



JÖNKÖPING INTERNATIONAL BUSINESS SCHOOL
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Revenue determinants of music festivals

A case of pop/rock, jazz and classical music festivals in Scandinavia

Master Thesis within Economics, Management
and Technology of Entertainment and Arts In-
dustries

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Abstract

We have chosen several types of festival (rock/pop, classic and jazz) in Scandinavian region (Sweden, Denmark and Finland), selected the biggest music events in each of the regions and marked the main factors affecting the revenue of the festival, why some of festivals occurring every year and some just have lack of visitors, as we suppose. Purpose is to define the main factors which influence revenues of festivals of classic, rock/pop and jazz genre. Methodology is to determine these factors. Quantitative analysis was used in order to collect necessary data. Organizers of festivals in Sweden, Finland and Denmark took part in the survey; they answered and gave information to main research questions, primary data. Secondary data was sourced from music events web-pages and articles. The collected data was analyzed by means of the statistical programs. We conclude that the research showed that the share of international artists, number of sponsors, the number of volunteers, the length of the music event, the music genre of a festival and government grants for the classic festivals affect festival revenues.

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Table of content

| | |
|--|-------------------------------------|
| 1. Introduction | Error! Bookmark not defined. |
| 1.1 Background..... | Error! Bookmark not defined. |
| 1.2 Structure of the thesis | 2 |
| 1.3 Aim of the study and research questions..... | Error! Bookmark not defined. |
| 1.4 Methodology | 3 |
| 1.5 Delimitations | 4 |
| 1.6 Interested parties | Error! Bookmark not defined. |
| | |
| 2.Theoretical Framework | 6 |
| 2.1 Previous research | 6 |
| 2.2 .Marketing of Music festivals as experienced goods | 9 |
| 2.2.1 Music festivals and the cultural tourism | 9 |
| 2.2.2 Marketing and partnership..... | 9 |
| 2.2.3 Festivals and sponsorship..... | 12 |
| 2.2.4 Pricing and music festivals | 14 |
| 2.3 Theoretical framework of the pre-selected determinants | 16 |
| 2.3.1 Sponsorship | 16 |
| 2.3.2 Ticket price | 17 |
| 2.3.3 Superstars | 17 |
| 2.3.4 International artists | 18 |
| 2.3.5 Maturity..... | 18 |
| 2.3.6 Genre of the festival | 19 |
| 2.3.7 TV and Radio involvement | 20 |
| | |
| 3. Emperical analysis | 21 |
| 3.1 Selection of the data | 21 |
| 3.2 Description of the data | 21 |
| 3.3 Descriptive statistics..... | 23 |
| 3.4 Hypotheses | 25 |
| 3.4.1 Correlation | 25 |
| 3.4.2 Hypotheses testing and correlation..... | 28 |
| 3.4.3 Hypotheses testing using chi-square test | 30 |
| 3.4.4 Hypotheses testing using regression analysis | 31 |
| | |
| 4. Findings, Conclusions, Reflections and Future Research | 36 |
| 4.1 Purposeful findings..... | 36 |
| 4.2 Conclusions | 38 |
| 4.3 Reflections | 38 |
| 4.4 Future research..... | 40 |
| | |
| Reference list | 40 |

| | |
|--|----------|
| Appendix | 1 |
| Appendix 1 Collected data set. | 1 |
| Appendix 2 Data distribution graph..... | 6 |
| Appendix 3 Classical music grants. | 7 |
| Appendix 4 Survey questions. | 9 |

Figure

| | |
|--|----|
| Figure 1.1. Quantitative Method..... | 4 |
| Figure 2.1.The percentage share of sold albums according to music genre | 8 |
| Figure 2.2. Diagram ‘Sponsorship and Government grants’..... | 13 |
| Figure 2.3. Price differentiation with free subdivision into five user groups..... | 15 |
| Figure 2.4. Optimization of the number of price-differentiated user groups..... | 16 |
| Figure 4.1. Pre-determined factors..... | 37 |
| Figure 4.2. Significant and insignificant factors..... | 37 |

Table

| | |
|--|----|
| Table 3.1 Explanatory variables..... | 22 |
| Table 3.2 Descriptive statistics | 23 |
| Table 3.3 Correlation | 27 |
| Table 3.4 Chi-square test Radio/Revenue..... | 30 |
| Table 3.5 Chi-square test TV/Revenue..... | 30 |
| Table 3.6 Regression analysis. Statistical output..... | 32 |
| Table 3.7 Government grants for classical festival. Regression analysis.Statistical output | 35 |

1. Introduction

In this chapter we are going to discuss the main research question of the thesis, we will give a definition of “festival” and main elements which should be observed in order to draw out the most important elements which influence the revenue of the festival (classic, rock/pop and jazz). The chapter will give focus on the methodology, which method for collecting data was used, what factors turned out to be delimitations and lead to lack of necessary numbers and the purpose of the thesis.

1.1. Background

We will define the phenomenon of “festival” and the main elements of it. Drawing on the existing literature, we will also make an attempt to identify the most important factors that affect the outcome of festivals. This chapter also provides insight into the methodology of the initiated research and discusses the strengths and shortcomings of the chosen research methods.

Most individuals like to be entertained and have a feeling of satisfaction achieved through participation in one or another kind of social, cultural or other activity. One form of entertainment that people have participated in since ancient times is different forms of festivals.

Festivals can have different definitions and may serve different purposes - from a small local food festival to grandiose music event, from a local ethnic folk festival to an international art festival, from an annual festival to a onetime event and etc. It is much more than entertainment that people get from attending the festival; it is a feeling of satisfaction, communication, socialization, various cultural experiences and even knowledge.

Music attracts every single individual in some certain way and the number of people music gatherings around appears to be growing every year since the unknown beginning. Or as B. Frey (1994) said “while festivals as such are not a novelty, it is the vast increase of their number which is astonishing”. That is exactly what makes it interesting. Every year new festivals appear on stage, without assurance whether is going to be annual event or just onetime super show or total failure.

Most commonly a music festival is considered to be an expression form of both art and entertainment. However, nowadays music festivals can also be called as one of the ways of doing business, creating a new or/and marketing an existing brand. In other words, as Aggestam (2007) states, “the logic of the contemporary music industry is to generate products and/or ideas for the purpose of incessant consumption”. Some of the biggest festivals have already reached the status as well-known powerful brands themselves. Among those festivals are such names as Woodstock, Roskilde, Rock Am Ring, Big Day Out and others. These festivals are taking the lead role in the whole world’s music industry by generating ideas, creating, producing and maintaining new and/or already existent live music products.

However, music festival is also a business that has one of the goals to be profitable. Management aim is to get audience and gain capital to prepare for the next year event to get to the hearts of people again. At the same time festival history has seen many examples of festival failures also, which make this business very unstable, unpredictable and a rather risky. That is why it leads us to what the main forces are that are driving one or other festival to heights and which of them might sink even the great idea.

1.2. Structure of the thesis

Our thesis is designed in a traditional manner which basically means that there introduction of our research with stating the aim and questions to be analyzed. In point of the fact, the introduction part is already written above.

Afterwards, in the later chapter theoretical part is going to be presented. The theoretical part includes a presentation and description of the selected variables (i.e. the factors that influence the revenues and/or attendance), backing up of the hypotheses and theoretical principles of the management, sponsorship and pricing of the music festivals.

After the theoretical framework, we are presenting an empirical analysis of our research. That is statistical analysis which is conducted to prove or deny the hypothesis that are about to be tested. There is the statistical analysis where the following characteristics are the variables of the analysis. The table is in MS Excel with the following elements: the name of the festival, region and the country where it took place, owning institution (private, public, non-governmental), revenue, genre or style of the festival (pop/rock, jazz, classical), start year and maturity, ticket price (in some cases average ticket price if the price varies) for the entrance, number of the visitors, number of international and national stars, number of volunteers and employees, number of sponsors, TV exposure and radio exposure. These variables will be the main elements of statistic analysis, which consist of correlation metrics, chi-square test, linear multiple regression and step wise multiple linear regression.

After testing and analyzing the developed hypotheses we draw conclusions and discuss the received results.

We also take a case of one of the selected festivals. We investigate the reasons for its success and failures and see what the organizers had to do in order to have more visitors, stars and revenue, what factors they forgot and etc.

1.3. Aim of the study and research questions

Our aim is to do research on different types of music festivals in order to compare how the same factors and perform theoretical and conduct empirical analysis to get statistically proved results. Our main purpose with the theoretical approach is to look at each group of the festivals (classical music, jazz and pop/rock) and theoretically explore the system of different ownership, sponsorship, pricing strategy. Our intent with a theoretical part is to have

a prior knowledge of the elements that influence the way festivals are being held, the way they get money to be staged, the way they reach visitors.

With the empirical analysis, we are intending to explore which factors are crucial in success of a music festival.

Within our research we are making an attempt to categorize and distinguish the main factors that have the biggest influence on the success of a festival and the factors are indirect make a slight impact on it. Therefore, by identifying those factors it would be possible to overcome low attendance and gain competitive advantage in the long run. The purpose of our research is to define the factors that affect festival business and attract people to take part in different festivals around Scandinavia.

We have come up with several research questions which are enrolled, explained and analyzed in more detail in the later chapters. The research questions are:

- What are the main factors that influence revenue of the music festivals?
- Is the presence of the *superstar(s)* a significant factor in attracting people to the festival and subsequently in raising the revenue?
- Are international artists more valuable than the national ones in the process of the generating revenue?
- Are the older festivals (in terms of maturity, i.e. years of existence) able to attract more visitors and earn more?
- How important to the revenue of the festival appears to be TV or Radio involvement (web-TV, festival radio, etc.)?
- Does music genre play a significant role in the process of the revenue-generating?

These research questions provide the basic hypothesis that we are going to tested. Moreover, by doing our research we intend to prove or deny some of the common ways of thinking that, for instance, price might have the biggest influence in a relation to attendance or it is length of the festival existence that takes the decisive role or other hypotheses that we have raised and are stated.

1.4. Methodology

Choosing forms and methods to carry out the research depends on many factors: the researched area, detalization of the research and availability of information sources. We decided to perform quantitative research which focuses on the evaluation of the problem using statistical inference. That is to analyze the percentage of respondents, to carry out sufficiently number of tests in order to obtain reliable statistical results. And the level of statistical reliability is directly depends on the number of respondent audience (Gregg, L. B., 2001).

The following diagram model represents the research process.

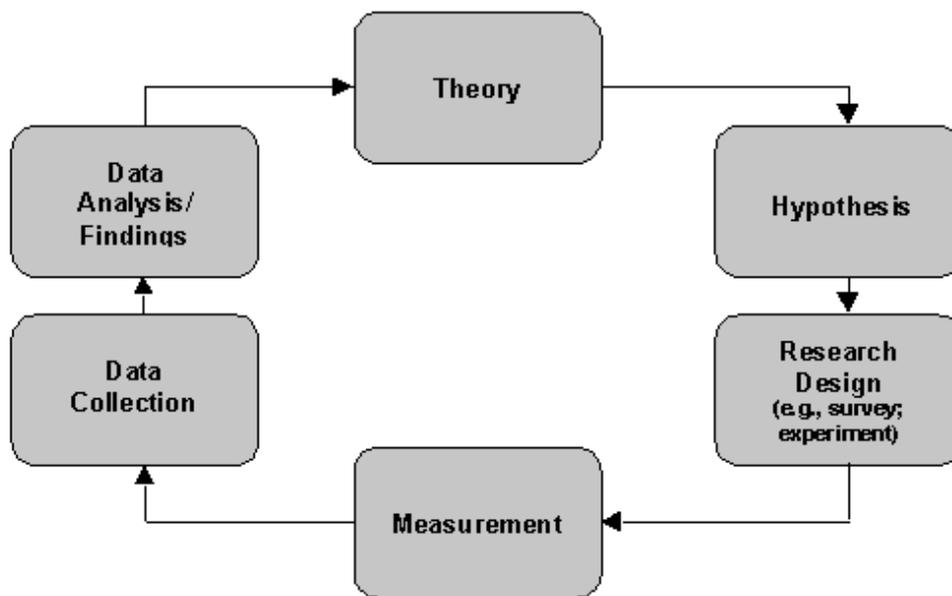


Figure 1.1. Quantitative Method (2001). *Source: Learning Research Methods with SPSS*

According to this model, firstly we looked for theory, read some articles about festivals, check different web-pages, so it helped us to define the problem and to state the purpose of the research. Secondly we develop and specify the hypotheses. Then in order to collect necessary data, we designed our research in the following way: we created the survey, i.e. main questions, were sent to organizers of rock/pop, classic and jazz festivals. We analyzed collected material: measure the percentage of respondents, sufficient number of tests, which can be observed in Appendix, and reject or support stated hypothesis.

1.5. Delimitations

The main purpose of our research was to analyze the connection between several variables that influence the revenue of the music festivals. The data that was collected was given in a raw numbers from the authority or management of the festivals.

The trustworthiness of the data received remains unknown that cannot guarantee that our results are 100 percent accurate. The numbers that indicate revenue or other material expressed in the monetary terms were converted to Euros for the purpose of simplicity and equality. This could also be the reason of the loss of the accuracy and existence of the error.

Low number of the festivals leads to another factor that might influence the results in a negative way. The bigger the number the more accurate an analysis is. Uneven number of the festivals within the festival groups could also be misleading in order to achieve the best possible results.

Our main purpose is to conduct quantitative analysis. However, such research as ours could be winning from the combining both quantitative and qualitative analysis. Music festivals are experience goods that must be analyzed with the regard to personal reasons, opinions, experiences and expectations. This refers especially to the attendees of the festival.

1.6. Interested Parties

Our thesis is addressed to the institutions and persons which are interested in owning, holding, sponsoring, subsidizing, etc. music festivals or simply for everyone who are seeking information about the elements that are playing the main role in the staging of the festival (for example, politicians). We are making a research which main purpose is to explore and analyse what factors are the main sources of the festivals' revenue and what kind of features should have music festivals to attract a huge number of attendees.

2. Theoretical Framework

The theoretical framework reviews the focus on the existing literature on music festivals, their management, sponsorship and the factors that influence their profitability. Pricing and management concepts will be presented as well in order to give the reader an understanding about the peculiarities of the performing arts and to show what is the difference between experience goods in comparison to ordinary ones.

2.1. Previous research

One of the biggest researchers regarding music festivals and their economy is Bruno S. Frey. He has written a large amount of various articles on classical music festivals. Frey (1994) in one of his articles analyzes growth of classic music festivals, he ties it to the rise of consumers' disposable income and that there is a growing demand for festivals. Another rather insightful conclusion made by Frey (1994) is that the number of festivals (classical music) is growing due to the possibility for the organizers to profit from it by "using both labour and capital otherwise employed in the regular music institutions because they do not have to pay the fixed cost of employment". This conclusion could also mean that companies reduce fixed costs by means of volunteering. That is one of the issues we are trying to solve in our research by conducting analysis of interdependence between volunteers and revenue of the festival.

Thrane (2002) focuses more on jazz festivals and he mentioned continuous increase of consumer demand and he reached the conclusion that people who like jazz music are willing to spend more on a festival, disregarding the price. Nevertheless the fact that researcher focuses more on the human (attendee) behaviour rather than on the factors influencing festivals revenues, it is highly proper to make a statement that the price factor actually might be the element that can influence festival revenue in a positive way if the attendees number do not shrink in the presence of the higher price. However, the traditional consumer theory states that the higher the price the lower consumer demand.

Moreover, in music industry we should take into consideration price differentiation, which is a highly applicable among the performing arts and in entertainment industry itself. Leslie (2004) conducted a research about the price discrimination in order to increase attendance in the Broadway theatre which shows the price discrimination methods that could be well suited to the music festivals. Music festivals tend to offer different ticket prices for different age groups, different days of the festival. It is common and worth mentioning that subscription to some social clubs or being a member of some organization could lead to a bonus ticket price or discount which allows any social group to purchase a ticket to a festival.

Price differentiation is associated with the fact that homogenous price would not be to cover the cost of the arrangement of the festival (Andersson, Å. E., Andersson, D. E., 2006). Price differentiation could also lead to a hedonistic pricing which was rather expansively explained by Shervin Rosen (2001). Although in a relation to the music festival, hedonistic pricing could appear when an artist considered being a superstar is invited on stage. Organizers of

the festival might set a higher ticket price only due to the fact that superstar would bring more people willing to pay more just to see this artist. This is called the phenomenon of superstars, which according to Rosen (1981) means that the artist (that is considered to be a star) him/herself could uplift or drown the whole show.

As the appearance of the superstar is considered to be one of the main incentives to attend the festival, it can also attract media sources in order to capture some slices of the starring artist's spotlight. Moreover, nowadays it is difficult to imagine that some of events would not involve one or several media channels. It is also widely known that media coverage makes a significant influence the audience. Lee, Lee and Wicks (2004) have analyzed the motivational factors for visitors to attend a festival and paid attention to the radio and television as important means of creating opinions and helping to make a decision to attend the festival or no to. These authors stated that domestic visitors of the festival were influenced the most by the radio and/or TV. It is presumed to be due a higher dependency on the local media.

Kwak (2005) from the University of Oregon presented the master's project about the mid-sized events and festivals from the angle of the revenue generations. This research is extremely relevant for our research in terms that our aim is also associated with the factors that influence revenue of the music festivals. Author researched that there appears to be three main sources that festival revenue stems from: sponsorship, ticket price and vendor fee. Two of the stated factors: sponsorship and ticket price (as average price derived from revenues divided by the number of the visitors) are about to being analyzed in our research as well.

One of the main issues regarding our research is the category of genre that one or other music festival is put into. Every genre of music has more or less different audience, types. Oakes (2003) conducted a research about the demographics and sponsorship of two categories of festivals: jazz and classical music. Author paid significant attention to the genre as such. According to author, jazz and classical music are considered to be rather complex music in comparison to the popular music. Since not everyone appreciates jazz or classical music, they gather slightly smaller audience in comparison to pop/rock festivals. It should be mentioned that pop/rock category includes a huge variety of different music genres. Category of the rock music extends to the variations such as indie, rock 'n' roll, hard rock, metal, etc. That is way it is hard to say which music style appears to be more complicated. Nevertheless, pop music undoubtedly is an easy-listen music that gets the biggest share of the listeners.

According to the NielsenScan statistical data, biggest share of the albums sold worldwide belongs to the rock music. The division of the percentage share of the albums sales in 2008 in reference to the music genre is showed in the pie diagram below. The album sales in 2008 are distributed in the following way, Figure 2.1.

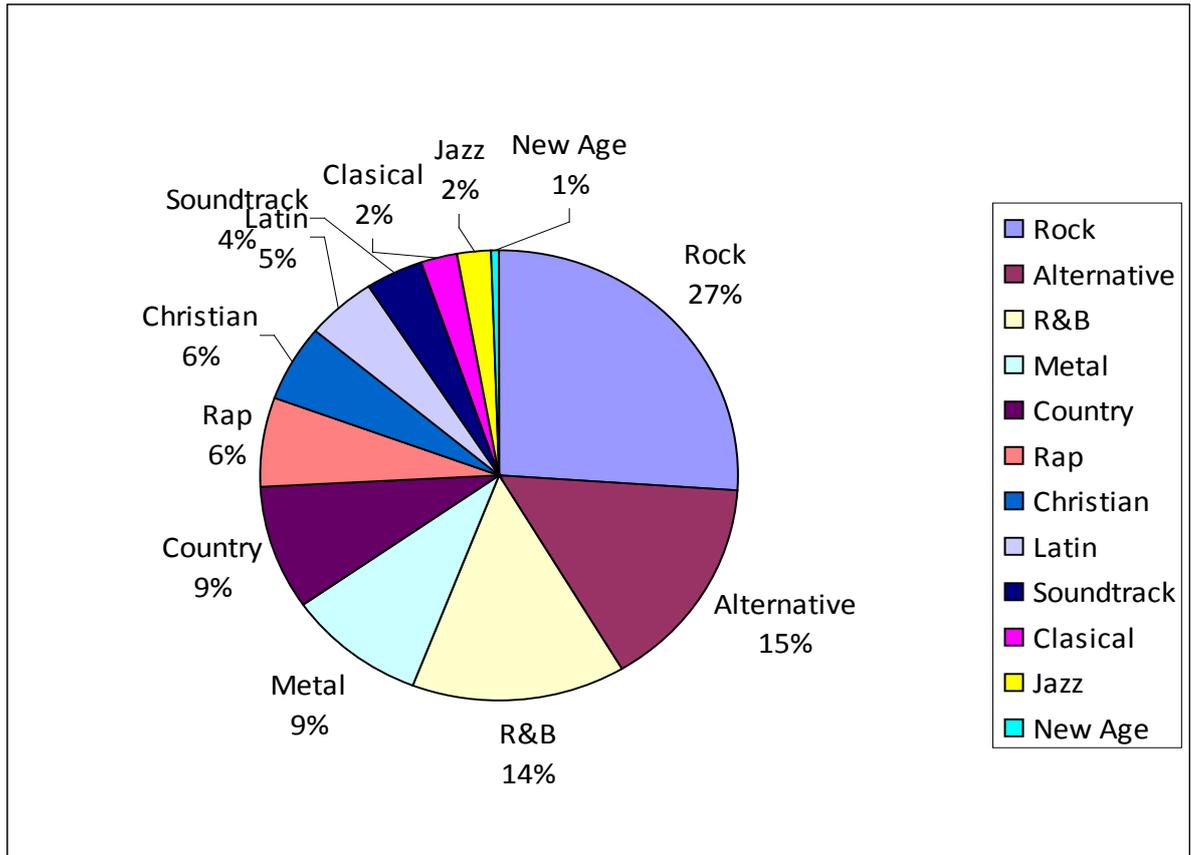


Figure 2.1. The percentage share of sold albums according to music genre (2008). *Source: NielsenScan.*

Figure 2.1 shows that more than a half of the all sold albums in world in year 2008* were shared among three music genres: rock, alternative† and rhythm and blues (R&B). These genres together sold 56% of the albums. To make a comparison, classic music and jazz albums together generated only 4% of the sold production (2% each).

That proposes a thought that music genre matters not only in generating album sales but as well in attracting audience to the music festivals.‡

* Albums include only official merchandise and legal production during the year 2008.

† Alternative (a.k.a. alternative rock, alt-rock) is a genre of rock music that emerged in the 1980s and became widely popular in the 1990s. Alternative rock consists of various subgenres that have emerged from the independent music scene since the 1980s, such as grunge, Britpop, gothic rock, and indie pop. (Wikipedia)

‡ Someone might argue that jazz and/or classic music is better to see live than purchase albums and listen to it at home.

2.2. Marketing of music festivals as experience goods

2.1.1. Music festivals and the cultural tourism

In this section, we discuss a link between tourism and music event, what advantages this connection can make in order to increase the revenue. Tourism becomes a vital element of festivals, especially if they are international. It expands the number of audience because cultural service provides new experience, emotions, knowledge, pleasure, perception and sensations. Visiting new place, travelers want to discover mentality of a new place, to feel the singularity of a foreign culture, to get acquainted of local traditions and to find themselves in unfamiliar surroundings. Travel services are not tangible, they can not be seen or appreciated at the time of purchase, and this feature is needed to be understood and taken into consideration in order to increase the attractiveness of tourist offers (Lee, 2002).

Services of music festivals are to provide musical experience. The attractiveness of festivals is that a person can listen to different music style in one place with a possibility to communicate with people who feel the same way, moreover to be a participant of the festival or to take part in different performances. So that's why organizers of the festival can cooperate with the travel companies which will lead to the commercial profitability (Backman, 1995). The main goal of the festival organizers is that their activities are attended by as many visitors as possible and among these visitors can be foreigners. Collecting the data and conducting the research, we notice that almost no one in Scandinavia makes steps to achieve this goal meaning that they are not positioning musical festivals on the international tourism market, which is the main supplier of the spectators/great number of audience.

Lee and Lee (2002) states that in cooperation with the tourist sector, festival organizers immediately provide some additional options. Some examples stated below:

- expanding the potential audience of the festival by attracting visitors from other regions and foreign visitors;
- gain extra revenue at the expense of group sales;
- promotion of the festival trough travel agencies;
- sales of souvenirs designed for tourists;
- strengthening the attractiveness of the festivals for the sponsors.

2.2.2. Marketing and partnership

Arcodia and Whitford (2006) explain the main point of urging Travel Company to collaborate with the organizing committee of the festival is a clear understanding the benefits of this cooperation. For travel agencies it is important to know how many tourists are coming to the festival, what their age, sex, education level, social status, occupation and etc. These issues are also important for the potential sponsors of the festival. The more information they obtain, the easier for organizers to a find partners in order to increase the revenue.

This collaboration can take into some directions, for example assistance in the transportation and placement of the participants of the festival. Travel agency will take over partly the

costs of the accommodation of the festival participants, on conditions of revenue from further selling of tourist “packages” to the festival. By taking some of the costs, travel agency will be interested in advertising the upcoming event on their already-established channels. Precise information about the main audience eliminates unnecessary contacts and calls to the companies who are not interested in the cooperation, simply because the audience of the festival is not their target group (Arcodia & Whitford, 2006).

To expand the potential audience of the festival can be arranged through the ticket sales of the upcoming events as an additional service to already-formed tourist routs, thereby increasing the attractiveness of tourist rout itself. Having obtained information, tourists can be offered to visit the festival events (Arcodia & Whitford, 2006).

If the main purpose of traveling is the attending of the festival, travel voucher can include the following features:

- tickets from tourist accommodation to the venue of the festival;
- tickets, pass or another form of the admission to the festival events (this form can be travel voucher);
- accommodation in the hotel located near the site of the festival, or transportation services;
- supplying with the printed information about upcoming festival activities;
- availability of a guide, interpreter or escort services (they can be volunteers of the festival);
- voucher can have an extra feature of meeting with the participant of the festival, stars, banquets, participation in various activities, visiting local sightseeing attractions or etc.

Some music festivals are held on the streets. Visiting such festivals is also for free, so the organizers have different objectives in terms of attracting funding. Statistics show that such festivals are enjoyed by tourists very much and they are very popular. Accordingly, travel agencies earn more in the days of such festivals. So festival organizers must have detailed statistics showing the number of arriving tourist in ordinary days and in the days of the festival. It is important the managers of the travel companies having read these data and have clear representation that if there is a festival, there will be additional revenue (Getz, 2008).

Carrying out any type of the festival is profitable business opportunity for a tourist company.

Music festivals are a public action and a ready advertising product which allows to build and promote brands, to attract tourists to the venue of the festival, to promote products and business companies, to form image of the politicians, their parties, cities or transformation of the city environment, to draw attention to the problems of the society and ecology and to create the cultural needs of the visitors of the festival (Getz, 2008).

Mentioning the additional opportunity from the music festivals, records from the concerts on video and audio media, sales of broadcasting right for radio and television, the possibility of repeated broadcasts on television and radio (in this case artistic significance and relevance of the event are not lost), video and audio recording releases of the past events, audio and video clips from previous festivals can be sold as souvenirs, promotion of young artists and bands and assignments and ranking of the participants in order advertising purposes of the festival.

The features stated above demonstrate greater opportunities of music festivals. Analysis of the specific festival will open its advanced features, for example this event can be interested not just for local sponsors, but also for an international company, social organization or social movement.

Democracy, festive and creative freedom makes music festivals more accessible for different groups of audience than traditional concerts in the cultural institutions. Blau (1989) stated that most people do not attend or visit cultural events in the opera or concert halls or very rarely. Many people have fear or scary attitude, they feel vulnerable towards such institutions and therefore they don't go to opera. This behavior mostly suits for those groups of people who have lack in educational level and cultural traditions. However, the situation is changing radically, when it comes to well-publicized and advertised cultural events that are attractive to all social groups. This is mainly concerns festivals which held in public places but not in "the temple of art".

Observations showed that among festival visitors there are people from different social groups in contrast to the usual concerts. Typically, opera and musical groups are quite limited in terms of creativity, they often can't reinterpret classic and especially to perform work of modern, contemporary and unknown authors for fear of losing their regular listeners. Season ticket holders often have a rather conservative taste and actively interested in the repertoire of the performing band, thereby exerting pressure on it. In contrast, independent festivals give an opportunity to demonstrate creative ingenuity. The main idea of the festival can be originality, excellence, the desire to go beyond the daily activities limited by the walls of theaters and concert halls (Crompton, 1997).

An extremely important part of the festival is its newsworthiness. Festival is an event which attracts the attention of television companies and the other media. And the attention of the press, in turn, strengthens the position of the festival leaders and organizers in relation to political leaders, sponsors and funding organizations. This interest can be explained by the fact that festivals and folk events have contributed significantly to the social and economic life of the country, they affect the socio-cultural situation of the place where venue held. And since festivals are events with mass of people, they attract the attention of political leaders and business organizations by their advertising and communicational resources (Blau, 1989). According to the researches, the authorities of European countries seek to become the patrons of upcoming cultural events which will be in demand among people and they are eager to commit certain budget for that. These is due to the possibility of public speech, demonstration of politician's art patronage and thus acquire a positive image.

Managers of the festivals should bear in mind that these events are public one. The researchers observed the ability of mass culture events affect the mood, interests and preferences of people which is actively used by the politicians and businessmen. During the entertainment of the festival, occurred the massive short-term association of a large number of people sometimes from different social groups with different interests. The audience is always gathering for the sake of general and specific purpose, so this group is more controllable and they have their own rules and laws. Fun and casual atmosphere of the festival enhance suggestibility. Visitors of the festival are open to dialogue, set to take the proposed information in positive way. That is why the audience is the particular interest to the advertisers and politicians.

The exact timing of the festival also has a positive influence on the attendance. The limit to visit the festival because of its short-term makes the visitors not to postpone the purchase

of tickets, while the visiting opera house can be easily postpone because person can go there any other day and time.

An important difference between festival events and stationary activity of cultural industry is the legal, creative and creative freedom. Since the festivals are monitored less then the other concert organizations, their organizers can more easily determine the program at their discretion. The same can be said about the sponsorship activity of the companies that produce goods that have no relation to the art and they may for a certain amount of money to advertise their products more visible with the assistance of the media and the masses (Crompton, 1997).

2.2.3. Festivals and sponsorship

Nowadays, festivals feel the lack in funding, so there is a need for additional money and organizers of the festivals usually seek for monetary help and additional financial sources in sponsors or any kind of grants. In this chapter we are going to discuss what role sponsors play, if their contribution affect the festival revenues and the festival itself.

Schuster (1985) states the main reason of this type of support (sponsorship) is the reduction of public grants and problems in increasing ticket sales. Sponsorship differs from other types of financial support by the fact that it requires counter favor. Invests are made in exchange for the potential benefits. Sponsorship is considered to be a part of marketing strategy and an important part of communication with public.

In order for the festival to generate the revenue, large cash infusions are needed. Advertising, announcing the event require significant cost. The volume of investment for the organization of the festival depends on its size, genre and exactly what its organizers want to see at the event.

Theoretically, festivals can be observed as investment-attractive projects. However, they begin to make profit in several years. According to experts, the festival could become profitable after three to five years since its founding.

Rowley and Williams (2008) explain that the main source of income can be rent paid of dealers located on the territory of the festivals, the sale of souvenir products, related services such as transportation and parking. But the largest revenue is brought by ticket realization. So success of the festival depends on whether it will succeed to become popular and to attract the attention of the investors and most important to attract their willingness to cooperate with the event organizers for a long period. As the observation shows, some of sponsors of music events do not count on the return of the invested money. Typically, they have different goal depending on the type of organization which is the sponsor. Some classic music festivals have free entrance and visitors can bring their own food and drinks, so the main part of revenue is money collection. Art institutions give to sponsors important directions providing significant opportunities.

Because of the specific genre of the event, for instance classic festival, revenue equals to zero. According to some festivals directors, from 5% till 30% of the revenue is the selling tickets part, government support is 0-30% of the revenue and the rest is the sponsorship funding. In most of the festivals there is non-alcohol policy and money proceed from the

leasing of fast-food places and restaurants on the festivals area are not significant. As can be seen from above, the most important question for most of the festivals in Scandinavia is the fund rising (Andersson, 2010).

Rock festivals, for sponsors' point of view, intended to teenagers and youth generation which is why their sponsors usually manufacturers of any sorts of beer.

The most consistent and reliable partners of all festivals are cultural centers, embassies which partially or fully cover the costs relating their national teams. The most serious sponsors are commercial companies, manufacturers of alcoholic beverages and soft drinks, food and cigarettes. To be a sponsor for them means a large-scale advertising, because in all that relates to ongoing activities whether the scene, tent, booklet or invitation their logo will be flashing everywhere. And some experts state that such type of advertising is much more effective then the placement of their production on billboards in the city center or at the magazine.

If we observe situation with funding from classic/chamber/folk music festivals, we see that most of the money comes from sponsors. The following diagram:

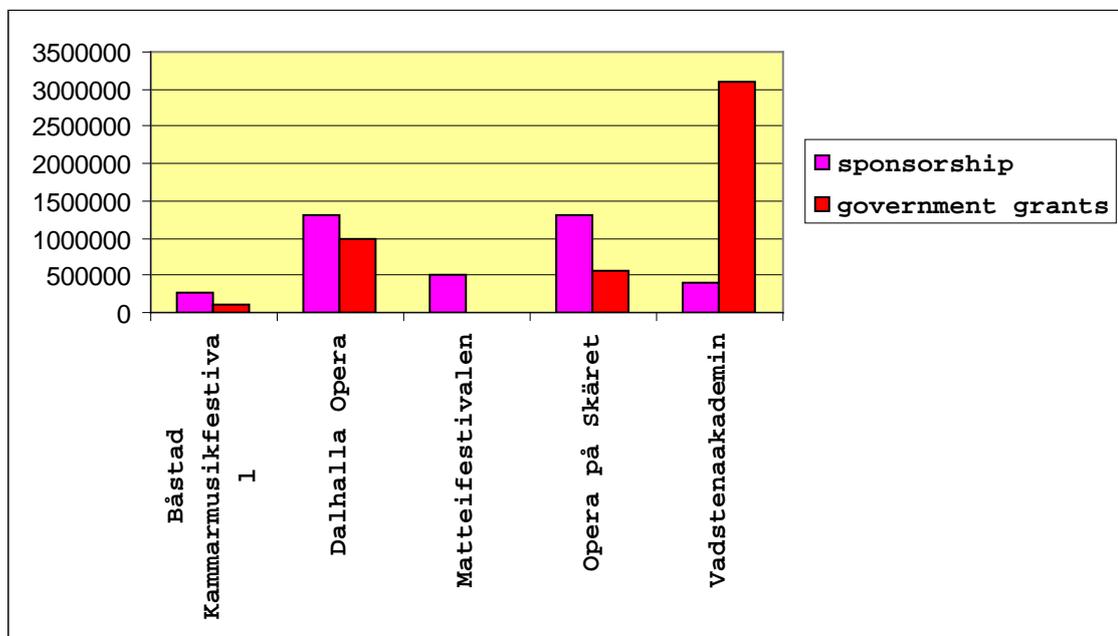


Figure 2.2. Diagram ‘Sponsorship and Government grants’

The following diagram shows, as an example, five classical festivals in Sweden: Båstad Kamarmusikfestival, Dalhalla Opera festival, Matteifestivalen, Opera på Skäret and Vadstenakademien and number reflects the monetary impact of sponsorship and grants from government. As we can see, only in one of the festival funding from government exceed money from sponsorship. Opera på Skäret festival sponsors money equals 1300000 SEK and from the government is almost three times less.

Nowadays any international company in its budget list has a graph which is devoted special for any type of festivals. This is an additional way of communicating with target groups moreover in nice and informal atmosphere which is definitely advantage for brand-sponsor profile. Some of the sponsors stated (from an interview) that sometimes organizers of the festival offer unfinished plan or project of upcoming event. As the reason, organizers don't

know who will be performing, in what time limits, in which stage and etc. only the last minute because they don't have enough money to stand for high quality and only by sponsors' money and proper organization they can realize all the ideas. Proper arrangement of the festival attracts more people and attendance make the revenue grow.

2.2.4. Pricing and music festivals

Music festivals are one of the experience goods which success depends on the personal experiences or on the expected value of the festival that is predetermined by the consumer him/herself.

On the other hand, music festivals are very substitutable or, in other words, there are to choose from. The big influence on the attendance, in that case, appears to be the price. The more expensive appear to be festival ticket, the less people are willing to go there if there are substitutes in the area nearby that provide the lower price and comparatively similar quality.

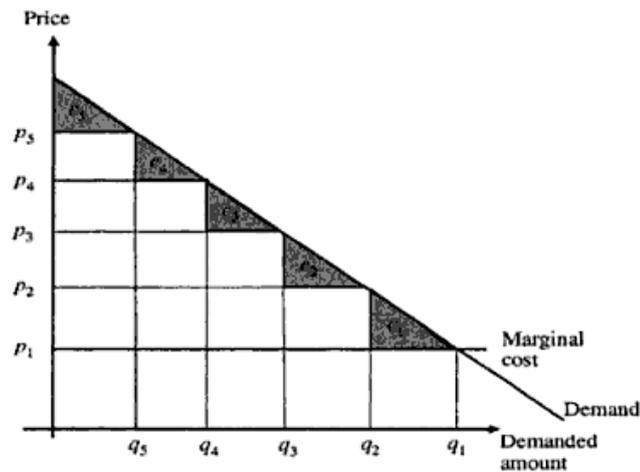
Nevertheless, there are one more important factor that has influence on the attendance and the ticket pricing that is superstars. Superstar's phenomenon, that is explained more detailed in the previous section, is able to attract visitors to the festival despite the fact of the high price. Superstars and price are connected with each other and that is logical. If organizers have a budget to pay more to bring the stars to perform, that consequently leads to the bigger costs and the bigger prices of the tickets to cover those costs. According to Mark and Leender (2005) study's on the Dutch music festivals results, "the higher the budget, the higher the price of a ticket and the more stars perform at the festival".

One more feature that superstars acquire is that they are able to affect fans so much that the price for them to attend the festival becomes unimportant. That means that organizers of the festival can set up high price including unofficial extra "star fee".

However, price heightening is more or less applicable in big know and successful festivals, while other festivals strive for the audience by lowering price as much as it is possible or by differentiating the price according to groups.

Price differentiation is well-known in the performing arts, especially theatre, cinema, various festivals and sport events. The different price for the different groups, eg. for students, pensioners, adults, children, up to some certain age, having a coupon or other, may lead to the solving the problem of losses that arises due to huge costs of staging an event or festival. (Andersson & Andersson, 2006)

Figure 2.2 below shows willingness to pay according to divided groups and given price. Andersson and Andersson (2006) use this simple graph to explain what different groups are willing to pay to attend the event in accordance to given price.



- p_i = price charged for user group i
- $q_i - q_{i-1}$ = demanded amount by user group i
- c_i = consumer surplus for user group i

Figure 2.3. Price differentiation with free subdivision into five user groups. *Source: Å. E. Andersson, D. E. Andersson "The Economics of Experiences, the Arts and Entertainment" (2006).*

Decision to divide the groups suitable for the price differentiation can vary. This could be the process of total freedom or, in other words, according to socially acceptable example, like group of students, pensioners, adults and so on. Or this could be done by calculating optimal number of groups using optimization model involving marginal costs and marginal revenue (Figure 2.3) that is in details explained in the previously mentioned by Andersson and Andersson.

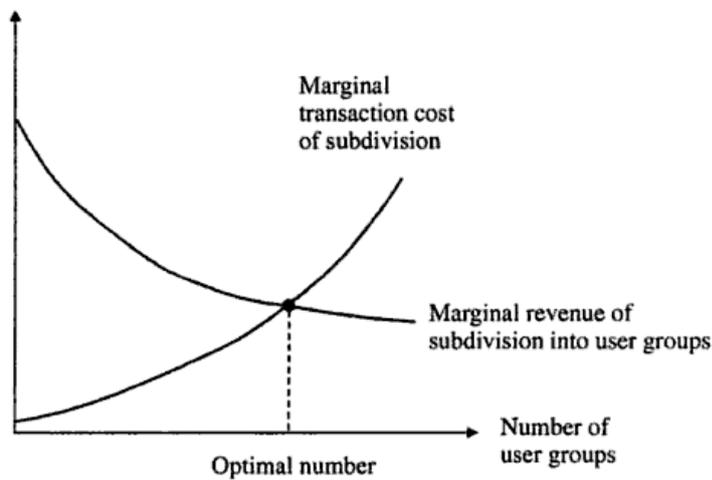


Figure 2.4. Optimization of the number of price-differentiated user groups. *Source: Å. E. Andersson, D. E. Andersson "The Economics of Experiences, the Arts and Entertainment" (2006).*

Price differentiation is not always includes division of people in several groups but dividing tickets themselves, i.e. there could be division into advanced buy tickets, combined tickets (that, for instance, include ticket + camping place), one day tickets, all day tickets and many other ways.

Figure 2.4 graphically explains how it is possible to obtain number of groups in order to set different price to each of them. Marginal cost and marginal revenue are taking into account in making the decision about the differently-priced groups.

No matter how differentiated prices are set, they without a doubt affect the attendance and the consequently the revenue itself.

2.3. Theoretical framework of the pre-selected determinants

Before stating and analyzing the hypotheses that are going to be presented in the *Chapter 3*, it is important to give a relevant theoretical background to the determinants that we select as to have an impact on the revenues and might help us to get answers to our research questions that are presented in the *Chapter 1*. That is why we are briefly presenting the main pre-selected determinants with the support by the previously conducted researches.

2.3.1. Sponsorship

Sponsorship is expatiated more generally in the section *2.2.3 Festivals and sponsorship*, however it is rather important to explain briefly why this factor is selected as one of the main determinants in the investigation of the revenues.

Previous researches show that one of the main factors that influence the revenue is the support that festivals get from its sponsors or partners. Furthermore the fact itself is that sponsorship is one of the main things that makes festival come to life and without which there might be no festivals (Karlsen, 2007). “Sponsorship is an important revenue stream for music festivals <...>” (Rowley, Williams, 2008), which can either provide some consumption goods and/or services, or donate money, or help lowering of the price for the attendees to make it affordable. This statement that sponsorship is important part of the festival’s revenue is also agreed by Kwak (2005). Moreover, sponsorship helps branding of the festival, which is extremely important from the attendee’s point of view. Research conducted by Rowley and Williams (2008) shows that “the values that attendees associate with the sponsoring brands are in the main positive”.

Due to this fact it is reasonable to make a statement that number of sponsors positively affects revenue. That is caused by the fact that sponsorship gives money (and/or let festival be marketed better), money (and/or better marketing) lets festival to be arranged proper (with better quality), proper arrangement of the festival attracts people, attendees makes the revenue grow. However, if sponsorship one of the main factors for revenue-generating, will be tested in the later chapter.

2.3.2. Ticket price

Ticket of the music festival is considered to be as any other consumer good, which has influence to make consumer attend the festival or not. The higher the price of a particular festival lowers the willingness to attend the festival (disregarding all other factors that might influence the decision). Prices determine which festivals to attend if there is a variety for a person to choose from and that is why “reasonable prices are important to be able to attend numerous concerts” (Karlsen, 2007). Barbieri (2001) in her article also makes notice that lower prices increases number of attendees.

However, there must be stated the fact that performing arts cannot make prices very low in order to cover the costs. Disregarding this remark, our research is not going to analyze pricing strategy in the music festivals. We would be willing to prove that music festivals could be perceived as an ordinary consumer which, according to microeconomic theory, says that the lower the price the greater consumer demand.

2.3.3. Superstars[§]

Setting the ticket price is very thorough process that must take huge variety of factors into consideration. Kwak (2005) gives several conclusions about the setting of the ticket price. One important factor is that price could not be set too high as well as too low. Reasons for that appear to be competition with other kinds of entertainment to be present and the rising cost of the booking of the main performers (i.e. headliners). Headliners can be also called to be superstars. According to previously mentioned, Rosen (2001) and his analysis of the superstar phenomenon, we could do the assumption that ticket price has extra adding to for the attendees to pay due to the superstar factor (arising hedonic pricing). This factor consequently leads to our explanation as a possible outcome to the question stated, that the greater number of the superstars affects festival's revenue in two ways: 1) superstars attracts more visitors to the event; 2) people are ready to pay bigger price to go and watch live the superstar on stage.

[§] In our case, Superstar is considered to be such in regard to google hits. In pop/rock festivals a Superstar is artist/band that had 1.000.000 or more google hits; in jazz festivals 100.000 or more; in classic music 10.000 or more.

2.3.4. International artists

Above introduced phenomenon of the superstars leads to the continuum related to the international artists. These two terms “*superstar*” and “*international artist*” are tightly connected, at least in the heads of the attendees. This is due to the fact that most superstars that give appearance on the stage usually are not the local artists. People come to see something that is either very famous or not entirely familiar. This is associated, in part, with the surprise factor which is highly adaptable in the marketing strategies and more in the television and/or storytelling. This could be based on the cognitive psychology** that investigates consumers’ behaviours. Westbrook (1987) was researching consumers’ responses and was also investigating the affect of surprise that occurs in the decision to consume. Disregarding the fact that his range of study was not related to music festivals, it is possible to do a conclusion that people are eager to experience something new.

Local artists are familiar (in terms of “more or less”), international artists could be either very familiar (superstars), not entirely familiar and not familiar at all. Nevertheless, all three categories have power to attract visitors to the music festival if the festival is marketed and promoted so that people get to know about it. The number of visitors attracted by successful (or vice a versa) promotion has impact of the festival revenue. The more visitors – the bigger appears to be revenues.

In this explanation of the proposed question, we disregard the fact that local (national) artists could also be included to the category of the superstars.

2.3.5. Maturity

To begin with, maturity as such is considered to be the factor that indicates the quality perceived by the long lasting time and continuous popularity. In one of our hypotheses we stated that the maturity (years of existence) of the festival in a positive way affects the attendance which leads to greater revenue. The older the festival, the bigger number of attendees is expected every year. Festivals that are already for more then 20 years are likely to have bigger audience or fans and each year this number is growing breaking the record of visiting people. That might be associated with the fact that long lived festivals are associated with the higher (proved) quality.

That lets us to make our hypothesis about the positive influence of the festival on the attendance and increasing revenue.

We suppose that this situation can be associated with the fact that during the long period of existence, people/audience keeps in mind the name of the festival or festival brands.

** Cognition is the act of knowing, and cognitive psychology is the study of all human activities related to knowledge. These activities include attention, creativity, memory, perception, problem solving, thinking, and the use of language (Neisser, 2009)

Moreover, older festivals can be perceived as brands and people tend to associate and value the event in regard to the brand. For instance, Roskilde Festival in Denmark or Sweden Rock Festival recorded the bigger number of attendance in comparison with the previous years.

C. Berneman (2009) stated that maturity is one of the festival stage formation, it either can lead to more development of the event, better organization and attraction of star or it can stagnate not attracting a larger number of people or sometimes the organizers/directors refuse to change the strategy of the festival in order to attract more audience and lose cozy atmosphere of it.

C. Petit (2009) emphasizes that number of year of existence allow festival diversify their program, change or add more international stars and popular performances in order to attract more audience, so they keep and have image of most memorable events.

2.3.6. Genre of the festival

There could be few perspectives for the consumer to choose from the festival he/she would be willing to attend. One of them is genre of the music. It could be a festival devoted to one music genre, eg. jazz festival or it could be a festival including variety of music genres.

There have been conducted a fair amount of researches (eg. Oakes, Pitts, Shuker and others) including studies on what influence on the audience has music genre.

While summing up the ideas from the several articles, we came up to the several reasons why people visit music festival: 1) they like particular music genre, 2) they like particular artist/group, 3) they want to get the experience from the festival atmosphere, 4) other personal reasons.

Larsen and O'Reilly (2005) are stating that particular music genre itself enables the festival's atmosphere. People have different perception with the keywords such as "rock festival" or, for instance, "classical music festival".

That is why in our research we selected three different groups of the festivals that differ by genre (pop/rock, jazz and classic).

2.3.7. TV and Radio involvement

Involvement of the TV and/or radio into the festival is associated with the strategies of the marketing and promoting. However, both means of the media could serve different purposes: as the means of sending information about the festival, enlightening people about the upcoming event or as simultaneously broadcasting the festival for people who are not attending (Art Magazine, 2010).

Having observed factors influencing the revenue of the musical event, we segue to the Public Relation methods, which are use for promotion of the festival. But first is to say a few words about the general PR-activities. Our hypothesis is that TV and Radio affects the revenue in a positive way, promoting the event by PR-agents of the festival.

Foremost, it should be mention the management of the information about the event through interactions with various mass media (radio, television, press, internet publications). Relations with media are one of the key areas of PR and it is particularly important to keep this relation to the actors and musicians, operating in the arena of the music/festival industry. It should be understood that the main criteria for efficiency of the media is to prepare the material and its appearance in mass media. When the festival is being promoted, it can be taken into the consideration the exclusivity of the event, sensation, intrigue or provocation. All these methods will certainly help to attract the audience's attention and expands target audience by attracting new viewers and listeners (Art Magazine, 2010).

In addition, for promoting of the music product (e.g. an artist, music festival) widely used methods such as the launching of music video, interview with stars who taking part in the event in radio live, TV-programs with famous people including foreign ones, well same concert activities, the organization of promotional tours (Art Magazine, 2010).

3. Empirical analysis

In this chapter we analyze the data set of the festivals in regard to investigate the questions and in order to test the formulated hypotheses. Empirical analysis was conducted by the selection and analysis of the data following stating up the hypotheses and using SPSS program in order to reject or confirm the hypotheses stated. Before going into the deeper analysis of the results extracted from the empirical analysis, we are going to present the data, i.e. dependent and independent variables and the detailed description of them.

3.1. Selection of the data

For our research we have chosen Scandinavian region (Norway, Denmark, Sweden and Finland) due to the large number of festivals that are taking place there throughout the year.

We set our focus on a three types of the festivals: i.e. classical music, jazz, pop/rock festivals. We have chosen these genres of music since the fact that they attract the major share of the listeners. At this point it would be reasonable to make a remark that jazz and classical music have really clear image of what music style this is it, however pop/rock can have some disagreements.

Nevertheless, our paper does not involve detailed exploration of the music genres. However, it is meaningful to mention that pop/rock category consists of various festivals with rather diverse music styles yet with popular and rock music being dominant.

3.2. Description of the data

We have selected data from 62 festivals that take place in the region of Scandinavia. Festivals were divided in to, previously mentioned, three categories according to music genre (pop/rock, jazz and classic). Due to the fact that all four selected countries (Sweden, Denmark, Norway and Finland) use different currency, the raw numbers in the local currency were converted to the Euros for the purpose of clarity and simplicity.

Originally selected data set is presented in the table in the Appendix 1. It is important to state that initial data contains more columns with the data such as number of visitors and average ticket price. Those two variables were excluded from the equation due to the reason that price and number of attendees without a doubt have a positive effect to the revenue (being all other variables fixed).

It is reasonable to say that some of the others could-be-important variables, eg. owning institution, number of full-time employees, advertising and many more, have not been in-

cluded in our research due to the low number of the festivals that we managed to collect data from.

That is why, in our research we selected 9 the most important variables and put them into the constructed regression equation that is presented below. The selected variables are explained in details in the Table 3.1.

$$Y = \alpha + \beta_1 X_{MA} + \beta_2 X_{DUR} + \beta_3 X_G + \beta_4 X_{SHAR} + \beta_5 X_{SU} + \beta_6 X_{SP} + \beta_7 X_{VL} + \beta_8 X_{TV} + \beta_9 X_{RA} + \varepsilon$$

Table 3.1. Explanatory variables

| Variable name | Description | Definition |
|---------------|--|--|
| α | | |
| Y | Dependant variable | Revenues expressed in € |
| X_{MA} | Independent variable | Maturity of the festival in terms of the years of existence of the festival |
| X_{DUR} | Independent variable | Total number of the days of the festival |
| X_G | Independent variable (dummy variables) | Genre of music (pop/rock, jazz or classical) |
| X_{SHAR} | Independent variable | Percentage share of the international artists as a part of total number of artists |
| X_{SU} | Independent variable | Percentage share of the superstars as a part of total number of artists |
| X_{SP} | Independent variable | Number of sponsors taking part in the festivals |
| X_{VL} | Independent variable | Number of volunteers working in the festivals |
| X_{TV} | Independent variable (dummy variable) | Involvement of the TV in the promotion and/or broadcasting of the festival. |
| X_{RA} | Independent variable (dummy variable) | Involvement of the radio in the promotion and/or broadcasting of the festival. |
| ε | Residual | Random error term |

Original data distribution appeared to be not normal and rather asymmetric. Our data's distribution is strongly asymmetric, so using the function Regression for prediction one variable with the help of the set of other variables could lead to inadequate results. This problem can be solved by using logarithmic transformation of the data. We built histograms with applied normal curves from the Graphs menu.

One of the examples of original data distribution and transformed data to logarithmic distribution is showed in the Appendix 2. To avoid inaccurate results we decided to test variables using both original data sets and logarithmically transformed ones to distinguish the difference if any occurs.

3.3. Descriptive statistics

Table 3.2 represents descriptive statistics of the normally distributed set of variables of the data. Description includes number of the observations, mean, standard deviation, maximum and minimum value.

Table 3.2. Descriptive statistics

Descriptive Statistics

| | N | Minimum | Maximum | Mean | Std. Deviation | Skewness | |
|--------------------------------|-----------|-----------|-----------|-----------|----------------|-----------|------------|
| | Statistic | Statistic | Statistic | Statistic | Statistic | Statistic | Std. Error |
| Revenue | 62 | 0 | 33531922 | 3362409 | 6470279,495 | 2,642 | 0,304 |
| Maturity | 61 | 1 | 98 | 22,87 | 16,928 | 1,768 | 0,306 |
| Festival days | 61 | 2 | 30 | 6,08 | 5,084 | 2,971 | 0,306 |
| Share of international artists | 59 | 0,00 | 0,86 | 0,2242 | 0,22479 | 0,981 | 0,311 |
| Share of Superstars | 59 | 0,00 | 1,00 | 0,1708 | 0,18198 | 1,827 | 0,311 |
| Number of sponsors | 56 | 0 | 64 | 12,66 | 13,568 | 2,371 | 0,319 |
| Number of volunteers | 33 | 0 | 27000 | 1804,58 | 4996,651 | 4,434 | 0,409 |
| Valid N (listwise) | 31 | | | | | | |

Minimum shows the minimum value of the festivals factors (variables). For instance, minimum value of the festival revenues is 0, whereas, *maximum* revenue appears to be 3362409. Both values are expressed in terms of Euros. No revenue, i.e. 0, shows the tendency in the classical music festivals. It is rather common that classic music festivals are supported by the government grants or other sponsors due to the fact that they do not (are not able) to generate revenue themselves, or if they do, revenue is not as high as pop/rock festivals that, on the contrary, generate large revenue. That explains a huge difference between the minimum and the maximum values in the in regard to the revenue.

The column where *Mean* value shows the average number of observations of the variables, e.g. 3362409, that means that this is arithmetic average of the revenue of festivals. *Mean* characterizes the central tendency of the observations, because it shows the more typical (that is likely to appear) value in the sample. The parts of the symmetrical distribution reflect each other.

Standard deviation is usually used as estimation of the dispersion that shows the degree of difference of the value from the average value (mean value). The formula below shows how the standard deviation was calculated in the case of our research:

$$s = \sqrt{\frac{\sum_{i=1}^{62} (c_i - \bar{c})^2}{61}}, \text{ where:}$$

s – standard deviation,

c_i - value of each factor for every festival,

\bar{c} - average value of the factors.

For instance, standard deviation of the revenue equals to 6470279,495. If we don not square the root, the statistics shows us the variance. However, variance was not included in our descriptive statistics for the sake of simplicity.

Skewness represents the distribution of the original data. As Table 3.2 shows, originally gathered data is rather skewed. That is one of the reasons why in our empirical analysis we used logarithmically transformed variables.

One of the interesting observations lies on the maturity. The youngest festival has been existed only one year, whereas oldest festival is nearly hundred years old (98 precisely).

Another interesting example that is shown in the Table 3.2 is related to the share of the superstars and the share of the international artists. Maximum share of the international artists in the festival is 86 percent, meaning that there is no festival which does not include local artist in the program. However, there appears to be festival(s) that do have only super-

stars in their lineup. In other words, 100 percent of the artists in the festival consist from the superstars.

3.4. Hypotheses

We came up with several hypotheses which presumably will help us to find answers to the research questions that have been formulated earlier.

The hypotheses are the following:

1. Revenue is positively related to the maturity, i.e. years of existence, of the festival.
2. Revenue is positively related to the duration, i.e. days of the festival.
3. Revenue is positively related to the share of international artists.
4. Revenue is positively related to the share of Superstars in the festival.
5. Revenue is positively related to the number of sponsors.
6. Revenue is positively related to the number of volunteers.
7. Years of existence (maturity) of the festival are positively related to the revenue.
8. Length of the festival (how many days it lasts) is positively related to the revenue.
9. Share of international artists in the festival is positively related to the revenue.
10. Share of the superstars that are taking place in the festival is positively related to the revenue.
11. Number of volunteers in the festival is positively related to revenue.
12. Music genre is important to the revenue.
13. Government grants are important to the revenue of the classical music festivals.
14. Radio involvement in the festival is positively related to its revenue.
15. TV involvement in the festival is positively related to its revenue.

3.4.1. Correlation

With the help of correlation we are able to find the connection between the dependent and independent variables and among the independent variables themselves. The coefficient of the correlation is estimated by the following formula which shows value between two vari-

ables (dependent and independent), the mean value, standard deviations and the number of significant pairs:

$$r = \frac{\sum_{i=1}^n (x_i - \bar{X})(y_i - \bar{Y})}{(n-1)s_x s_y}.$$

With the help of the correlation matrix we are able to deny or accept the first 6 hypotheses that have been stated in the Section 3.4.

First, we are presenting two tables with the correlations between dependent and independent variables. Table 3.3 shows the correlations in regard to the original data.

Results obtained with the SPSS do include: Pearson Correlation (r), the quantity of pairs of the variables and the probability of the error (q) which represents whether correlation is significant or not. If coefficient r is close to -1 or 1, the correlation between variables is considered as strong. According to the coefficient's sign (- or +) it is possible to say negatively or positively the variables are correlated.

Significance coefficient q helps to determine if the correlation of the variables is significant. If the q value is less than 0.05, then variable is considered to be significant and have effect on the dependent variable.

Table 3.3. Correlation

Correlations

| | Revenue | Maturity | Festival days | Share of international artists | Share of Superstars | Number of sponsors | Number of volunteers |
|--------------------------------|---------|----------|---------------|--------------------------------|---------------------|--------------------|----------------------|
| Revenue | 1 | | | | | | |
| Maturity | 0,077 | 1 | | | | | |
| Festival days | -0,057 | 0,507** | 1 | | | | |
| Share of international artists | 0,570** | 0,000 | -,115 | 1 | | | |
| Share of Superstars | 0,256* | 0,065 | -,414** | ,398** | 1 | | |
| Number of sponsors | 0,342** | 0,096 | -,063 | ,393** | ,062 | 1 | |
| Number of volunteers | 0,742** | 0,088 | -,149 | ,384* | ,076 | ,669** | 1 |

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Table 3.3 shows that there is a strong positive correlation between revenue and the number of volunteers; strong positive correlation between revenues and share of international artists; medium positive correlation between revenue and number of sponsors; weak positive correlation between revenue and share of the superstars. There appears to be no correlation between revenue and maturity and no correlation between revenue and festival days.

It is important to observe that some independent variables are correlated between themselves creating a phenomenon of multicollinearity, It is highly visible that number of sponsors are highly correlated with the number of volunteers; there is high correlation between maturity and the days of festival; medium correlation between festival days and the share of

superstars; medium correlation between share of the international artists and share of the superstars, between share of the international artists and number of sponsors and between share of the international artists and number of volunteers.

3.4.2. Hypothesis testing and correlation

First 6 hypotheses could be tested with the help of the correlations described in the Section 3.4.1.

Hypothesis No.1

H_1 : Revenue is not positively related to the maturity, i.e. years of existence, of the festival.

H_0 : Revenue is positively related to the maturity, i.e. years of existence, of the festival.

According to the Table 3.4 there is no correlation ($r=0,077$) between revenue and maturity.

In this case, we do not reject the H_1 assuming that there is no positive relation between revenue and maturity.

Hypothesis No.2

H_1 : Revenue is not positively related to the duration, i.e. days of the festival.

H_0 : Revenue is positively related to the duration, i.e. days of the festival.

According to the Table 3.4 there is no correlation ($r=-0,057$) between revenue and festival days.

In this case, we do not reject the H_1 , assuming that there is no positive relation between revenue and duration of the festival.

Hypothesis No.3

H_1 : Revenue is not positively related to the share of international artists.

H_0 : Revenue is positively related to the share of international artists.

Table 3.4 shows that there is strong positive correlation ($r=0,570$) between revenue and share of the international artists.

In this case, we reject H_1 assuming that there is positive correlation between revenue and share of the international artists.

Hypothesis No.4

H_1 : Revenue is not positively related to the share of Superstars in the festival.

H_0 : Revenue is positively related to the share of Superstars in the festival.

Table 3.4 shows weak positive correlation ($r=0,256$) between revenues and share of the superstars.

In this case, we reject the H_1 assuming that there is positive correlation between revenue and the share of superstars.

Hypothesis No.5

H_1 : Revenue is not positively related to the number of sponsors.

H_0 : Revenue is positively related to the number of sponsors.

According to the Table 3.4 there is medium positive correlation ($r=0,342$) between revenue and the number of sponsors.

In this case, we reject the H_1 assuming that there is positive correlation between revenue and the number of sponsors.

Hypothesis No.6

H_1 : Revenue is positively related to the number of volunteers.

H_0 : Revenue is not positively related to the number of volunteers

Table 3.4 shows that there is strong positive correlation ($r=0,742$) between revenue and the number of volunteers.

To sum up, we reject H_1 assuming that there is positive correlation between revenue and the number of sponsors.

3.4.3. Hypotheses testing using Chi-Square tests

In order to test Hypothesis 14 and 15, we have conducted Chi-square test in order to test the mutual independence of two variables of the contingency table and thus indirectly it gives an opportunity to see the dependence of both variables. Two variables are mutually independent if the observed frequencies in the cell coincide with the expected frequencies. That is why we want to test the coincidence of theoretical and empirical distribution; chi-square is designed to test the hypothesis of independence of two traits that define the rows and columns of contingency tables (Table 3.4 and Table 3.5), in our case Revenue/Radio and Revenue/TV involvements. (SPSS Manual, 2010)

Table 3.4. Chi-square Test Radio/Revenue

| | Value | df | Asymp. Sig. (2- sided) |
|---------------------------------|---------------------|----|------------------------------|
| Pearson Chi-Square | 57,689 ^a | 57 | ,450 |
| Likelihood Ratio | 72,147 | 57 | ,085 |
| Linear-by-Linear Association | 11,471 | 1 | ,001 |
| N of Valid Cases | 60 | | |

a. 116 cells (100,0%) have expected count less than 5. The minimum expected count is ,32.

| | Value | df | Asymp. Sig. (2- sided) |
|---------------------------------|---------------------|----|------------------------------|
| Pearson Chi-Square | 55,928 ^a | 57 | ,515 |
| Likelihood Ratio | 76,563 | 57 | ,043 |
| Linear-by-Linear Association | 13,361 | 1 | ,000 |
| N of Valid Cases | 60 | | |

a. 116 cells (100,0%) have expected count less than 5. The minimum expected count is ,43.

Table 3.5. Chi-square Test TV/Revenue

In order to see if there difference between observed and expected frequencies, chi-square test is calculated and used Pearson coefficient, Likelihood ratio and Linear-by-Linear association. In our case, we observe only Pearson coefficient, which the meaningful value of chi-square test. The correctness of this test is defined by the following conditions: the expected frequency must be less than 5 and it should be met no more than 20% of the fields in the table and secondly, the amount of rows and columns should always be greater than zero. (SPSS Manual, 2010)

Chi-square shows that selected variables Radio and TV are not significant at the 0.05 level where $p=0.450$ and $p=0.515$ respectively.

Hypothesis No. 14. Radio involvement in the festival is positively related to the revenue.

H₁: Radio involvement in the festival is not positively related to the revenue.

H₀: Radio involvement in the festival is positively related to the revenue.

Radio involvement appeared to be *not significant* at the 0.005 level ($p=0.450$, $p>0.005$).

In this case, we do not reject H₁ assuming that radio involvement in the festival has no relation to the festivals revenue.

This can be explained by the fact that some of festival organizers don't involve Radio broadcasting in the event promoting. As the research showed, only few percent of respondent festival use Radio to attract bigger audience.

Hypothesis No. 15. TV involvement in the festival is positively related to the revenue.

H₁: TV involvement in the festival is not positively related to the revenue.

H₀: TV involvement in the festival is positively related to the revenue.

TV involvement is *not significant* at the 0.05 level ($p=0.515$, $p>0.05$).

In this case, we do not reject H₁ assuming that TV involvement in the festival has no relation to the revenue.

There is similar situation with the Radio involvement. TV is not a factor which influence and attract more people to the music event.

3.4.4. Hypotheses testing using regression analysis

Regression analysis was conducted to see if the selected explanatory variables are significant and if so, what effect they do have on the dependent variable (in our case, the revenue).

As it was mentioned in the beginning of the chapter, some of the variables' original data set appeared to be skewed and not normally distributed. Due to this, our regression model includes several variables that have been logarithmically transformed. Those variables include

the dependent variable – revenue, and two explanatory variables – number of volunteers and maturity.

Coefficients of the regression equation that has been calculated using SPSS are presented further in the Table 3.6.

Table 3.6. Regression analysis. Statistical output.

| Model | Coefficients ^a | | | | |
|--------------------------------|-----------------------------|------------|---------------------------|-------|------|
| | Unstandardized Coefficients | | Standardized Coefficients | | |
| | B | Std. Error | Beta | t | Sig. |
| 1 (Constant) | 7,962 | 1,411 | | 5,643 | ,000 |
| Genre (Rock) | 2,357 | ,797 | ,566 | 2,957 | ,009 |
| Festival days | ,158 | ,059 | ,448 | 2,692 | ,016 |
| Share of Superstars | ,364 | 2,482 | ,021 | ,147 | ,885 |
| Share of international artists | 2,970 | 1,339 | ,278 | 2,218 | ,041 |
| Volunteers (log-transformed) | ,448 | ,201 | ,420 | 2,232 | ,040 |
| Maturity (log-transformed) | ,104 | ,372 | ,038 | ,281 | ,782 |

a. Dependent Variable: Revenue (log-transformed)

The regression analysis shows that the model itself is constructed reasonably (in other words, it appears to be significant). However, some of the selected explanatory variables appear to be not significant in the 0.05 level.

Hypothesis No. 7. Years of existence (maturity) of the festival is positively related to the revenue.

H₁: Years of existence (maturity) of the festival is not positively related to the revenue.

H₀: Years of existence (maturity) of the festival is positively related to the revenue

Maturity appear to be *not significant* at the 0.05 level of significance ($p = 0.782$; $p > 0.05$). We do not reject the H₁ assuming that maturity of the festival has no relation to the revenue.

That could be explained by the fact that the years of existence do not have big influence to the people to attend the festival, to pay for it and make the festival earn money. People

might consider existential period of the festival as important factor in the case of quality but, at the same time, may be willing to experience something new (to attend a new festival and enter a new atmosphere).

Hypothesis No. 8. Length of the festival (how many days it lasts) is positively related to the revenue.

H₁: Length of the festival is not positively related to the revenue.

H₀: Length of the festival is positively related to the revenue.

Length of the festival appear to be *significant* at the 0.05 level ($p = 0.016$, $p < 0.05$). We reject H₁, stating that festival days are positively related to the revenue.

That could be logically explained by the fact that the more days festival lasts, the more people are able to visit, so that leads to the more tickets sold and consequently to the revenue growth.

Hypothesis No. 9. Share of the international artists in the festival is positively related to the revenue.

H₁: Share of international artists is not positively related to the revenue.

H₀: Share of international artists is positively related to the revenue.

Share of the international artists in the festival appears to be *significant* at the 0.05 level ($p = 0.041$, $p < 0.05$). We reject H₁ stating that share of the international artists in the festival may have relation to the revenue.

International artists raise the bigger interest for the people to attend the festival. We are suggesting two reasons for that: 1) international artists are known artists in the whole world that people would go to see; 2) artists are not widely known, nevertheless, people are willing to experience something new and that is one of the reasons to attend the festival and see and/or hear something/someone new.

The word “international” itself creates the feeling of something grandiose and big which leads to growing attendance, ticket buy and raising revenue.

Hypothesis No. 10. Share of the superstars, that are taking place in the festival, is positively related to the revenue.

H₁: Share of the superstars is not positively related to the revenue.

H₀: Share of the superstars is positively related to the revenue

Share of the international artists appears to be *not significant* at the 0.05 level ($p = 0.885$, $p > 0.05$). We do not reject H_1 stating that share of the superstars in the festival is not related to the festival revenue.

That could be explained by the simple fact that most of the superstars, which we were dealing with in our research, were not the local artists or bands. They were international artists as well. Only few of the headliners appear to be local artists. As long as international artists might have influence on the revenue, so might superstars as well, however, it is beyond our research to calculate share of the superstars separately from the international and from local artists.

Hypothesis No. 11. Number of volunteers in the festival is positively related to the revenue.

H_1 : Number of volunteers in the festival is not positively related to the revenue.

H_0 : Number of volunteers in the festival is positively related to the revenue.

Number of volunteers is *significant* at the 0.05 level ($p = 0.04$, $p < 0.05$). We reject H_1 assuming that number of volunteers in the festival is positively related to the revenue.

This can be explained the fact that people that are working by volunteering are reducing costs of the festival and increases the efficiency. Volunteers are up to doing all kind of work and perform different tasks. Among them are people who have expertise in one or other particular field. Organizers of the festival do not have to pay to hire professionals if the same work can be done by the volunteers.

Other reason can be explained by the fact that the more volunteers there are in the festival, the better festival is. Volunteers, most commonly, are young people who have no money otherwise to attend a festival. That creates advertising (volunteers = marketing tool) for the festival saying that this festival is popular, is wanted and that consequently leads to the increasing attendance, paying for tickets and growing revenue.

Hypothesis No. 12. Music genre is important to the revenue.

H_1 : Music genre of the festival is not important to the revenue.

H_0 : Music genre of the festival is important to the revenue.

Regression analysis showed that only one of the music genres that we were dealing with in our research appear to be significant. That is pop/rock. It is *significant* at the 0.01 level ($p = 0.009$, $p < 0.01$). In that case we reject H_1 stating that music genre is important to the revenue.

This might be explained very simple. Pop/rock music genre sells the most albums in the world (as were shown in the Figure 2.1). That is why it acquires the biggest share of the listeners as well. No wonder that pop/rock festivals are generating greater revenue in comparison to the jazz or classical music festivals.

Hypothesis No. 13. Government grants are important to the revenue of the classical music festivals.

H₁: Government grants are not important to the revenue of the classical music festivals.

H₀: Government grants are important to the revenue of the classical music festivals.

Government grants appeared to be *significant* at the 0.05 level, where $p=0.014$, $p<0.05$, which can be seen from Table 3.9. We reject H₁ stating that the government grants are important to the revenue of the classical festival.

This result can be explained by the fact that classical festival is musical event only for special target group with educational background. It is assuming that these types of events require special knowledge of classical music, composers or operas. So many sponsors or companies which invest money in the festival, create its promotion program, they are not willing to deal with the event which focus on a smaller number of audience in comparison with rock festival, jazz or pop. Moreover, organizers of classic festival use help from Kommun, County or other city services. Government takes part in the festival in order to promote city itself, educate the visitors or introduce audience with folk music, famous classical composers or etc.

Table 3.7. Government grants for classical festival. Regression analysis. Statistical output.

Coefficients^a

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|--------------------------------|-----------------------------|------------|---------------------------|---------|------|
| | B | Std. Error | Beta | | |
| 1 (Constant) | -14467,178 | 29407,302 | | -,492 | ,627 |
| Grants from government | 2,090 | ,789 | ,129 | 2,649 | ,014 |
| Share of international artists | -2960,497 | 159,123 | -1,475 | -18,605 | ,000 |
| Maturity | 2974,239 | 203,026 | ,909 | 14,650 | ,000 |
| Festival Days | 2963,028 | 210,198 | ,891 | 14,096 | ,000 |

a. Dependent Variable: Revenue of the classic music festivals

4. Findings, Conclusions, Reflections and Future Research

In this chapter we summarize the results from the statistic experiments: correlation, regression analysis, chi-square tests, as well as overall conclusions with the brief presentation of our own reflections on the research and few suggestions for the future research in the same or similar field.

4.1. Purposeful findings

Having tested the hypotheses we can now draw back to the formulated questions and discuss them.

- What are the main factors that influence revenue of the music festivals?

As analysis shows, factors that are significant and do influence the revenue of festivals are considered to be the number of international artists in comparison to the number of all artists (share of the international artists), number of volunteers that take place in helping the event, length of the festival (festival days), music genre that is dominant in the festival and number of sponsors that are able not only to support the festival but also create an interest and to attract people themselves.

In the case of classic music festivals, grants from the government play a significant role in the process of generating revenues. However, it is important to state that classical music festival in comparison to e.g. pop/rock festivals has a tendency not to generate any revenue at all. Government grants serve more as a rescue means that helps a festival to take place.

Answer to this research question could be summarized in the two following diagrams: *Figure 4.1* represents the factors that we pre-selected as having an influence on the festival revenue; *Figure 4.2* shows the results from the hypotheses testing that indicate what factors appeared to be significant and what not.

Figure 4.1. Pre-determined factors.

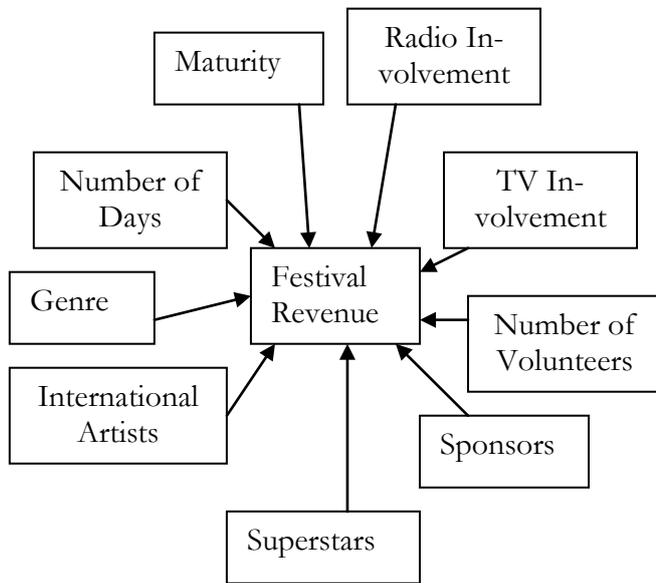
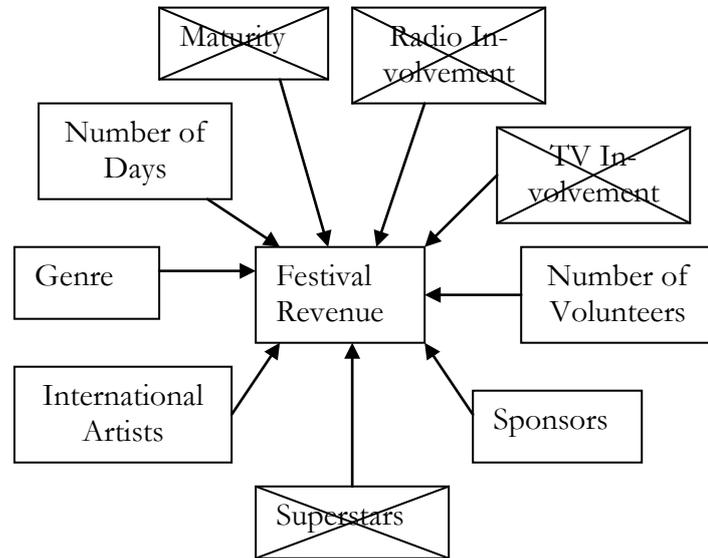


Figure 4.2. Significant and non-significant factors.



- Does the presence of the *superstar(s)* is a significant factor in attracting people to the festival and subsequently in raising the revenue?

Statistical analysis shows that superstars are not significant for the revenue, have no influence for it. Nevertheless, our research could be little bit misleading in this case due to the fact that included share of the international artist in the analysis of the factors.

It is obvious that superstars must attract people to the festivals and analysis could not show that only due to the fact that there are many superstars among the international artists whose share in the festival appears to be significant and have influence on the revenue.

- Are international artists more valuable than the national ones in the process of the generating revenue?

This question might be answered by only stating the fact that international artists are significant and influence revenue in the positive way. People are more inclined to see artist from abroad that local ones.

The question, however, requires thorough qualitative analysis together with quantitative in order to get the more personalized insight of the people choices between international and local artist or both.

It is important to state that we did decide not put local artists in our statistical analysis due to creation of the best model possible so the question might be left open as well as left for the further research.

- Are the older festivals (in terms of maturity, i.e. years of existence) able to attract more visitors and earn more?

Our research shows that festival maturity is not significant and has no influence to the revenue. However, we could not draw very strict conclusion about the possibility that older festivals that are considered to be big brands for they have existed very long time, do not have influence on attracting visitors and consequently getting revenue.

People do value known brands and some of the festivals are high-rank-brands that always attract considerable number of visitors. Nevertheless, growing number of festivals are “destroying” that concept by creating interest with the unknown experience that could be that attractive factor that the new festivals have in their disposition in comparison to the old festivals with their known concept and known (on the average) expectations.

- How important to the revenue of the festival appears to be TV or Radio involvement (web-TV, festival radio, etc.)?

Statistical analysis shows that neither radio nor TV involvement in the festival is significant and has influence on the festival revenue. This might not be a final conclusion due to the fact that involvement of means of media in the festival is a rather rare thing.

Another reason that gives us doubt about the trustworthiness of the results is that there could be different uses of radio or TV in the festival: 1) TV or radio as a marketing tool; 2) TV or radio as a means of broadcasting the festival. Those two possibilities of applying radio or TV serve different purposes. That is why this phenomenon that is present in only quite a few festivals must be explored deeper. However, this goes beyond the range of our research.

- Does music genre play a significant role in the process of the revenue-generating?

Our research show that music genre does matter. However, to be more precise, statistical analysis show that pop/rock genre is significant and has influence on the revenue.

That can be logically explained by the fact that classic music or jazz music festival tend not to generate any revenue (in very rare cases only). That is why it is pop/rock music genre that plays a significant role in the revenue generating process. That also shows the sales of music albums (Figure 2.1). So, to sum up, popular genres of music matters.

4.2. Conclusions

The purpose of our research was to find the main factors which influence the revenue of rock/pop, classic and jazz festivals. After conducting and analyzing data, we came up to the conclusion that share of international artists, the number of sponsors, the number of volunteers, length of the music event, music genre of the festival and government grants for the classic festivals were the factors that has impact on festival revenue.

International artists, attending festivals in Scandinavia, are usually superstars in specific music genre, so they attract more audience, which lead to the increasing of the revenue. Moreover, they considered to be headliners and organizers of the music event try to engage at least one international superstar.

Years of existence of the festival do not affect revenue of the event anyhow. It was mistaken opinion and SPSS test showed that maturity is not important. The older the festival is not able to attract greater number of visitors.

TV and Radio are not main factors in increase of the revenue. Chi-square revealed that these variables do not play any role for music events. They didn't appear to be factors of generating and attracting more people by advertising and broadcasting.

Music genre is a factor which play a significant role in the process of revenue-generating. The research showed that music style is an element which allows attracting specific target/age group. For instance, rock festival attends younger people and classic festival visits older category of people.

4.3. Reflections

We conducted a research focusing on the area of the performing arts and we have to admit that it was not an easy task. However, challenge is always a good thing giving fair amount of experience and broadening the knowledge.

Experience industries are rather new field in the area of economics and there cannot be found that many previous researches that have their focus on performing arts and there is also a lack of the researches that analyze music festivals. That is actually one of the reasons that we chosen to do a research about the music festivals. There is always an interest to get deep into something that is not quite known. That is exciting!

At the very first start of our research, we have experienced difficulties in gathering of the data. It is understandable that revenue and costs are held under cover and there are not that many who share the data very easily. Nevertheless, we managed to gather the data and it gave us experience by learning to gather contact information, negotiate, rationalize and get in touch with the important people.

To summarize our experiences, we must admit that it was rather uneasy task to start with, however, we believe that it proved its purpose and let us achieve our primary goals. Not to mention the fact that this gave us a huge amount of excitement and knowledge that we are going to maintain and that could serve and benefit our professional and personal lives in the future.

4.4. Future research

It was mentioned in our previous chapters that there is lack of the previously conducted researches that focus on the music festivals. There are several areas in field of the performing arts, especially nowadays music festivals, that are not well researched or nor researched at all. We came to several suggestions that could be focused on while doing a research on the festivals:

- The phenomenon of the growing number of the music festivals and the appearance of the new ones every year.
- The subject of the ownership of the festival and how it affects the production, marketing and consequently revenue.
- Pop/rock genre music festivals as a separate focus-object. There are comparably many researches conducted on the classical music, however, there are not that many analyses on the most popular genre festivals.
- TV and radio involvement, that been touched in our research, deeper analysis with the focus on the influence on the music festivals. The TV and radio involvement is growing in the addition to the festivals' agenda.
- Internet as the broadcaster and the as the marketing tool.
- Reasoning of the people to attend the festival in accordance to a possibility to buy and consume alcohol while enjoying the music. As previous researches and attendee interview (conducted not by other researchers) show that people preferences are not entirely connected with music but rather with a good company and alcohol. However, there are only case-by-case researches and interviews. This attitude changing material could be analyzed deeper giving a forecasting to the future.

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Appendix 1

Collected data set (numbers are from 2009⁶)

| Festival | Ticket Price (EUR) | Revenue (EUR) | Maturity (years of existence) | Festival days | Program/genre | Number of visitors | Number of artists (bands and/or artists, not separate musicians) (2009) | Number of international artists | Percentage share of international artists | Number of national artist | Number of superstars | Share of Superstars | Number of Sponsors | Number of volunteers | TV involvement | Radio involvement |
|---------------|--------------------|---------------|-------------------------------|---------------|---------------|--------------------|---|---------------------------------|---|---------------------------|----------------------|---------------------|--------------------|----------------------|----------------|-------------------|
| Rock Festival | 501 | 17648380 | 18 | 4 | Pop/Rock | 35200 | 68 | 44 | 0,65 | 24 | 29 | 0,43 | 21 | 450 | Yes | Yes |
| Rock Festival | 661 | 14533960 | 6 | 2 | Pop/Rock | 22000 | 25 | 16 | 0,64 | 9 | 12 | 0,48 | 8 | N/A | No | Yes |
| Rock Festival | 152 | 6332654 | 11 | 6 | Pop/Rock | 41700 | 149 | 27 | 0,18 | 122 | 39 | 0,26 | 6 | 5000 | No | Yes |
| Rock Festival | 186 | 4360188 | 24 | 3 | Pop/Rock | 23500 | 126 | 33 | 0,26 | 93 | 27 | 0,21 | 9 | 3300 | No | No |
| Rock Festival | 316 | 15779728 | 4 | 4 | Pop/Rock | 50000 | 58 | 42 | 0,72 | 16 | 15 | 0,26 | 10 | 2700 | No | No |
| Rock Festival | 335 | 33531922 | 39 | 4 | Pop/Rock | 100000 | 176 | 129 | 0,73 | 47 | 45 | 0,26 | 60 | 27000 | Yes | Yes |
| Rock Festival | 84 | 1764838 | 21 | 2 | Pop/Rock | 21000 | 30 | 8 | 0,27 | 22 | 14 | 0,47 | N/A | N/A | Yes | Yes |
| Rock Festival | 69 | 1453396 | 39 | 3 | Pop/Rock | 21000 | 87 | 19 | 0,22 | 68 | 13 | 0,15 | 7 | 1500 | No | Yes |

⁶ Exceptions are: Gotland Chamber Music Festival 2007, Julitafestivalen 2007, Körstämman i Skinnskatteberg 2007, Musik vid Kattegatt 2008, Sandviken Big Band Bang 2007, Stockholm Gospel Körfestival 2008, Virserums Musikdagar 2007 and Vadstenaakademin 2008.

| | | | | | | | | | | | | | | | | |
|---------------|-----|----------|----|---|----------|-------|-----|----|------|-----|----|------|-----|-------|-----|-----|
| Rock Festival | 40 | 2180094 | 31 | 3 | Pop/Rock | 55000 | 72 | 14 | 0,19 | 58 | 14 | 0,19 | 9 | 1000 | Yes | Yes |
| Rock Festival | 93 | 1764838 | 5 | 4 | Pop/Rock | 19000 | 34 | 14 | 0,41 | 20 | 15 | 0,44 | 11 | 350 | No | No |
| Rock Festival | 70 | 1972466 | 13 | 3 | Pop/Rock | 28000 | 32 | 16 | 0,50 | 16 | 8 | 0,25 | 7 | N/A | Yes | Yes |
| Rock Festival | 154 | 3841118 | 4 | 3 | Pop/Rock | 25000 | 84 | 49 | 0,58 | 35 | 22 | 0,26 | 7 | N/A | Yes | Yes |
| Rock Festival | 180 | 2699164 | 25 | 4 | Pop/Rock | 15000 | 49 | 10 | 0,20 | 39 | 10 | 0,20 | 55 | 3700 | Yes | Yes |
| Rock Festival | 70 | 6436468 | 40 | 3 | Pop/Rock | 92000 | 52 | 19 | 0,37 | 33 | 17 | 0,33 | 13 | N/A | Yes | Yes |
| Rock Festival | 185 | 4152560 | 18 | 3 | Pop/Rock | 22500 | 63 | 17 | 0,27 | 46 | 15 | 0,24 | 10 | 200 | Yes | Yes |
| Rock Festival | 152 | 3944932 | 27 | 3 | Pop/Rock | 26000 | 48 | 7 | 0,15 | 41 | 13 | 0,27 | 17 | 600 | Yes | Yes |
| Rock Festival | 301 | 14430146 | 30 | 5 | Pop/Rock | 48000 | 130 | 10 | 0,08 | 120 | 19 | 0,15 | N/A | 10700 | Yes | Yes |
| Rock Festival | 132 | 2906792 | 17 | 4 | Pop/Rock | 22000 | 54 | 9 | 0,17 | 45 | 7 | 0,13 | 5 | 700 | Yes | Yes |
| Rock Festival | 464 | 16714054 | 18 | 4 | Pop/Rock | 36000 | 21 | 6 | 0,29 | 15 | 8 | 0,38 | 7 | N/A | Yes | Yes |
| Rock Festival | 991 | 19828474 | 8 | 3 | Pop/Rock | 20000 | 75 | 24 | 0,32 | 51 | 11 | 0,15 | 10 | 1000 | No | Yes |
| Jazz festival | 17 | 207628 | 10 | 3 | Jazz | 12000 | 17 | 5 | 0,29 | 12 | 4 | 0,24 | 28 | N/A | No | No |
| Jazz festival | 26 | 236177 | 42 | 4 | Jazz | 9100 | 30 | 14 | 0,47 | 16 | 11 | 0,37 | 25 | 90 | No | Yes |
| Jazz festival | 56 | 1349582 | 27 | 5 | Jazz | 24000 | 62 | 26 | 0,42 | 36 | 25 | 0,40 | N/A | N/A | No | Yes |
| Jazz festival | 9 | 75784 | 28 | 4 | Jazz | 8000 | 28 | 12 | 0,43 | 16 | 8 | 0,29 | 28 | N/A | Yes | Yes |
| Jazz festival | 30 | 207628 | 14 | 3 | Jazz | 7000 | 20 | 3 | 0,15 | 18 | 4 | 0,20 | 10 | 90 | No | Yes |

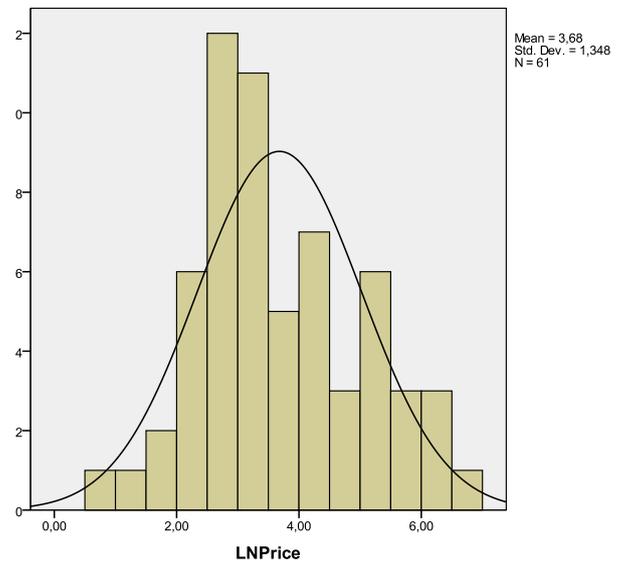
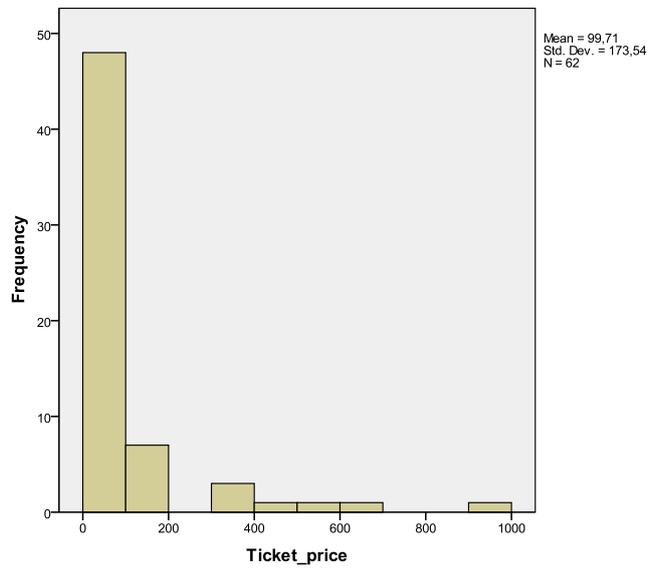
| | | | | | | | | | | | | | | | | |
|------------------|----|----------|----|----|---------|--------|-----|-----|------|-----|-----|------|----|-----|-----|-----|
| Jazz festival | 97 | 14949216 | 44 | 9 | Jazz | 154000 | 144 | 80 | 0,56 | 64 | 15 | 0,10 | 28 | 700 | No | Yes |
| Jazz festival | 22 | 67479 | 20 | 5 | Jazz | 3000 | 50 | 0 | 0,00 | 50 | 0 | 0,00 | 2 | N/A | Yes | Yes |
| Jazz festival | 17 | 73708 | 21 | 3 | Jazz | 4460 | 14 | 2 | 0,14 | 12 | 4 | 0,29 | 14 | 50 | No | No |
| Jazz festival | 76 | 52945 | 39 | 6 | Jazz | 700 | 16 | 4 | 0,25 | 12 | 4 | 0,25 | 9 | 50 | No | Yes |
| Jazz festival | 9 | 91893 | 25 | 7 | Jazz | 20000 | 200 | 40 | 0,20 | 100 | 10 | 0,05 | 8 | 200 | No | Yes |
| Jazz festival | 29 | 86925 | 19 | 3 | Jazz | 3000 | 19 | 3 | 0,16 | 16 | 7 | 0,37 | 6 | N/A | No | No |
| Jazz festival | 18 | 81726 | 17 | 6 | Classic | 4500 | 70 | 8 | 0,11 | 62 | 2 | 0,03 | 64 | N/A | No | Yes |
| Classic festival | 50 | 3320049 | 17 | 25 | Classic | 66047 | 500 | N/A | N/A | N/A | N/A | N/A | 3 | N/A | No | No |
| Classic festival | 88 | 934821 | 64 | 18 | Classic | 10642 | 118 | 1 | 0,01 | 117 | 2 | 0,02 | 1 | N/A | No | No |
| Classic festival | 11 | 52248 | 20 | 7 | Classic | 4623 | 110 | 0 | 0,00 | 110 | 0 | 0,00 | 13 | N/A | Yes | Yes |
| Classic festival | 20 | 61411 | 24 | 6 | Classic | 3000 | 32 | 2 | 0,06 | 30 | 3 | 0,09 | 22 | N/A | No | No |
| Classic festival | 8 | 3955 | 2 | 3 | Classic | 504 | 14 | 12 | 0,86 | 2 | 3 | 0,21 | 25 | N/A | No | No |
| Classic festival | 13 | 16968 | 12 | 4 | Classic | 1243 | 86 | 0 | 0,00 | 86 | 0 | 0,00 | 5 | N/A | No | No |
| Classic festival | 13 | 15091 | 24 | 4 | Classic | 1200 | 18 | 4 | 0,22 | 14 | 0 | 0,00 | 1 | N/A | No | No |
| Classic festival | 17 | 104086 | 25 | 4 | Classic | 6000 | 200 | 20 | 0,10 | 180 | 10 | 0,05 | 7 | N/A | Yes | Yes |
| Classic festival | 29 | 114613 | 27 | 3 | Classic | 4000 | 25 | 0 | 0,00 | 25 | 0 | 0,00 | 4 | N/A | No | No |
| Classic festival | 14 | 29161 | 16 | 8 | Classic | 2165 | 123 | 0 | 0,00 | 123 | 1 | 0,01 | 3 | 0 | No | No |

| | | | | | | | | | | | | | | | | |
|------------------|----|--------|----|----|---------|-------|------|-----|------|------|-----|------|-----|-----|-----|-----|
| Classic festival | 17 | 109346 | 4 | 4 | Classic | 6500 | 398 | 70 | 0,18 | 328 | 10 | 0,03 | 6 | N/A | No | Yes |
| Classic festival | 25 | 104137 | 1 | 4 | Classic | 4186 | 15 | 0 | 0,00 | 15 | 1 | 0,07 | 1 | 0 | No | Yes |
| Classic festival | 30 | 36454 | | 6 | Classic | 1200 | 43 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Classic festival | 19 | 51982 | 8 | 7 | Classic | 2782 | 76 | 3 | 0,04 | 73 | 10 | 0,13 | 11 | 0 | No | Yes |
| Classic festival | 4 | 49987 | 21 | | Classic | 12420 | 305 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | No | no |
| Classic festival | 8 | 12497 | 2 | 9 | Classic | 1650 | 46 | 0 | 0,00 | 46 | 0 | 0,00 | 13 | N/A | No | No |
| Classic festival | 0 | 0 | 6 | 2 | Classic | 4000 | 67 | 0 | 0,00 | 67 | 0 | 0,00 | 2 | N/A | No | No |
| Classic festival | 5 | 130090 | 41 | 8 | Classic | 27500 | 1000 | 0 | 0,00 | 1000 | 0 | 0,00 | 11 | N/A | No | No |
| Classic festival | 30 | 244639 | 6 | 9 | Classic | 10000 | 220 | 0 | 0,00 | 220 | 0 | 0,00 | 7 | 0 | Yes | Yes |
| Classic festival | 7 | 21196 | 25 | 7 | Classic | 3100 | 61 | 0 | 0,00 | 61 | 0 | 0,00 | 4 | 0 | No | No |
| Classic festival | 15 | 36871 | 8 | 5 | Classic | 2500 | 100 | 40 | 0,40 | 60 | 0 | 0,00 | 23 | 30 | No | No |
| Classic festival | 21 | 104184 | 22 | 6 | Classic | 5000 | 90 | 10 | 0,11 | 80 | 2 | 0,02 | 3 | N/A | No | No |
| Classic festival | 35 | 177113 | 55 | 2 | Classic | 5000 | 11 | 0 | 0,00 | 11 | 11 | 1,00 | 0 | 0 | No | No |
| Classic festival | 47 | 163153 | 46 | 12 | Classic | 3501 | 40 | 0 | 0,00 | 40 | 0 | 0,00 | 12 | 0 | No | No |
| Classic festival | 2 | 14586 | 13 | 7 | Classic | 8750 | 301 | 17 | 0,06 | 284 | 0 | 0,00 | 0 | N/A | No | No |
| Classic festival | 8 | 20004 | 16 | 8 | Classic | 2829 | 68 | 0 | 0,00 | 68 | 6 | 0,09 | 2 | 0 | No | No |
| Classic festival | 30 | 166698 | 11 | 13 | Classic | 7000 | 500 | 22 | 0,04 | 478 | 9 | 0,02 | N/A | 0 | No | Yes |

| | | | | | | | | | | | | | | | | |
|--------------------------------------|----|---------|----|----|---------|-------|-----|-----|------|-----|----|------|----|-----|-----|-----|
| Classic festival | 16 | 27129 | 35 | 7 | Classic | 1800 | 66 | 0 | 0,00 | 66 | 9 | 0,14 | 4 | 0 | No | No |
| Classic festival Classic festival | 24 | 940000 | 40 | 15 | Classic | 38898 | 200 | 50 | 0,25 | 150 | 20 | 0,10 | 16 | 125 | No | No |
| Classic festival | 34 | 7650000 | 98 | 30 | Classic | 53700 | 513 | 265 | 0,52 | 248 | 0 | 0,00 | 16 | 16 | Yes | Yes |

Appendix 2.

Examples of original data distribution and transformed data to logarithmic distribution



Appendix 3.

Classical music grants (data are from 2009⁷)

| Festival | Revenue | Sponsorship | Municipality contribution | Grants from the city | Government grants | Other grants |
|------------------|-----------|--------------|---------------------------|----------------------|-------------------|--------------|
| Classic festival | 81726.0 | 26472.57 | 1201831,00 | 0.0 | 11419.54 | 31144.2 |
| Classic festival | 3320049.0 | 134958.2 | 1201831,00 | 41525.6 | 103814.0 | 186865.2 |
| Classic festival | 934821.0 | 51907.0 | 166102.4 | 0.0 | 785768166,00 | 347673086,00 |
| Classic festival | 52248.0 | 29483176,00 | 0.0 | 0.0 | 0.0 | 18478892,00 |
| Classic festival | 61411.0 | 0.0 | 79002454,00 | 0.0 | 0.0 | 10381.4 |
| Classic festival | 3955.0 | 9343.26 | 1038.14 | 1038.14 | 0.0 | 0.0 |
| Classic festival | 16968.0 | 3010606,00 | 8824.19 | 10381.4 | 0.0 | 1201831,00 |
| Classic festival | 15091.0 | 2076.28 | 19205.59 | 11419.54 | 4152.56 | 2339714,00 |
| Classic festival | 104086.0 | 10381.4 | 8824.19 | 51907.0 | 15572.1 | 31144.2 |
| Classic festival | 114613.0 | 0.0 | 20762.8 | 7266.98 | 0.0 | 0.0 |
| Classic festival | 29161.0 | 10381.4 | 11419.54 | 9343.26 | 0.0 | 20762.8 |
| Classic festival | 109346.0 | 10381.4 | 129767.5 | 0.0 | 0.0 | 10381.4 |
| Classic festival | 104137.0 | 51907.0 | 0.0 | 20762.8 | 0.0 | 0.0 |
| Classic festival | 36454.0 | 10381.4 | 25953.5 | 31144.2 | 0.0 | 0.0 |
| Classic festival | 51982.0 | 8616562,00 | 6747.91 | 0.0 | 0.0 | 13495.82 |
| Classic festival | 49987.0 | 0.0 | 0.0 | 73915568,00 | 0.0 | 0.0 |
| Classic festival | 12497.0 | 4152.56 | 38411.18 | 7266.98 | 0.0 | 0.0 |
| Classic festival | 0.0 | 0.0 | 47754.44 | 6228.84 | 0.0 | 0.0 |
| Classic festival | 130090.0 | 1201831,00 | 124576.8 | 51907.0 | 0.0 | 0.0 |
| Classic festival | 244639.0 | 134958.2 | 20762.8 | 51907.0 | 57097.7 | 114195.4 |
| Classic festival | 21196.0 | 354317182,00 | 778605,00 | 1557.21 | 0.0 | 2906792,00 |
| Classic festival | 36871.0 | 15053.03 | 20762.8 | 4567816,00 | 2339714,00 | 36127272,00 |
| Classic festival | 104184.0 | 0.0 | 0.0 | 31144.2 | 0.0 | 7266.98 |
| Classic festival | 177113.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Classic festival | 163153.0 | 41525.6 | 47754.44 | 188941.48 | 321823.4 | 109419956,00 |
| Classic festival | 14586.0 | 0.0 | 2149940,00 | 0.0 | 0.0 | 3633.49 |

⁷ Exceptions are: Gotland Chamber Music Festival 2007, Julitafestivalen 2007, Körstämman i Skinnskatteberg 2007, Musik vid Kattegatt 2008, Sandviken Big Band Bang 2007, Stockholm Gospel Körfestival 2008, Virserums Musikdagar 2007 and Vadstenaakademin 2008.

| | | | | | | |
|------------------|-----------|----------|-------------|---------|----------|-------------|
| Classic festival | 20004.0 | 0.0 | 17336938,00 | 4152.56 | 0.0 | 1661024,00 |
| Classic festival | 166698.0 | 103814.0 | 103814.0 | 0.0 | 103814.0 | 62288.4 |
| Classic festival | 27129.0 | 0.0 | 23877.22 | 0.0 | 0.0 | 58343468,00 |
| Classic festival | 940000.0 | N/A | N/A | N/A | N/A | N/A |
| Classic festival | 7650000.0 | N/A | N/A | N/A | N/A | N/A |

Note: all numbers are in Euros.

Appendix 4.

Survey question to the organizers of the festivals to collect primary data:

1. What is the revenue of the Name of the festival?
2. How many international stars took part in the festival?
3. How many national stars took part in the festival?
4. How many superstars took part in the festival?
5. How many volunteers helped to conduct the festival?
6. Financial report from previous years