
Mynboul/ Mining	7
Administratief/ Administrative	8
Staatsdienswerknemer/ Civil service	9
Opvoeding / Education	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 do you stay over in Oudtshoorn?

Aantal/ Number

8. In watter dorp of stad woon u? / In which town or city do you live?

9. Provinsie/ Province?

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

10. Naasteblyf hoeveel Rand bestee u gedurende u besoek aan Absa KKNK op die volgende items? / Estimate how much you spend on the following items during your visit to Absa KKNK

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

11. Watter tipe verblyf gebruik u? /

What type of accommodation do you use during your stay?

Inwoner van Oudtshoorn/ Local resident	1
Familie of Vriendel/ 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
Kampeer/ 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

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

Ja / Yes

Nee / No

AFDELING B/SECTION B

13. Hoeveel kaartjies koop u vir vertonings /
How many tickets will you purchase for shows?

Aantal / Number:

20a. Woon u gratis vertonings by? /
Do you attend free shows?

Ja/ Yes	1
Nee/ No	2

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

20b. Indien Ja, hoeveel? / If yes, how many?

Aantal/ Number

Toneel/ Drama	1
Danstheater & beweging/ Dance theatre	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/ Film festival	9
Visuele kuns & uitstallings / Visual art & exhibitions	10
Ander (Spesifiseer) / Other (Specify):	11

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

Kunsuitstallings/ Art exhibitions	1
Boekeparadys/ Book exhibition	2
Absa Wyntent (Musiekverhoog/Music Stage)	3
Absa KKNK Amfiteater / Amphitheatre (Gemeenskapsverhoog / Community stage)	4
Hunter's Den (Musiekverhoog/Music stage)	5
Die Burger Tongelos-tent (Musiekverhoog/Music stage)	6
Hap & Tap Feeskasteel (Musiekverhoog/Music stage)	7
Klip innie Bos (Musiekverhoog/Music stage)	8
RSG (Musiekverhoog/Music stage)	9

15. Hoeveel dae gedurende die fees het u die Huisgenoot Musiekplaas gesoek? / Indicate the number of days that you have visited the Huisgenoot Musiekplaas during this festival.

Aantal / Number:

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

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

17. Watter van die ander kunstefeeste 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
Ander (Spesifiseer) /A69	5

18. Hoeveel jare van te vore het u al Absa KKNK bygewoon? / How many years have you previously been at Absa KKNK?

Aantal/ Number

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

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

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

	Ja/Yes	Nee/No
Te ver van feeskern/ Too far from festival core	1	2
Moeilik 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
Behulpame personeel / Staff is willing to help	1	2
Ander (Spesifiseer) / Other (Specify):	1	2

23a. Hoe het u van Absa KKNK gehoor? / How did you hear about Absa KKNK?

Televisie/ TV	1
Radio	2
Absa KKNK-Webwerf/ Website	3
Absa KKNK E-Pos/ E-mail	4
Tydskrifte/ Magazines	5
Koerante/ Newspapers	7
Hoorsê/ Word of mouth	8
Ander (Spesifiseer) / Other (Specify):	9

23b. Toon aan waar u tans inligting van Absa KKNK kry. /
Indicate where you currently obtain information with regard to Absa KKNK.

23c. Hoe sal u verkies om inligting rakende Absa KKNK te ontvang? / How would you prefer to receive information with regard to Absa KKNK?

	Ja/ Yes	Neel/ No
Koerante / Newspapers	1	2
Die amptelike feesgids / The official festival guide	1	2
Absa KKNK webwerf / Absa KKNK website	1	2
Ander (Spesifiseer) / Other (Specify)	1	2

23d. Maak u gebruik van die amptelike feesgids? / Do you make use of the official festival guide?

Ja/ Yes	Neel/ No
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23e. Indien ja, hoe verkies u om die feesgids te ontvang? / If yes, how would you prefer to receive the official festival guide?

	Ja / Yes	Neel / No
Saam met 'n kommersiële tydskrif? / With a commercial magazine?	1	2
Watter tydskrif? / Which magazine?		
As intekenaar / As subscriber	1	2
Om dit elektronies van die internet af te laai / To download it from the internet	1	2
Ander (Spesifiseer) / Other (Specify)	1	2

24. Hoe sal u Absa KKNK evalueer in terme van die volgende aspekte? / How would you evaluate Absa KKNK according to the following aspects?

	STEM GLAD NIE NIE SAAM NIE/ TOTALLY DISAGREE	STEM NIE SAAM / DO NOT AGREE	NEUTRAAL NEUTRAL	STEM SAAM AGREE	STEM DEFINITIEF SAAM / TOTALLY AGREE
Kaartjie verkope is effektief / Ticket sales are effective	1	2	3	4	5
Voorportaal diens by produksies is effektief / Front of house service at productions are effective	1	2	3	4	5
Prys van verblyf is billik / Price of accommodation is reasonable	1	2	3	4	5
Kwaliteit van vertonings is uitstekend / The quality of shows is excellent	1	2	3	4	5
Diens/pryse van restaurante is goed / Service/prices of restaurants are good	1	2	3	4	5
Uitleg van feesterrein is goed / Layout of festival area is good	1	2	3	4	5
Absa KKNK word goed georganiseer / Absa KKNK is well organised	1	2	3	4	5
Inligting oor die fees is beskikbaar / Information about the festival is available	1	2	3	4	5
Verskeidenheid van produksies is goed / Variety of productions are good	1	2	3	4	5
Kaartjiepryse is billik / Ticket prices are reasonable	1	2	3	4	5
Dit is 'primêr 'n Afrikaanse fees / It is primarily an Afrikaans Festival	1	2	3	4	5
Anders as ander feeste / Different to other festivals	1	2	3	4	5
Lekker fees / Sociable festival	1	2	3	4	5
Ander (Spesifiseer) / Other (Specify):	1	2	3	4	5

25. Enige ander voorstelle? / Any suggestions?

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