

A Strategic Analysis of the Nova Scotia Festivals and Events Industry

FINAL REPORT

PREPARED FOR:

Tourism Industry Association of Nova Scotia

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PREPARED BY:

PRAXIS Research &
Consulting Inc.

63 Otter Lake Court, Halifax, N.S. B3S 1M1

Ph: (902) 832-8991 Fax: (902) 832-8090

E-mail: research@praxisresearch.ns.ca

www.praxisresearch.ns.ca

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1. EXECUTIVE SUMMARY

This report presents findings and recommendations from a study of the festivals and events (F&E) sector within the tourism and hospitality industry in Nova Scotia. The study was carried from March to June 2004 and involved five areas of research and consultation activity:

1. Review of the research and policy literature on the development, management and evaluation of F&E in Canada and in other nations with comparable tourism industries.
2. A detailed analysis and updating of available survey research data related to F&E in Nova Scotia with particular emphasis on assessment of economic impacts.
3. Key informant interviews with experts and industry leaders regarding F&E in Nova Scotia.
4. Two planning workshops with industry members and government representatives on the F&E Committee of the Tourism Industry Association of Nova Scotia (TIANS).
5. Review of the draft report and recommendations with the F&E Committee and development and approval of an action plan.

The work of the project revealed that there is an extensive and growing literature on F&E reflecting the growing interest in the sector on the part of municipal and provincial governments in Canada and elsewhere. Certain broad themes are evident in the literature from all these jurisdictions:

1. Governments and tourism industry leaders have traditionally underestimated the economic impacts of F&E and the role they play within the wider tourism and hospitality economy.
2. Many different studies, employing a range of measurement tools and strategies, have generated evidence of the substantial and growing economic impacts of F&E.
 - However virtually all the studies identify problems in generating conclusive measures of such impacts because of the diverse and often informal nature of F&E. As well, the lack of consistent research methods and measurement standards limits the utility of comparisons and general conclusions.

3. In addition to direct economic impacts, F&E in most jurisdictions are seen to generate substantial non-economic benefits for the communities where they occur and the social and cultural groups that are involved in putting them on.
4. Governments are currently expanding their investments in training, marketing, organizational development and project/program funding for F&E.
5. There is also expanding investment in tools and resources for evaluation of F&E to contribute to ongoing program planning and management.

The study was directed to assess whether there is a need for a more comprehensive economic impact study for the F&E sector in Nova Scotia. The notion was that such a research initiative might be needed to build a business case for expanded investment in F&E.

After due consideration, this report recommends a different strategic approach. A full economic impact assessment of F&E would be expensive and time consuming and would involve significant methodological challenges. Based on research already undertaken in Nova Scotia, and on findings from the literature in other jurisdictions, there is a strong *prima facie* case for focussing scarce resources on direct supports for the F&E sector now rather than on further research to justify future investments.

The following are two specific justifications for this strategic approach:

1. The F&E sector in Nova Scotia directly competes with F&E in neighbouring provinces and in other regions of Canada and the United States. It also operates in an increasingly globalized tourism marketplace. Governments in many competing jurisdictions are now expanding their levels of investment in industry organization, training and support programs, and marketing for their F&E sectors. Nova Scotia needs to keep up.
2. Rather than wait for new research to assess economic impacts and evaluate F&E, the most practical and cost effective approach may be to expand and improve the infrastructure for F&E and to build data collection and evaluation tools into new program supports and financing mechanisms.

The report presents detailed recommendations and action priorities in the following areas:

1. Formation of a Nova Scotia Festivals and Events Council to represent and provide leadership for the sector across the province.
2. Establishment of a Nova Scotia Festivals and Events Resource Centre with staff and resources to support activities in the areas of:
 - a. Development and management of a database of F&E;
 - b. Operation of an F&E research and impact assessment program;
 - c. Outreach training and planning support; and
 - d. Promotion and coordination of joint marketing by regional F&E groups.
3. Development of a comprehensive human resource development strategy for the F&E sector.
4. Joint initiatives by the new F&E Resource Centre and the Nova Scotia Department of Tourism, Culture and Heritage to develop effective data collection and evaluation tools as a basis for ongoing assessment of the impacts of the F&E sector in the province.

2. INTRODUCTION

2.1. Purposes and Scope of Project

Nova Scotia's tourism industry and its government partners are committed to the goal of 100% growth in tourism revenues in the province over the decade ending in 2010. The achievement of this goal implies substantial growth in tourist visits and spending, and this in turn requires improvements in the number, accessibility and quality of our visitor attractions.

The festivals and events (F&E) sector is essential to this overall development effort because it responds to a growing traveler interest in historical experience, arts and culture and social contact. To the extent that the F&E sector is well organized and professionally managed it becomes possible to market unique and interesting aspects of our way of life and to showcase the rich and varied talents of our performing arts community. The sustained growth of the sector over the decade will require expanded investments in marketable products and services, development of management capacities, and ongoing improvements in the knowledge and skills of both volunteer and professional personnel.

This report focuses on the question of how central agencies in industry and government can best contribute to the ongoing development of a sector that is diverse, decentralized and largely volunteer driven. The issues will be explored through a review of the research and policy literature in Canada and elsewhere to identify best practices and the "state of the art" for facilitating the growth of the F&E industry, and through consultations with industry leaders in Nova Scotia. The report will address the following key issues:

1. The "business case" for public and private sector investment in nurturing and expanding the F&E sector.
2. The need for new organizational structures to provide appropriate leadership, direction and internal communications for the F&E industry in Nova Scotia.
3. The need for new funding sources and strategies to provide a more stable and supportive financial environment for the F&E industry.

4. The need for a human resource development strategy to address knowledge and skill needs for the voluntary workforce and to enable the development of professional managers and administrators.
5. The need for improved marketing of Nova Scotia F&E.
6. The need for new research and evaluation strategies and tools to enable F&E organizers to grow their businesses more effectively from year to year and to generate reliable assessments of the economic impacts of the sector overall.

2.2. Overview of the F&E Sector

The Government of Nova Scotia in co-operation with the Festivals & Events Committee of the Tourism Industry Association of Nova Scotia (TIANS) recently published a stand-alone guide of festivals and events in Nova Scotia. The guide, entitled the *2004 Festivals & Events Guide -- This is Nova Scotia*, provides details on three types of festivals and events:

- ❑ *Signature Festivals and Events* – “Featuring some of the best festivals and events in the world.”
- ❑ *Community Experiences* – “Opportunities to experience our special way of life.”
- ❑ *Hometown Pride* – “Enjoy our teas and suppers, markets and bazaars, and more.”

The province will host nearly 750 festivals and events in 2004. Of these, 419 events are Hometown Pride events, 297 are Community Experience events, and 31 are Signature Festivals and Events.

Of the 31 Signature Festivals and Events, 27 are held on an annual basis. The remaining four include events that are just starting up or that happen only occasionally (e.g., Tall Ships and various sports championships). The total duration of the 31 Signature events is 224 days, or an average of seven days per festival/event.

The distribution of 2004 Signature Festivals and Events and Community Experience events by tourism region is as follows:

Table 1

TRAVELWAY	SIGNATURE F&E (N=31)		COMMUNITY EXPERIENCE (N=297)		TOTAL (N=328)	
	N	%	N	%	N	%
Lighthouse Route	6	19%	81	27%	87	27%
Evangeline Trail	3	10%	59	20%	62	19%
Cape Breton	3	10%	42	14%	45	14%
Halifax Metro	10	32%	32	11%	42	13%
Sunrise Trail	3	10%	34	11%	37	11%
Marine Drive	3	10%	25	8%	28	8%
Glooscap Trail	1	3%	23	8%	24	7%
Province-wide	2	6%	1	<1%	3	<1%

As indicated in the following table, nearly one-half of F&E take place during the summer months.

Table 2

SEASON	SIGNATURE F&E (N=31)		COMMUNITY EXPERIENCE (N=297)		TOTAL (N=328)	
	N	%	N	%	N	%
Summer	6	19%	152	51%	158	48%
Autumn	4	13%	59	20%	63	19%
More than one season	15	48%	38	13%	53	16%
Spring	6	19%	28	9%	34	10%
Winter	0	n/a	16	5%	16	5%
Year-Round	0	n/a	4	1%	4	1%

The province hosts a variety of types of festivals and events. Based on the descriptions provided in the guide together with information gathered from Internet websites, the following table classifies the festivals and events by type.

Table 3

TYPE OF FESTIVAL/EVENT	SIGNATURE F&E (N=31)		COMMUNITY EXPERIENCE (N=297)		TOTAL (N=328)	
	N	%	N	%	N	%
Music	5	16%	32	11%	37	11%
Arts & Crafts	1	3%	31	10%	32	10%
Community Celebrations	0	n/a	33	11%	33	10%
Heritage/Cultural/Food	4	13%	29	10%	33	10%
Museum-Based	0	n/a	30	10%	30	9%
Sports/Recreation	3	10%	25	8%	28	9%
Holiday-Specific/Seasonal	0	n/a	29	10%	29	9%
Multi-Event Festival	11	36%	16	5%	27	8%
Agriculture/Animals	0	n/a	21	7%	21	6%
Performing Arts	4	13%	15	5%	19	6%
Commercial Event	0	n/a	9	3%	9	3%
Socials (includes dances, clan gatherings, family reunions)	0	n/a	9	3%	9	3%
Marine (includes boat and yacht events)	2	7%	6	2%	8	2%
Markets	0	n/a	8	3%	8	2%
Cars/Motorcycles	0	n/a	4	1%	4	1%

The distribution of festivals/events by duration is as follows:

Table 4

DURATION	SIGNATURE F&E (N=31)		COMMUNITY EXPERIENCE (N=297)		TOTAL (N=328)	
	N	%	N	%	N	%
2 days	2	7%	76	26%	78	24%
3 days	4	13%	68	23%	72	22%
4 days	8	26%	27	9%	35	11%
5 days	6	19%	18	6%	24	7%
6 – 10 days	6	19%	30	10%	36	11%
11 – 21 days	4	13%	5	2%	9	3%
1 to 2 months	1	3%	25	7%	26	8%
3 to 4 months	0	n/a	27	9%	27	8%
6 months	0	n/a	13	4%	13	4%
More than 6 months	0	n/a	8	3%	8	2%

In summary, the F&E sector is highly diverse and distributed through all regions of the province. It is comprised of events of varying durations at all times of the year, but with the heaviest concentration in the summer months.

Most F&E would appear to have had their origins in community life and in the rich and varied cultural traditions of Nova Scotia. The goals were not always to generate tourism activity, and in many ways the tourism industry is coming to them now, driven by an expanding traveller interest in culture, heritage and community experience. This report addresses the resulting challenges of integrating F&E within larger processes of tourism development, management and marketing while making every effort to maintain their community roots, their authenticity and their creativity.

3. LITERATURE REVIEW – SUMMARY

3.1. Introduction

The World Tourism Organization estimates that cultural tourism is growing by 15% per year (Grant Thornton) on a global basis, and the trend to more diverse and interactive tourist experiences (as opposed to exclusively “sun, sea, and sand”) is noted in much of the literature (Grant Thornton; Clarke; Getz 1997; Corporate Research Associates). As a result, festivals and events (F&E), which offer the visitor a taste of local culture, are becoming more popular (Clarke). The International Festival & Events Association in the United States notes recent “phenomenal growth” in the F&E industry (Zoltak). This worldwide growth trend is certainly evident in Nova Scotia, where the festivals and events industry has doubled since 1994, according to TIANS (see Clarke).

The special nature of the festivals and events sector has been widely noted. The Canadian F&E tourism expert Donald Getz (1991) defines a festival as a “public themed celebration” and a special event as “...a one time or infrequently occurring event outside the normal program or activities of the sponsoring or organizing body”. Getz suggests, “To the customer, a special event is an opportunity for leisure, social, or cultural experience outside the normal range of choices or beyond everyday experience”. A common characteristic of festivals and events is that they “depend on volunteer labour and are one-shot or annual occurrences of relatively short duration. This makes their organization and management quite different from those of permanent attractions.”

This review looks at selected research and policy literature on festivals and events in Nova Scotia, elsewhere in Canada, and to a limited extent in other countries, to explore what has been learned that will help facilitate the growth of the industry. The studies and articles examined in detail within this review are those identified by TIANS or the consultant as being of particular significance.

3.2. Overview of the Literature

This section provides a selective overview of the literature pertaining to three recurring themes on festivals and events: (1) evidence of F&E impacts; (2) best practices with regard to support, development and management; and (3) best practices with regard to evaluation strategies.

Evidence of Impacts

Many studies speak highly of the social, economic, and cultural benefits of festivals and events to communities and beyond. F&E “improve quality of life, expand the business and tax revenue, and create a positive community image” (Economic Development Edmonton). “In festival week the town is enriched both financially and culturally” (Association of Festival Organizers). Festivals “provide opportunities to improve community life through social interaction, increased community spirit, bonding, and a strengthened community identity” (Clarke). Festivals “are that unusual entity that brings together every part of a community” (Zoltak). “Increased volunteerism” and “reinforcement of local cultural and heritage values” were among the many impacts cited in The Randolph Group study. The Nova Scotia Department of Tourism and Culture finds that festival visitors have higher spending levels, stay longer, and have a greater tendency to return to the area than do non-festival-goers (Nova Scotia Department of Tourism and Culture, 1990).

The significant contribution of volunteers is a universal theme. The Stan Rogers Folk Festival study found that a full two-thirds of the town (586 people) participated in the 2002 festival as volunteers. Furthermore, “virtually all of the town participates in other supporting roles either as festival-goers or providing services to the influx of people” (Dayton-Johnson and King). The TIANS 1999 study calculated that some 9,000 Nova Scotian volunteers offered their time and energy to 126 community events. The National Survey of Giving, Volunteering, and Participating in 2001 revealed that of the 10 different categories identified for volunteer work in Canada, the number one volunteer contribution was “helping to organize and supervise events” (Clarke).

The studies assigned different levels of importance to social/cultural versus economic impacts. Most studies made some reference to the importance of both types of benefits. Community development impacts were sometimes seen to be “as

important as the pure economic impact” (The Randolph Group). The potential for negative impacts (e.g., disproportionate economic benefits, environmental degradation) from F&E was mentioned infrequently (Clarke).

Interest in documenting economic impact seems to be increasing, and more statistics are becoming available. Festivals “are having to become more businesslike in their management styles”, and economic impact assessments are part of this trend (Economic Planning Group of Canada, 1994). In a number of cases, the studies selected here represent the first attempt of organizations or government bodies to do economic impact analyses (Economic Development Edmonton; Grant Thornton; Association of Festival Organizers). Sometimes the issue of whether government grants were being used effectively motivated the studies.

Examples of economic impact analyses are as follows:

- ❑ The tourist spending of 90,000 visitors to Louisbourg in 1995 was assessed in terms of its impact on GDP (\$6.1 million) (Dan White and Associates and Gardner Pinfold).
- ❑ Two spending estimates, one “conservative” and one “optimistic” were developed for the Cabot ’97 events in Cape Breton (impact ranged from \$2.1 million to \$7.0 million) (Corporate Research Associates).
- ❑ An assessment was carried out of the total economic impact of the Louisbourg “Encampment ‘99” event (\$1,415,000) (Parks Canada and Tourism Cape Breton).
- ❑ An analysis of the Tall Ships 2000 event determined the incremental visitor spending which resulted in Nova Scotia (\$53,869,046) (ATi Consulting).
- ❑ A “social cost-benefit analysis” of the Stan Rogers Folk Festival in Canso calculated the net social benefit (\$295,447) (Dayton-Johnson and King).
- ❑ A study of Festivals and Events in Nova Scotia used data collected from a sample of F&E to calculate a “province-wide economic impact assessment” (\$31.6 million) (The Randolph Group).
- ❑ The Atlantic Theatre Festival in Wolfville assessed the economic impact of their event after three years of operation (\$4 million) (Bergman).
- ❑ A 2002 study of 19 major events in Québec for REMI (Regroupement des événements majeurs internationaux) evaluated the contribution to the economy (\$293 million) and estimated that for each dollar invested in the industry, another \$5.36 was generated (Groupe Conseils KPMG).

- ❑ A 1997 study of festivals in Ottawa determined the spending by visitors from outside the municipality (\$23,514,044), the gross economic impact resulting from this spending (\$32,280,273), and the federal, provincial, and municipal taxes collected (\$9,439,549) (Ottawa Tourism and Convention Authority).
- ❑ A study of Ontario's festivals and events industry (203 F&E) calculated the total direct revenue (\$22,640,999) (Ontario Ministry of Tourism and Recreation, 2001).
- ❑ The Edmonton Arts Council's study of festivals and the arts calculated the total net impact on the Edmonton region (\$82.5 million), and, with spin-offs included, the impact on the province of Alberta (\$116.6 million) (Economic Development Edmonton).
- ❑ The City of Langley, British Columbia calculated overall visitor spending for "cultural tourism" (\$17,522,000), and, using the provincial government's multiplier formula, determined the economic spin-off (\$22,550,000) (Grant Thornton).
- ❑ The economic impact of the Springfest event in Ocean City, Maryland was calculated (\$1,922,000 US), together with the economic impact on personal income (\$1,101,000 US), which the authors feel to be the most meaningful measure (Crompton, Lee, and Shuster).
- ❑ The Association of Festival Organizers and the Arts Council in England determined the total expenditures arising from 350 folk festivals in England (77 million pounds -- \$191 million Canadian) (Association of Festival Organizers).
- ❑ In the United States, the International Festivals and Events Association assessed the combined economic impact of festivals and events produced by IFEA members (estimated to exceed \$15 billion US) (Zoltak). In fact, Zoltak quotes a report by D.K. Shifflet and Associates which determined that festivals and events account for "a higher percentage of U.S. room night demands than business conventions".

Many studies cite the untapped potential of the F&E sector. For example, the Langley study notes that "there could be significant opportunity to generate greater economic and social benefits from cultural tourism", particularly considering that there has not been "coordinated, strategic efforts to develop, package, and market cultural tourism on a regional basis" (Grant Thornton).

Best Practices – Support, Development, and Management

There is a growing recognition that coordinated support to the F&E sector is necessary. The Ontario Tourism Festivals and Events 2002 study noted that although historically the provincial government has not viewed festivals and events as an important component of the tourism sector, “this attitude is clearly changing” (Ontario Ministry of Tourism and Recreation, 2002). The study recommended a “Strategic Festivals and Events Industry Sector Plan” with input from all stakeholders. The Langley study recommended that building strategic partnerships is key to the growth of the industry. The need to coordinate festival and event resources and programs was highlighted (Grant Thornton). The recommendation that an F&E Development Secretariat be created was one result of the PEI Major Events study. The body would assist F&E with training and professional development, marketing, and research (Economic Planning Group of Canada, 1994).

Independent festivals and events organizations have been created in several provinces to better support the growing industry. Examples of these provincial bodies and their responsibilities can be found in Appendix IV.

The need for human resources development, for both volunteers and managers, was a common theme. The Ontario 2002 study recommended a “Volunteer Strategy”, and a plan for ongoing training of F&E staff and volunteers. Although the Langley study speaks highly of the participation of volunteers in cultural tourism, it warns that a heavy dependence on volunteer labour is risky. High turnover, variable skill levels, and the serious problem of “volunteer burn-out” are familiar in the sector. As a result, the very first recommendation made by the study was that the municipality hire a well-qualified tourism development and marketing professional who could help develop cultural tourism. The report emphasized that the successful implementation of the other recommendations would depend very much on this person’s capabilities (Grant Thornton). One of the few recommendations made to improve upon the Tall Ships 2000 event in Halifax was that the role of professional event organizers be expanded in order to improve communication with sponsors, suppliers, local institutions, and businesses.

Training needs identified by the PEI study included: business plan development, fundraising and corporate sponsorship, program planning, volunteer development and management, and market and impact research for festivals and events

(Economic Planning Group of Canada, 1994). The Ontario study recommends that a F&E best practices management guide be developed “profiling issues such as: lessons learned and tips in successful applications for funding, sources of funding, marketing, obtaining corporate sponsorship, volunteer management strategies, planning checklists, social and economic impact, feedback mechanism, useful contacts, etc.” (Ontario Ministry of Tourism and Recreation, 2002).

A study of “best practices” in parks, recreation, and cultural services by the City of Richmond, B.C. found that the most successful initiatives have resources allocated to supporting and training volunteers, and ensuring that a range of involvement is available to volunteers, from service provision all the way up to leadership development opportunities (City of Richmond, B.C.). A better understanding of the motivation of volunteers is a good place to start. Dayton-Johnson and King point to the importance of the experience volunteers gain from F&E participation: “Recent research...in Canada suggests that in sluggish labour markets, volunteer experience is a form of human-capital investment or training”. Several studies pointed to the need for a deeper understanding of the participation of unpaid family labour and volunteers in tourism initiatives (Smith; Clarke). The federal government’s 2001 accord with the voluntary sector was seen as a positive first step in developing a more effective working relationship between the voluntary sector and the government (Canada: Voluntary Sector Taskforce, 2001).

The Randolph Group study noted that opportunities for training specific to festival and event management were more common in some jurisdictions outside Nova Scotia. This trend toward more degree and certificate programs in event management continues, (Zoltak) with a number of community college programs available in Festivals and Community Events Management in different Canadian cities. Two universities in England have established degree courses specializing in event management. One program, at Leeds Metropolitan, is a four-year course and “has had lots of industry support” (Flack). Courses offered include subjects such as event environment, management issues, consumer behaviour, marketing, law, and health and safety.

Access to appropriate funding sources and dependence on government funding was recognized as a very serious problem by most studies (e.g., Ontario Ministry of Tourism and Recreation, 2002; Economic Planning Group of Canada, 1994; The Randolph Group; TIANS; City of Richmond, B.C.). Other funding-related challenges were: inadequate corporate sponsorship and a shortage of human

resources to plan and carry out programs. The TIANS study summed up what it found to be the F&E organizers' key challenge as "funding, funding, funding". The Randolph Group study showed that most Nova Scotia festivals and events "would not survive without government funding, unless new sources of revenue can be tapped". Many festivals and events that began as community-oriented activities have realized the potential to attract tourists and thereby stimulate economic development in their communities. This new approach requires a business orientation with tourism becoming a focus, not a "by-product". The Randolph Group study found that there is "potential to maintain a good bottom line and also be compatible with the festival's original goals and objectives which may be more social and cultural oriented".

To help address the problem of dependence on government, and the labour-intensive search for funds, the Ontario 2002 study recommended the possibility of multi-year funding for F&E with longer-term potential. Also suggested was that F&E need to be provided with comprehensive information on funding sources, and that certain F&E may benefit from the charitable registration process (Ontario Ministry of Tourism and Recreation, 2002). In Québec, a study for the Regroupement des événements majeurs internationaux (REMI) demonstrated that the provincial government's 1999 decision to invest in major events had strengthened the quality of the products offered, increased attendance, and significantly increased revenue over a three year period (Groupe Conseils KPMG).

Support for improved marketing was cited as crucial. "Market-readiness varies from product to product" because of the limited resources of small businesses, lack of knowledge of visitor expectations, limited funding for facility upgrades and staffing, and reliance on volunteers (Grant Thornton). More effective marketing is therefore a common objective of the F&E community. "Knowing our customers, their needs and preferences is essential to success" (City of Richmond, B.C.). The Ontario 2002 study recommended that a "market research service of high quality" be made available to support the F&E industry (Ontario Ministry of Tourism and Recreation, 2002). The Corporate Research Associates study of Cabot '97 events pointed to the need for detailed qualitative research to better understand the older, more mature visitor market that has become so important to tourism in Cape Breton. Making information on festivals and events more streamlined and readily available, and publicity materials more consistent and user-friendly is suggested in

the PEI study. Cooperative marketing programs were thought to be particularly efficient for the F&E sector (Economic Planning Group of Canada, 1994).

The Langley study recommended that the cultural tourism industry focus on competitive strengths. Also suggested was that a development perspective encompassing both short and long-term objectives be taken. One or two “quick wins” would be appropriate to launch in the immediate term but otherwise 5-7 years would be reasonable for the development of a mature cultural tourism industry. The study recommended a product development strategy for priority cultural tourism products (Grant Thornton).

Best Practices – Evaluation Strategies

The need for accurate attendance estimates as the basis for realistic survey results was noted by Getz (1997); Research Resolutions and Consulting; and Crompton, Lee, and Shuster. The latter also advised that visitor questionnaires be kept short. “The shorter it is, the less time it takes for respondents to complete, and the more likely it is that they will cooperate in the study.”

As mentioned previously, there appears to be little uniformity in terms of economic impact assessment methodology. A desire for improved consistency in measuring and reporting is increasingly evident, however. The study by the Association of Festival Organizers in England illustrates the need for research about who is attending festivals and events, and how they are contributing to the hosting region. Publicity, sponsorship, and funding efforts were all thought to be strengthened by the availability of relevant documentation. The TIANS survey of 1999 emphasized the need to use uniform data collection methodology in order to build on previous research and to identify trends.

There is an increasing amount of literature outlining the critical importance of valid economic impact assessments if the festivals and events industry is to accurately portray its worth. The Ontario Ministry of Tourism and Recreation (2002) study found, however, that there is a serious lack of understanding of what economic impact assessment is, and why it is useful. Only a small minority (5%) of the festivals they studied in 2001 claimed to have done impact assessments, and of those, only one-third were deemed by the research to be examples of proper economic income analyses. The use of inaccurate methods and faulty assumptions in many economic impact assessments is highly criticized by Crompton, Lee, and

Shuster in a case study of a Maryland festival. They warn of the serious consequences this has for the industry: “The inevitable result of the misuse of economic impact methodology has been the growth of a backlash against the idea that tourism has any role to play in local economic development”. The ACOA study of Newfoundland and Labrador echoes this concern: “Any economic impact assessment that relies primarily on unfounded estimates of spending activity to measure outcomes is prone to inaccuracy and in turn, does not achieve its intended purpose” (Atlantic Canada Opportunities Agency). Crompton, Lee, and Shuster discuss in some detail which expenditures should and should not be counted in an accurate economic impact assessment.

The many complexities of carrying out “methodologically rigorous studies with ample sample sizes” are noted by the Research Resolutions and Consulting study in Ontario (2004). In fact, these challenges lead the author to raise the question of whether economic impact studies should be the “metric of success” for small and medium sized fairs, festivals, and events. “Most people would agree that properly funded economic impact studies of *mega-events* are justified but is it economically sound to adopt such complex and sophisticated studies for *all* of Canada’s fairs, festivals and events? Do we have or can we develop other small tools that would serve the needs of the many small fairs, festivals, and events that take place across the country annually?”

The Ontario 2002 study report included the recommendation that F&E organizers receive education about the benefits of economic impact assessment, and that the assessment process be standardized -- including survey forms, inputs/outputs, analysis, and reporting methods (Ontario Ministry of Tourism and Recreation, 2002). A “how to” manual for conducting relevant research would be part of this evaluation package.

The Langley study pointed out the need for a tourism inventory database to take advantage of the benchmarks their research uncovered. A simple tracking form was suggested to help tourism planners keep current on attendance, market origin, length of stay, and visitor expenditures. Festival and event organizers would be encouraged to complete these forms on a regular basis (Grant Thornton).

In the state of Victoria, Australia, there has been increasing recognition of the important impact that festivals and events have on the regional economy. Arts Victoria has worked in partnership with various levels of government, and with two

universities to develop a “simple but rigorous model to assess the economic contribution that festivals and events make to their local communities” (Arts Victoria, 2002). This customized Excel-based computer program involves data entry from a face-to-face survey with festival and events audiences, input of F&E income and expenditure, automatic data calculation of the impact of the F&E on the regional economy, generation of reports on visitor origins, visitor expenditure and F&E finances. The kit is made available free of charge and researchers from the School of Tourism and Hospitality at La Trobe University assist with dissemination of the resource, and training of the festival/event organisers in the use of the kit. Support and training covers “all aspects of kit usage including managing a visitor survey, data collection and analysis, and interpreting and reporting results”.

Arts Victoria states that the key issue in evaluating the impact of an event on a particular community “is to identify how much economic activity has been generated through visitors from outside the region being attracted into the region by the festival”. This criterion is considered fundamental by a number of the other studies reviewed (Ottawa Tourism and Convention Authority; Economic Development Edmonton; Crompton, Lee, and Shuster; Parks Canada and Tourism Cape Breton; Chhabra, Sills, and Cabbage; Getz 1997; Research Resolutions and Consulting). The Ottawa study avoids looking at the spending of local residents at festivals, as these expenditures are considered to have “virtually no incremental benefit”. The North Carolina Highland Games study also accounts only for out-of-area visitor spending, because these attendees are the ones “bringing in dollars that are usually spent elsewhere” (Chhabra, Sills, and Cabbage). Both the Ottawa and the Edmonton studies used the Tourism Economic Assessment Model (TEAM), a computer model developed by the Canadian Tourism Research Institute. The model allows for adjustment to reflect the specific structure of the particular economy. These adjustments, and the exclusion of non-relevant expenditures, were said to result in model analyses in which “impacts can safely be considered very conservative” (Economic Development Edmonton).

The PEI study offers two economic impact models, one that includes only non-resident visitor spending, and a second model that counts both non-resident and resident festival-related spending (Economic Planning Group of Canada, 1994).

There was some interest in recognizing volunteer contributions in economic impact analyses. The Tourism Canada 1988 study recommended that the participation of volunteers should be integrated into economic assessments. “Their time and effort

do reflect real human costs” (Canada: Tourism Canada). The economic impact of volunteer contributions to cultural tourism was part of the Langley study’s framework. The provincial minimum wage rate was used to calculate the volunteers’ contribution. With 683 active F&E volunteers, the study found the contribution to be of considerable significance (\$18,860,400) (Grant Thornton).

4. SUMMARY OF FINDINGS FROM KEY INFORMANT INTERVIEWS

4.1. Introduction

Fourteen key informant interviews were completed between March 28th and April 22nd, 2004. The interviewees were selected from a list provided by the TIANS F&E Committee. There were three government representatives and the rest were individuals who had occupied or currently occupy key leadership roles in the planning and management of F&E. Among them they represented the following F&E stakeholder groups:

- ❑ A Way with Words – Kentville;
- ❑ Acadian Celebration – Cornwallis;
- ❑ Acadian Celebration – Grand Pré;
- ❑ Annapolis Valley Apple Blossom Festival;
- ❑ Cape Breton Regional Municipality;
- ❑ Celtic Colours – Cape Breton;
- ❑ Evangeline Trail Tourism Association;
- ❑ Halifax Jazz Festival;
- ❑ Halifax Regional Municipality;
- ❑ Memory Lane Heritage Village – Lake Charlotte, HRM;
- ❑ Nova Scotia Department of Tourism, Culture and Heritage;
- ❑ Pier 21 – Halifax;
- ❑ Riverfront Music Jubilee – New Glasgow;
- ❑ Sam Slick Days – Windsor;
- ❑ Sherbrooke Village; and
- ❑ South Shore Tourism Association.

The interviewees were given assurances that their comments would be treated in confidence. Therefore in the summaries below the sources of specific comments are not provided.

The interview guide is attached in Appendix III.

4.2. Findings

4.2.1. Impact of F&E Sector

A point of virtual consensus among the interviewees is that F&E are undervalued in terms of their contribution to the overall tourism economy in Nova Scotia. There were numerous examples given of the impacts of F&E at the community level, such as:

- ❑ Exhibitors spent \$30,000 in a small community for a weekend event;
- ❑ 4,000 people from an 80 km radius came to a winter weekend event in a small town, and spent up to \$100,000; and
- ❑ Hotels and restaurants are full during the events but they do not recognize the contribution or support F&E.

One interviewee summed up the situation as follows: “F&E are critical to the overall tourism economy -- it’s why people come and why they come back”. Another said, “F&E are important because they keep people in our region longer”. It was stated that one festival in Cape Breton extends the fall season by a week for local hotels and restaurants.

Interviewees described numerous spread effects in their communities including investments in facilities with multiple year-round uses, support and increased business for local arts and culture groups, and the development of community organizational capacity and leadership.

Interviewees agreed that many F&E are significant events in towns and rural communities, contributing to a stronger sense of identity and community pride. There were several examples cited where annual F&E have become important homecoming celebrations and showcases for local arts and culture.

In summary, the interviewees agreed that F&E are critically important to the wider tourism industry within local areas and have major social and cultural benefits for communities.

4.2.2. Strengths of the F&E Sector

There was consensus among the interviewees that Nova Scotia has significant strengths and a strong competitive position in the global market for F&E. The sector encompasses a good diversity of events throughout the province with larger venues drawing in audiences for smaller and different types of F&E.

The most frequently mentioned assets are the strong indigenous culture and a vibrant performing arts community. Another important factor is the emergence of advanced professional management capabilities within the larger F&E, and effective community based leadership and management in the volunteer sector. At all levels there is an available “army” of volunteers supported by strong communities. The accumulated expertise in F&E management is leading to more effective partnerships among community organizations, private sector interests, and government agencies.

4.2.3. Weaknesses

Interviewees were asked to identify critical weaknesses in the F&E sector in Nova Scotia. The largest number of responses clustered around the lack of stable and secure funding. There was concern about uncertainties and vulnerabilities arising from over-dependence on government financial support. This was seen to arise in part from a lack of private sector recognition and support and limited success in recruiting corporate sponsors.

One interesting point is that visitors from outside the province are prepared to pay much higher admission fees for concerts and festivals, but ticket prices must be kept low to accommodate local audiences. This factor restricts the revenue base for community based F&E that are successful in attracting “come from away” attendees.

Another broad area of concern is related to difficulties in recruiting, managing, and training the volunteer labour force. Some see growing problems arising from burnout and negative demographic trends in parts of the province. Even in areas where there is no apparent lack of volunteers there is high turnover and a need to training new people. There is also a perceived need to “refresh” the volunteer leadership on an ongoing basis, to attract more young people, and to encourage innovation and creativity.

Another important challenge was seen to be the organizational weakness of the F&E sector within the wider tourism industry. The sector lacks coordination, leadership and advocacy capabilities. There is also a perceived lack of sharing of knowledge, ideas and experience within the sector, and no industry-wide approach to evaluation of product and service quality and to generating information about numbers of visitors and other economic and social impacts.

It was argued that the sector should take steps to be more inclusive with regard to First Nations and other minority cultural groups. There is also a need for improved marketing and advertising specifically targeting the F&E sector.

4.2.4. Future Outlook/Challenges

Interviewees were asked to identify current and future trends, opportunities and threats, that may impact on the sector in positive or negative ways, and that should be addressed in planning and management of F&E.

There was a clear consensus that government funding will not grow, and some expectation that it will shrink over the next few years.

The respondents generally felt that the target audience for F&E is growing for the foreseeable future, within the region and nationally and internationally. There are more people who are retiring at a younger age, are mobile, and have disposable income. The wider market for F&E is comprised in large part of people looking for authentic artistic and cultural experiences within niche markets such as jazz, Celtic or country music, particular types of arts or crafts, outdoor experiences, historical replications, etc. There is also expanding interest in genealogy and family history, particularly for people from away with roots in this region.

Interviewees pointed out that marketing via the worldwide web is becoming essential for F&E. Consumers want to plan their trips and make detailed arrangements for tickets, accommodations, restaurants, rental cars, etc. well ahead of time and be assured that everything is arranged and that quality is guaranteed.

There were mixed views on future supplies of volunteers. Some observers feel that the volunteer population will grow with more young retirees and empty nesters. Others feel it is aging and getting burned out, and that there are fewer and fewer young people, particularly in rural communities.

4.2.5. Support Needs

The interviewees were asked to identify the most important support needs for F&E in Nova Scotia.

Outreach Services

The most important need that was identified was for a resource centre providing outreach services across the province. The priority services are:

- ❑ Training sessions and workshops in local areas during the off-season;
- ❑ Facilitation of event planning with F&E local groups; and
- ❑ Deployment and supervision of regional F&E coordinators.

Training

There were several mentions of the potential value of developing a Superhost program tailored to the needs of the F&E sector.

The interviewees identified the following priorities for locally delivered workshops and training programs (not in order of importance):

- ❑ Event planning;
- ❑ Financial management;
- ❑ Food and beverage services;
- ❑ Fund-raising and getting sponsors;
- ❑ Health and safety;
- ❑ Marketing and communications;
- ❑ Proposal writing; and
- ❑ Recruiting, managing, and motivating volunteers.

Marketing

In the area of marketing the interviewees identified the need for more support from local tourism associations and more aggressive marketing at the provincial level. There were positive comments on the new F&E brochure.

Recommendations for expanded F&E marketing activities included:

- Focused, large-scale campaigns outside the province;
- More joint marketing by F&E (including package tours); and
- Planning sessions and training workshops specifically on marketing.

A good example to learn from is the Acadian celebrations where 11 different organizations are pooling resources to do joint marketing for the overall event. TIANS, the regional tourism associations, and the Regional Development Authorities might be able to develop similar marketing strategies for the overall F&E sector.

Another example of joint effort is Sherbrooke where 16 community groups, businesses and events have formed the “Sherbrooke Now” partnership to do marketing together.

Funding

When asked about ways to improve the availability and stability of financial supports for F&E, several interviewees felt that there is currently too much dependence on government. There is a need to get both big business and local businesses more involved in sponsoring and otherwise supporting F&E. Other sectors of the tourism, food service and hospitality sectors need to be made more aware of the contributions made by F&E to their bottom lines.

Key informants expected federal money to shrink in the short term. Concerns about provincial government support focused both on the limited resources and the uncertainty from year to year.

Within the available government support, interviewees want to see stable multi-year financial arrangements. There is an identified need for more funding for mid-sized events from agencies such as ACOA.

Several key informants mentioned that stabilization of financial supports will depend on improved accountability, and this in turn requires better program evaluation and tracking of economic impacts.

It was suggested that if government agencies invested more in an overall marketing program for F&E that would take pressure off the budgets for local groups and free up money for programming.

F&E groups need professional support and training for proposal writing and communications with potential sponsors.

Interviewees suggested that a one-stop shop for information about government and private sector funding sources and programs would be very useful to the sector.

4.2.6. Building Links among F&E Groups

Interviewees agreed on the need for more effective leadership, advocacy and coordination for the F&E sector. There were different views, however, on whether TIANS should take on the role of the F&E service agency, or whether there should be an independent association or network providing support services for F&E.

Some felt that TIANS should have the professional and support staff to coordinate F&E, operating under the direction of a strong, representative F&E committee. There were several suggestions that TIANS should have a person on staff to serve as provincial planner and coordinator (as was the case in the past). There was also emphasis on the need for regional planning committees and field workers operating under the TIANS umbrella.

Others favoured a stand-alone F&E network or organization that would represent the sector and perhaps channel resources to community based groups. Existing associations for adventure tourism, golf, the Innkeepers' Guild, and the B&B sector might serve as models.

There were mixed reviews on the utility of the annual Tourism Industry Conference for the F&E sector. Some felt F&E should have a higher profile there. Most felt that the conference has useful content and is an excellent opportunity for networking for F&E groups. However it is difficult for volunteers to go to Halifax for two or three days due to time off work and direct financial costs.

It was suggested that many F&E groups are not aware of the TIANS subcommittee or of the Tourism Partnership. There needs to be outreach and communications to get more groups involved and taking advantage of services already available.

One approach might be to make access to funding and marketing supports contingent upon participation in the sectoral network or association.

However, the overall weakness in the sector is that many groups have very limited budgets and rely on volunteers so they can not manage membership fees or active participation in provincial organizations. It is not clear that a traditional sector organization model will work in this situation. A more “top-down” approach to provide communications and service infrastructure may be necessary to get local groups to participate and take advantage of available supports. It may also be useful to organize local or regional networks or associations as a starting point, and build up from there over time.

4.2.7. Measuring Economic Impacts

Interviewees were asked for suggestions on how best to measure the economic impacts of the F&E sector.

Three clear messages came across:

1. Everyone agrees on the need for reliable and credible impact assessments and program evaluations as a basis for attracting more investment and making ongoing improvements.
2. Much of the measurement now being done is arbitrary, unreliable and lacking in credibility.
3. Nearly everyone feels that most F&E have limited capacities themselves to conduct more rigorous assessments, and sees the need for a more centralized and standardized approach.

Some of the larger F&E have done very effective tracking of attendance and where audience members come from through their ticket sales systems, balloting and surveying at the events. F&E that do not charge admissions and are volunteer run have much more difficulty with measurement and tracking.

Suggestions for improvements included:

- ❑ TIANS and/or the government should develop standardized, user-friendly tools for F&E groups and provide training and support for their deployment;
- ❑ There must be additional financial support for F&E to hire staff to manage and coordinate tracking activities;
- ❑ Access to overall funding support might be tied to participation in evaluation and tracking activities;
- ❑ The provincial Tourism department could give more emphasis to F&E participation and spending in their exit surveys; and
- ❑ The value of volunteer labour should be factored into the economic impact assessments.

5. ECONOMIC IMPACT ANALYSIS

5.1. Survey Of Festivals And Events Organizers In Nova Scotia

5.1.1. Background

In response to the need for current information on the festivals and events sector, the Nova Scotia Department of Tourism, Culture and Heritage, in partnership with the Tourism Industry Association of Nova Scotia's Festivals and Events Committee, conducted a survey of festivals and event organizers in the summer months of 2003. The purpose of the survey was to assist government and industry stakeholders with the development of long-term strategic priorities and plans for the festivals and events sector in Nova Scotia.

The survey gathered information on the state of the sector and covered the following topics:

- ❑ The nature and types of event;
- ❑ Budgeting and funding;
- ❑ Marketing;
- ❑ Human resources;
- ❑ Community support;
- ❑ Economic impact; and
- ❑ The current issues, constraints, and challenges facing the industry.

The TIANS F&E Committee requested that the consulting team for this project work closely with the Nova Scotia Department of Tourism, Culture and Heritage to make every effort to use this recently generated survey data and to draw out the available evidence on economic impacts.

Target Population

The target population comprised representatives of festivals and events that are two or more days in duration. Based on this criterion, the Nova Scotia Department of Tourism, Culture and Heritage developed a list, or sampling frame, of 380 festivals and events.

Sampling Procedure and Response Rate

Of the 380 festivals and events, 24 were identified by the Nova Scotia Department of Tourism, Culture and Heritage as having the ability to impact visitation to the province. The selection criteria for the 24 festivals was based on information collected by previous surveys and included annual attendance levels, location, markets, marketing/advertising budget, sponsorship, duration, number of volunteers, and number of paid staff.

This group of 24 was contacted by telephone. The remaining 356 festivals and events were forwarded the survey by mail and requested to respond by August 8th, 2003.

Of the 380 festivals and events surveys that were distributed, 66 surveys were completed by the deadline. A survey report, dated November 13, 2003, presented the results from the 66 completed surveys. The results were used to assist in the presentation of a strategy for the sector at the annual Tourism Conference in Halifax in November 2003.

An additional three surveys were completed following the deadline. To gain a broader picture of the sector, the results of an additional three surveys have been incorporated into the following analysis. In addition, data entry was verified and any errors were corrected. Of the 69 surveys, 16 were completed by telephone and 53 were completed and returned by mail.

In summary, a total of 69 surveys were completed. The overall response rate was 18.2% of the original sample frame (69 divided by 380). The response rate was 67% of the targeted 24 festivals/events and 15% of the remaining group of 356. The overall results should be read with caution given the low response rate of the non-targeted group.

Statistical Accuracy of Results

The statistical accuracy of the data will depend on the group under discussion. The minimum statistical accuracy for the survey results is plus or minus 10.7%, 19 times out of 20, for proportions, assuming there is no missing data. If there is 10% or less missing data, then the minimum statistical accuracy is plus or minus 11.4%, 19 times out of 20, for questions reporting proportions. These statistical accuracy

estimates for proportions assume a conservative estimate of 50%, corrected using a finite population correction factor.

It is unknown whether the non-respondents have the same characteristics of the respondents; therefore the following estimates cannot be extrapolated to the total population of festivals and events. In fact, given the higher response rate of the targeted 24 festivals and events. It is probable that the great majority of non-responses are for smaller festivals/events. On the other hand, some of the larger festivals also did not respond to the survey and given their size, the impact of these non-responses could be significant. Consequently, the total figures are only minimal estimates and cannot be extrapolated to the total population.

5.1.2. Survey Findings

The following section profiles the survey respondents and then focuses on those survey results pertaining to economic impact issues.

Profile of Survey Respondents

The survey respondents were first asked to indicate in what year the festival was established. The tenure of the 69 festivals and events is as follows:

Table 5

NUMBER OF YEARS ESTABLISHED		
	#	%
More than 50 years	5	7%
31 to 50 years	4	6%
11 to 30 years	35	51%
5 to 10 years	15	22%
Less than 5 years	9	13%
Don't Know	1	1%

Source: Nova Scotia Tourism and Culture Festivals and Events Survey, 2003 - Question 1.

Survey respondents were asked to classify their festival or event into one of 18 categories; however many found it difficult to just use one classification. To account for this, the following table presents the frequency of mentions.

Table 6

FESTIVAL/EVENT TYPE		
	#	%
Celebrations	19	28%
Heritage	11	16%
Culture	10	14%
Arts & Crafts	9	13%
Music	8	12%
Agriculture	6	9%
Performing Arts	5	7%
Sports/Recreation	5	7%
Outdoor	4	6%
Other: animals, antiques, cars/motorcycles, children's events, clan/family gatherings, holidays, marine	8	12%

Source: Nova Scotia Tourism and Culture Festivals and Events Survey, 2003 - Question 4.

Though the specific question was not asked, the location (“Travelways”) of the festivals or events is presented in the following table:

Table 7

LOCATION OF FESTIVAL OR EVENT		
	#	%
Evangeline Trail	18	26%
Lighthouse Route	12	17%
Halifax Metro	11	16%
Cape Breton Island	9	13%
Sunrise Trail	7	10%
Marine Drive	5	7%
Glooscap Trail	4	6%
Undetermined	3	4%

Source: Nova Scotia Tourism and Culture Festivals and Events Survey, 2003.

In conclusion, the survey results clearly represent various types of festivals/events and geographic locations. The results appear to provide a fairly sound representation of the sector.

Economic Impact Indicators

Number and Origin of Visitors

The survey respondents were asked whether they track the number of visitors that attend their festival or event.

Table 8

TRACK NUMBER OF VISITORS ATTENDING FESTIVAL OR EVENT		
	#	%
Yes, track visitors	51	74%
No, do not track visitors	16	23%
Did not respond	2	3%
Total	69	100%

Source: Nova Scotia Tourism and Culture Festivals and Events Survey, 2003 - Question 5.

The methods used for tracking attendance include:

Table 9

METHODS FOR TRACKING ATTENDANCE		
	#	% of Respondents (n=69)
Admission	37	54%
Crowd Counts	26	38%
Sales	10	14%
Other methods: prize ballots, computer, annual event survey, guest signatures, and guesstimates	10	14%

Source: Nova Scotia Tourism and Culture Festivals and Events Survey, 2003 - Question 6.

The organizers were asked to approximate the number of people who attended the festival or event in 2002.

Table 10

ESTIMATED ATTENDANCE LEVELS		
	#	% (n=69)
1,000 or less	14	20%
1,001 to 5,000	20	29%
5,001 to 10,000	11	16%
10,001 to 25,000	9	13%
25,001 to 40,000	4	6%
40,001 to 500,000	4	6%
Don't Know/Not Applicable	7	10%

**Source: Nova Scotia Tourism and Culture Festivals and Events Survey, 2003
- Question 7.**

Based on these attendance estimates, 62 festivals/events attracted 1.36 million people in 2002. Four of the festivals, that responded, accounted for nearly 1 million or over 68% of the total person visits. The remaining 58 festivals witnessed an average of 7,600 person visits in 2002. (311 festival/event organizers did not respond to the survey and therefore their attendance levels are not included in the estimates.)

Survey respondents were asked to estimate the origin of visitors.

Table 11

THE ORIGIN OF VISITORS¹ (n=62)		
	# of Person Visits	% of Person Visits
Local Community Residents (within 50 km radius)	591,300	43%
Adjacent Communities (within 51 – 100 km radius)	248,240	18%
Other Nova Scotia (traveled more than 100 km)	162,200	12%
Atlantic Canada (NL, NB, PEI)	145,630	11%
Central Canada (PQ, ON)	40,400	3%
Western Canada (MB, SK, AB, BC)	29,850	2%
Northern Canada	25,940	2%
New England States	36,720	3%
Other US	31,365	2%
Europe	4,480	<1%
Other: Australia, New Zealand, Asia	20	<1%
Unable to specify	46,200	3%

Source: Nova Scotia Tourism and Culture Festivals and Events Survey, 2003 - Question 9.

Residents of Nova Scotia comprised the largest share of visitors – accounting for 73%. Non-resident visitors accounted for roughly 23% of the total. For the 16 targeted festivals/events, the percentage share of resident versus non-resident visitors was 67% and 30%, respectively.

Uses and Sources of Budget

Organizers were asked to indicate the overall budget for the current year's festival or event.

¹ Note that figures are rounded.

Table 12

OVERALL BUDGET		
	#	% (N=69)
Less than \$10,000	17	25%
\$10,001 to \$100,000	23	33%
\$100,001 to \$500,000	9	13%
Over \$500,000	6	9%
No Answer/Don't Know	14	20%
Minimum	\$175	
Maximum	\$4 million	

Source: Nova Scotia Tourism and Culture Festivals and Events Survey, 2003 - Question 10.

It is noted that a significant number of respondents were unable to answer this question. Missing data accounts for 20% of the responses and therefore the statistical accuracy of the responses is questionable.

Based on these figures, the overall budget for 55 festivals and events totalled \$10.1 million. One of the festivals alone accounted for 40% of the total budget. The six largest festivals had budgets totalling \$6.8 million.

Survey respondents were requested to estimate the percentage of the budget allocated to the following cost categories (Question 11):

- Contractor services/supplies;
- Entertainment costs;
- Equipment rental;
- Event staffing;
- Facility rental;
- Insurance;
- Planning/organization;
- Marketing/advertising; and
- Security services.

Of the 69 respondents, 43 were able to account for roughly 100% of the budget. Seventeen were not able to or did not provide estimates and the remaining nine provided percentages but could not account for the whole budget. Of the 43, 2 provided percentages but not the size of their overall budget figures. For the 41

respondents who responded to both questions, budget expenditures totalled \$7.1 million or 70% of the overall budget of \$10.1 million. Given the low response rate to this question, the wide variance in responses, and one festival alone accounting for 56% of the \$7.1 million, the responses have low statistical accuracy and therefore are not further analyzed.

Survey respondents were asked to estimate the percentage of the budget that came from the following sources of funding (Question 12):

- Federal government;
- Provincial government;
- Municipal government;
- Sponsorship;
- Admission;
- Donations;
- Fundraising; and
- Other.

Of the 69 respondents, 44 were able to account for roughly 100% of the budget. Fifteen were not able to or did not provide estimates and the remaining 10 provided percentages but either accounted for significantly more than the budget or could not account for the whole budget. Of the 44, 3 provided percentages but not their overall budget figures. For the 41 respondents who responded to both questions, budget expenditures totalled \$7.0 million or 70% of the overall budget of \$10.1 million. Again, the responses to this question are not further analyzed given the low response rate to this question, the wide variance in responses, and the fact that one festival alone accounts for 57% of the \$7.0 million.

Organizers were asked whether they charged admission to attend their festival/event:

Table 13

CHARGE ADMISSION TO ATTEND FESTIVAL/EVENT		
	#	%
Yes	40	58%
Yes, only some venues	11	16%
No	17	25%
Did not respond	1	1%
Total	69	100%

Source: Nova Scotia Tourism and Culture Festivals and Events Survey, 2003 - Question 13.

The types of admission paid to attend festivals and events are as follows:

Table 14

TYPES OF ADMISSION		
	#	Frequency of Mention
Price at the door	35	51%
Price for each event	19	28%
Event passes	13	19%
Daily passes	12	17%
Other (include week/weekend passes, advance tickets, donations)	10	14%

Source: Nova Scotia Tourism and Culture Festivals and Events Survey, 2003 - Question 14.

The next question asked respondents to indicate what was the average price in 2002 of the various types of admission. This information, together with the responses from the previous questions, could be a means to determine the total value of admissions collected by the festivals and events. This estimate of value of admissions is, however, difficult to determine from the information provided as details are not provided on how many people attending the event or festival paid what type of admission. In some cases, visitors paid different types of admission for different aspects of the event. The responses given for questions 13, 14 and 15 therefore cannot be used to provide estimates of the value of admissions.

Employment Impact

The following discussion considers the employment impact of festivals and events. In the survey, a series of questions cover the following topics:

- ❑ The number of paid employees, year round and seasonal (questions 37 and 38);
- ❑ The number of volunteers (question 42); and
- ❑ Number of paid employee hours and volunteer hours committed to plan and operate this year’s festival/event (questions 41 and 43).

A number of other related questions are also asked including whether the festival/event is incorporated, whether a management/organizational team has been established, job responsibilities and source of funding for paid employees— however the focus of this analysis is to cover those specifically relating to economic impact.

The number of paid employees who were involved in organizing the festival/event totalled 209 for 47 festivals. The responses to this question are as follows:

Table 15

NUMBER OF PAID EMPLOYEES		
	# of F&E	Frequency of Mention
0	20	29%
1 to 5	37	54%
6 to 10	6	9%
11 to 25	4	6%
Don’t Know	2	3%

Source: Nova Scotia Tourism and Culture Festivals and Events Survey, 2003 - Question 37.

The majority of festivals and events employ between one and five people.

As illustrated in the following table, the majority of paid employees are seasonal:

Table 16

TYPE OF EMPLOYMENT		
	# of Employees	% of Employees
Year-Round (n=43)	40	19%
Seasonal (n= 43)	145	69%
Don't Know/No Answer	24	11%
Total	209	100%

Of the 40 year-round employees, 37 worked a total of 882 weeks (3 responses are missing). Of the 145 seasonal employees, 127 employees worked a total of 378 weeks (8 responses are missing). Overall, the 43 festivals/events employed 185 people who worked a total of 1,260 weeks. Again, extrapolation of these figures is cautioned given that the characteristics of the non-response population are unknown.

Survey respondents were asked to estimate how many volunteers are involved in organizing the festival or event. It is noted that a significant number (30% of 69) were unable to quantify the number of volunteers.

Table 17

NUMBER OF VOLUNTEERS		
	#	%
0	2	3%
1 to 25	30	43%
26 to 50	6	9%
51 to 75	2	3%
76 to 100	3	4%
101 to 750	5	7%
Don't Know	21	30%

An estimated 2,908 volunteers were involved in the organizing of 46 festivals and events.

The survey respondents were asked to estimate the number of paid employee hours and volunteer hours that were committed to plan and operate this year's festival/event. Of the 47 festivals and events that hired paid employees, only 28 were able to provide estimates on the number of paid hours. For those festivals/events involving volunteers, 36 provided estimates on the number of

volunteer hours. The non-response rates are high and therefore the estimates have low statistical accuracy.

Overall Economic Impact

Survey respondents were asked whether there has been an assessment of the economic impact of their festival or event.

Table 18

ASSESSMENT OF ECONOMIC IMPACT OF FESTIVAL/EVENT		
	#	%
Yes	14	20%
No	54	78%
Did Not Respond	1	1%
Total	69	100%

Source: Nova Scotia Tourism and Culture Festivals and Events Survey, 2003 - Question 45.

For those that indicated Yes, they were asked to provide a copy or summary of the results. As only a handful of respondents provided details, it is difficult to determine whether there is consistency in methodologies.

The timing of the 14 economic assessments was as follows:

Table 19

TIMING OF ECONOMIC ASSESSMENT	
	#
Within the past 12 months	3
In the last 1 to 3 years	5
In the last 4 to 6 years	3
More than 6 years ago	3

Source: Nova Scotia Tourism and Culture Festivals and Events Survey, 2003 - Question 46.

Only 4% of all respondents conducted an economic impact assessment within the last year.

The 14 economic impact assessments were completed by:

Table 20

WHO COMPLETED ASSESSMENTS	
	#
Event Employee	4
Government	2
Professional School	1
Other – Trade Centre Limited, Tourism Nova Scotia, Canadian Association of Fairs and Exhibitions, volunteers	6
Don't Know	1

Source: Nova Scotia Tourism and Culture Festivals and Events Survey, 2003 - Question 47.

Survey respondents were asked to approximate the economic impact of the festival/event in their community. The distribution of responses is as follows:

Table 21

APPROXIMATE VALUE OF ECONOMIC IMPACT		
	#	% (N=69)
Between \$900 and \$10,000	4	6%
\$10,000 to \$50,000	3	4%
\$50,001 to \$120,000	6	9%
Between \$1 million and \$6 million	8	12%
\$15 million to \$20 million	3	4%
Don't Know	45	65%

Source: Nova Scotia Tourism and Culture Festivals and Events Survey, 2003 - Question 48.

Although only 14 economic impact assessments have been completed, 24 festival and event organizers provided estimates of economic impact. Based on the responses for this question, the total economic impact of 24 festivals and events is approximately \$72.9 million. Given the low number of responses to this question and the wide variance in responses, this figure has low statistical accuracy and therefore interpretation has little meaning. The non-response rate is a source of bias.

The most interesting finding is that 65% of respondents could not provide estimates of the economic impact of their festival or event. In a few cases, respondents estimated that their festival or event had a zero economic impact; these responses were coded as Don't Know.

Conclusions

In summary, the survey results reveal the following economic impact issues:

- ❑ Nearly three-quarters of respondents track the number of visitors;
- ❑ 1.36 million people attended 62 festivals in 2002;
- ❑ 73% of visitors were residents, 23% were non-residents, and the remaining 3% were of unspecified origin;
- ❑ 55 festivals/events have a total budget of \$10.1 million – although one festival/event alone accounted for 40%;
- ❑ The low responses to questions related to the sources and uses of budgetary funds makes it difficult to draw conclusions;
- ❑ 47 festivals/events provided paid employment to 209 people in 2002;
- ❑ The majority of festivals/events employed 1 to 5 people;
- ❑ Most paid employees are seasonal;
- ❑ Many respondents could not estimate the number of volunteers involved in organizing their festival/event;
- ❑ Only a low number of respondents were able to provide the number of paid employee and volunteer hours committed to planning and operating the festival/event;
- ❑ Only 20% of respondents have an economic impact assessment of their festival/event and only 4% have completed one in the last 12 months;
- ❑ Only 24 respondents provided estimates of economic impact of their festivals/events (totalling approximately \$72.9 million); and
- ❑ The most interesting finding is that 65% of respondents could not provide estimates of the economic impact of their festival or event.

In conclusion, the survey results make it difficult to draw any meaningful conclusions on size of the economic impact of the festivals/events sector in Nova Scotia. The most valid indicator is the number of visitors to festivals/events in 2002. The following will attempt to use these estimates to draw out available evidence on economic impacts.

5.1.3. Economic Impact

Economic Impacts of Visitors to Festivals/Events

The 2000 Nova Scotia Visitor Exit survey, published by the Nova Scotia Department of Tourism and Culture, collects key tourism statistics from visitors to the province. Of particular interest, the survey results include the following visitor expenditure data:

Table 22

DAILY EXPENDITURES PER VISITOR TO NOVA SCOTIA		
Visitors from:	Excluding Air/Ferry Costs	Including Air/Ferry Costs
Atlantic Canada	\$50	\$58
Other Canada	\$62	\$81
Outside Canada	\$89	\$120

Source: 2000 Nova Scotia Visitor Exit Survey – Pages 14 and 15.

The 2002 Canadian Travel Survey reports statistics on intra-provincial person-trips (80+ kilometres, same-day and overnight) made by Nova Scotians. Based on the 2002 survey, the Nova Scotia Department of Tourism and Culture provided daily expenditure data of \$36 per person. Note that the impact of including or excluding air/ferry costs is minimal and therefore it is assumed that the expenditures are \$36 per person.

Based on this data and the origin of visitor data from the surveys, the estimated economic impact generated by the spending of non-resident and intra-provincial (100+ km, same day and overnight) visitors at 62 festivals or events, who responded, **is at least** \$25.4 million excluding air/ferry costs and \$30.8 million including air/ferry costs.² Note that the number of visitors travelling more than 80 km was not available from the survey – so only the number of visitors travelling more than 100 km is included in the determination of economic impact. Also, it is unknown how long people stayed even though the festival or event was two or more days in duration. It is likely that the economic impact is greater if non-responses and extended stays are taken into account.

² Note that data on visitor origin was available for only 62 of 69 F&E who responded to the survey.

The following table summarizes how the \$25.4 million estimate was calculated. Similar methodology was employed to determine the \$30.8 million estimate.

Table 23

ECONOMIC IMPACT			
Visitors from:	# of Visitors	Daily Expenditures	Economic Impact (# of visitors x daily expenditures)
Other Nova Scotia (traveled more than 100 km)	162,200	\$36	\$5.8 million
Atlantic Canada	145,630	\$50	\$7.3 million
Other Canada	96,190	\$62	\$5.9 million
Outside Canada	72,585	\$89	\$6.4 million
Total	476,605	\$54	\$ 25.4 million

The limitations to this economic impact estimate, however, are as follows:

- ❑ Measures the impact to the province and not to the local community or festival/event as the visitor exit survey captures spending within the province;
- ❑ Does not include expenditures by visitors travelling less than 100 km as visitor expenditure data is not readily available from the survey results;
- ❑ It assumes a one day visit to the festival or event as it is unknown how long visitors attended the event; and
- ❑ Does not identify on-site versus off-site per capita spending and does not identify how much of the spending is incremental and therefore attributable to the festival or event. The visitors to these festivals/events may have spent this money regardless of whether the festival or event had taken place. As indicated in the ACOA 2003 report, out-of-province visitor expenditures are incremental if the festival or event:
 - Increased the length of stay;
 - Increased expenditures to the province; or
 - Increased the number of visitors to the province.

The survey results do not provide the requisite information. In fact, it is likely that only a handful of festivals/events currently collect this type of information. It is therefore difficult to determine the full economic impact of festivals/events in Nova Scotia.

5.2. Visitor Exit Survey

Every four years, the Nova Scotia Department of Tourism and Culture completes a visitor exit survey. As indicated on the first page of the most recent report (2000 Nova Scotia Visitor Exit Survey), “*the survey has two primary objectives:*”

- ❑ *To update key tourism statistics that are used to calculate industry activity. For example, the survey measures both party and average expenditures, which are used to determine the size and performance of Nova Scotia’s tourism industry; and*
- ❑ *To provide trip and visitor profile information. For example, the survey collects data related to respondents’ trip purpose, activities respondents participated in while visiting the province, and identification of positive and negative aspects of respondents’ experiences in the province.”*

The survey gathers information on same-day and overnight visitors to the province, however the report focuses exclusively on overnight visitors. The survey does not include Nova Scotians travelling within the province. Between June 5th and November 30th in 2000 over 3,900 surveys were completed with overnight visitors.

The survey results include statistics on visitors to special events and festivals in Nova Scotia. For the purposes of this report, the Nova Scotia Department of Tourism, Culture and Heritage generated custom runs for those visitors who participated in a special event/festival. The data includes daily spending per visitor, average party size, average length of stay, origin, how much was spent by these visitors, and main reason for coming to Nova Scotia. The following section presents some of this information.

Between June 5th and November 30th, 2000, an estimated 313,000 non-resident visitors participated in special events/festivals in Nova Scotia. The origin of residence was as follows:

Table 24

THE ORIGIN OF VISITORS		
	# of Person Visits	% of Person Visits
Atlantic Canada (NL, NB, PEI)	112,700	36%
Ontario	79,800	25%
Western Canada	34,300	11%
Mid-Atlantic US	24,100	8%
Québec	16,500	5%
Northeastern US	12,300	4%
Overseas	12,600	4%
Midwest Southern US	8,700	3%
Western US	4,400	1%

The number of parties, who participated in festivals/events, totalled 130,394 with an average number per party of 2.4³ and average stay in Nova Scotia of nine nights⁴. For 12% of the parties (or 15,647), the main reason for coming to Nova Scotia was to attend a special event/festival.

³ Nova Scotia Department of Tourism and Culture. 2000 Visitor Exit Survey – Visitors who participated in special events/festivals. Table 1

⁴ Ibid, Table 7.

The average expenditure per party was \$1,683 including air/ferry costs. The distribution of expenditures was as follows:

Table 25

ESTIMATED EXPENDITURES PER PARTY		
	\$	%
Ferry & Air Fares	381	23%
Fixed Roof Accommodation	348	21%
Restaurants	360	21%
Taxi/Car Rental	108	6%
Auto – Repairs/Gas/Oil	96	6%
Groceries & Liquor	92	5%
Recreation & Entertainment	87	5%
Clothing Purchases	75	4%
NS Handcrafted Products	72	4%
Other Shopping	43	3%
Campground Fees	26	2%
Other	4	<1%

As such, the total expenditures of non-resident visitors, who participated in festivals or events in Nova Scotia between June 5th and November 30th, equalled \$219 million including air/ferry costs. The total expenditures for non-residents whose main reason for visiting the province was to attend a special event/festival reached an estimated \$26 million.

The average daily expenditure by origin of visitor was as follows:

Table 26

AVERAGE DAILY EXPENDITURE BY ORIGIN OF NON-RESIDENT VISITOR				
	Expenditures/ Party	Number People/Party	Number Nights/Party	Daily Spending/ Person
Atlantic Canada	\$663	2.7	5.2	\$47
Ontario	\$1,673	2.3	10.5	\$69
Western Canada	\$2,604	2.1	10.3	\$120
Mid-Atlantic US	\$2,981	2.2	15.0	\$90
Québec	\$1,127	2.1	7.5	\$72
Northeastern US	\$1,495	2.1	8.3	\$86
Overseas	\$4,181	2.2	17.6	\$108
Midwest/South US	\$2,448	2.1	8.2	\$142
Western US	\$1,255	2.2	5.9	\$97
Overall	\$1,683	2.4	9.0	\$78

Based on this expenditure data, the total daily expenditures of non-resident visitors attending festivals/events between June 5th and November 30th, 2000 were \$22.4 million. Again isolating those non-residents whose primary reason for visiting the province was to attend a festival/event, the total daily expenditures were \$2.7 million.

The expenditure figures provide rough estimates of the economic impact of festivals and events in Nova Scotia. Interpretation of these figures, however, is subject to the following provisos. The figures....

- ❑ Do not identify on-site versus off-site per capita spending and how much of the spending is incremental and therefore attributable to the festival or event;
- ❑ Measure the off-site impact to the province and not to the local community or festival/event as the visitor exit survey captures spending within the province; and
- ❑ Capture non-resident visitors to the province between June 5th and November 30th and therefore do not include non-resident visitors to any winter/spring events/festivals.

5.3. Summary of Findings

In summary, the review of recently generated data yields the following evidence of the economic impacts of festivals and events in Nova Scotia:

Table 27

ECONOMIC IMPACT OF FESTIVALS AND EVENTS IN NOVA SCOTIA	
Indicator	Estimated Size
Attendance Levels (Question 7)	1.36 million person visits (n=62)
Origin (Question 9)	73% - residents; 23% - non-residents; 4% don't know (n=62)
Budget (Question 10)	\$10.1 million (n=55)
Employment (Question 37)	209 paid employees (n=47) 2,908 volunteers (n=46)
Overall Estimated Economic Impact (Question 48)	\$72.9 million (n=24)
Total Tourism Daily Expenditures of those Non-Resident and Intra-Provincial Visitors (100+ km, same day and overnight) who visited 62 F&E (Question 7, 2000 Nova Scotia Visitor Exit survey, and 2002 Canadian Travel Survey)	\$25.4 million (excluding air/ferry costs) \$30.8 million (including air/ferry costs)

Source: 2003 Survey of 69 Festival and Event Organizers

Table 28

ECONOMIC IMPACT OF FESTIVALS AND EVENTS IN NOVA SCOTIA	
Indicator	Estimated Size
Attendance Levels	
- Number	313,000
- Percentage of non-resident visitors to Nova Scotia	20%
Number of Parties	130,394
Average Party Size	2.4
Average Stay in Nova Scotia (nights)	9
Number of Parties whose main reason for coming to Nova Scotia was to attend a special event/festival	
- Number	15,647
- Percentage of Non-resident Parties Visiting Special Events/Festivals	12%
Non-Resident Tourism Expenditures including air/ferry costs	
- Average Expenditure per Party	\$1,683
- Total Expenditures	\$219 million
- Daily Expenditures	\$22.4 million
Non-Resident Tourism Expenditures (for visitors whose main reason for coming to Nova Scotia was to attend a special event/festival)	
- Average Expenditures per Party	\$1,683
- Total Expenditures	\$26 million
- Daily Expenditures	\$2.7 million

Source: 2000 Nova Scotia Visitor Exit Survey, Non-Resident Visitors who Participated in Special Event/Festivals in Nova Scotia Between June 5th and November 30th, 2000

As discussed, these measures provide very rough estimates of the economic impact of festivals and events in Nova Scotia. Without further information on actual spending on and off site and attendance levels for all festivals and events throughout the year, it is not possible to generate more realistic economic impact estimates.

6. WORKSHOP REPORT

A festivals and events strategic planning workshop was held at the TIANS office on April 23, 2004. The agenda for the workshop (see Appendix V) included a review of findings from the literature review, economic impact analysis and key informant interviews, followed by planning and priority setting.

The workshop was attended by four members of the TIANS F&E Committee (three of whom are F&E organizers), two representatives of Nova Scotia Department of Tourism, Culture and Heritage, two professional managers of F&E, and three project staff from PRAXIS Research.

The workshop first reviewed the findings from the literature review and from local studies on the economic impact of F&E. Participants expressed agreement with the following general conclusions drawn by the consultants:

- There is consensus from all studies in other jurisdictions and from local research and consultations that the economic impact of the F&E sector is substantial. The impacts include both direct and secondary benefits or spread effects. Many studies also identified significant social and cultural benefits.
- Despite the considerable evidence of its importance the sector is not sufficiently recognized and supported by other parts of tourism industry.
- In the research and tracking studies done in Nova Scotia and in other jurisdictions a wide variety of approaches to measuring economic impacts are utilized with little consistency across the many F&E. It is therefore very difficult to assess social and economic impacts on an industry-wide basis. Given these inconsistencies and the challenges of doing rigorous research in a sector that is so diverse and so dependent on volunteer labour, it is perhaps impossible to quantify social and economic impacts overall.

The workshop participants discussed the available estimates of the economic impacts of F&E are inadequate and that they substantially underestimate the value of the sector. The overall tourism industry in NS is seen to generate \$1.2 billion in total tourism spending while the available estimates of spending associated with F&E are in the range of \$219 million, or 18% of the total.

The participants agreed that the issue of funding for F&E is critical.

When considering funding applications, the province currently looks at number of attendees, visitor origin, length of stay and demographic profile. “Signature Events” are designated according to attendance, marketing budget, sponsorship, duration and volunteer/staff numbers. Many F&E are not able to generate reliable data on these factors.

It was noted that ACOA has allowed volunteer labour to count as in-kind contributions in F&E budgets. Accurate tracking and measuring of this variable is therefore important. Standard measurements of volunteer time/value are needed. Also data on employee numbers, payroll, seasonality, qualifications and status has to be collected in a systematic and reliable manner.

Consistency of data collection for “Signature Events” and “Community Experiences” is needed and therefore tools should be standardized and research and data tracking should be centralized.

At the end of the workshop the following research tasks were identified:

- ❑ Search for more information on the F&E as a demand generator;
- ❑ Look for models for F&E organizations in other provinces; and
- ❑ Develop a categorization of F&E from the provincial guide.

The workshop concluded with a discussion on the most appropriate form of leadership organization for the F&E sector in the province.

Representatives of the Department of Tourism, Culture and Heritage expressed an interest in having sector leadership body that can speak for the sector on policy and planning issues, and through which it can channel support and coordinate activities for F&E.

Opinions varied on whether it is more workable to set-up a separate industry association (parallel to the Adventure Tourism Association, Golf N.S., the Innkeepers’ Guild, etc.) or to expand the role and effectiveness of the current TIANS F&E committee linked to staffing and other resources.

The consultants noted that there was substantial evidence from the research and policy literature that a conventional industry association model may be difficult to achieve in the F&E sector because of the wide diversity of stakeholder groups, the heavy reliance on volunteer management and leadership and the general scarcity of financial resources among F&E groups.

Industry members in the workshop generally favoured the establishment of an F&E leadership body with an identity distinct from TIANS. TIANS would continue to provide support services to the sector, but the association would develop policy and planning priorities and liaise with the province.

The workshop agreed on a strategic approach to establish a leadership and coordination capacity for the F&E sector:

1. Based on this report, the F&E Committee with support from TIANS should elaborate a business case for the development of an F&E coordinating body and centralized service delivery for the F&E sector.
2. The business case should be presented to funding agencies with requests for start-up and sustaining funding.
3. Under the direction of an expanded and more representative F&E leadership group, and in partnership with TIANS, a resource centre should be established to provide the following services to F&E in the province:
 - a. Outreach training and planning support;
 - b. Assistance with fund-raising and recruitment of sponsors;
 - c. Centralized coordination and quality control for economic impact assessment, program evaluation and other research; and
 - d. Coordinated marketing and promotion of F&E.

7. SUMMARY OF FINDINGS & RECOMMENDATIONS

This section of the report includes a brief review of the principal findings and recommendations for action by the F&E Committee and TIANS.

7.1. Leadership, Organization and Support Services

7.1.1. Findings

Key informants who were interviewed placed very high priority on the development of a sectoral association or leadership group to provide direction and coordination for the F&E sector. Representatives of the Nova Scotia Department of Tourism, Culture and Heritage make clear their interest in having a sectoral leadership group to work with on policy, planning and service delivery.

Underlying this issue is the widely shared understanding that the F&E sector is not adequately recognized in terms of its contribution to the overall tourism economy. The review of the literature makes clear that awareness of the value of F&E is growing in other jurisdictions and that the concerns identified in Nova Scotia are shared by stakeholders in many other parts of Canada and beyond. The F&E sector is a critically important component of the overall tourism product, and regions or countries that develop and market their F&E more effectively will have a major advantage in an increasingly competitive global marketplace.

Stakeholders agree that the F&E sector is highly fragmented in Nova Scotia and that many F&E groups do not think of themselves as being part of an industry with common concerns and needs. Participation in the existing leadership groups and in wider tourism networks is uneven and sporadic at best. F&E groups are largely made up of volunteers with limited financial resources and frequent turnover in leadership. A number of stakeholders expressed the view that leaders in the smaller F&E groups are more likely to participate in local support networks linked to their specific interests (sports, folk music, crafts, etc.) than they are to join a province-wide umbrella organization for the overall sector.

On the marketing side, it is apparent from the literature and from local consultations that F&E are now emerging as a significant focus for marketing activity by governments and industry organizations. Traditionally individual F&E did their own marketing with a strong emphasis on local audiences and little targeting of tourists from other regions. More recently, however, “Signature Events” in Nova Scotia such as Tall Ships, the International Tattoo and Celtic Colours have led the way in integrating F&E with the wider tourism industry and demonstrating what a powerful economic driver the sector can be. F&E have consequently gained a much higher profile in Nova Scotia’s tourism marketing activities. The smaller events, and those in the off- season, are now benefiting from greater recognition and support.

Stakeholders would like to see more effort by the Department of Tourism, Culture and Heritage to market F&E as distinct products and to target audiences outside of Nova Scotia. Some feel that the wider tourism industry does not understand the contribution of F&E, and that there is a marketing job to be done within the industry to achieve greater recognition, support and investment for F&E from the tourism private sector.

A key area for future development is networking local F&E and joint marketing initiatives within regions of the provinces or industry sub-sectors (folk music, crafts, agricultural events, etc.). Another critical area is the expanded use by individual F&E of the World Wide Web to find specialized audiences and facilitate audience access. These and other marketing improvements require expanded knowledge and skills among F&E managers.

7.1.2. Recommendations

Based on the information gathered from stakeholders and insights derived from the wider research literature, the consultants conclude that the F&E sector in Nova Scotia at this stage in its development is not sufficiently consolidated to be able to support an independent industry association. Because the sector is so diverse, so dependent on volunteer leadership and so limited in resources and recognition, it does not have the capacity to become significantly more self-directed in the short term. There are a few larger F&E that are professionally managed and capable of working together to promote their common interests, and they should be encouraged to do so, but they may not be representative of the sector overall.

Given these realities, the consultants recommend a two level strategy for the development of the F&E sector in Nova Scotia:

1. Expand and restructure the existing TIANS Committee to form a Nova Scotia Festivals and Events Council to represent and provide leadership for the sector across the province:
 - a. A clear and achievable mandate:
 - i. To promote the recognition of the F&E sector as an essential component of the overall tourism industry in Nova Scotia;
 - ii. To develop policy and strategic plans for the development of the sector in areas such as training, funding and marketing;
 - iii. To serve as the advisory council and policy board for the proposed Nova Scotia Festivals and Events Resource Centre (see below); and
 - iv. To provide advice and direction to government and tourism industry partners with regard to the recognition and ongoing development of the F&E sector.
 - b. Membership on the council from every “Signature Event” and from a representative sample of well established “Community Experience” events across the province.
 - c. Sufficient resources to hold at least two council meetings and a province-wide conference each year.
2. Establish a Nova Scotia Festivals and Events Resource Centre with the following mandate and capacities:
 - a. Development and management, in partnership with the Department of Tourism, Culture and Heritage, of a database of F&E groups as a basis for communications and networking activities and to promote “sector awareness”.
 - i. Electronic newsletter;
 - ii. Encouragement and support for local or sub-sectoral support networks;
 - iii. Handbooks, checklists and lists of contacts; and
 - iv. Notification of upcoming events.

- b. Development and management of an F&E research and impact assessment program.
 - i. Standardized data gathering methods, tools and procedures;
 - ii. Training of F&E staff to participate in data collection;
 - iii. Centralized data analysis; and
 - iv. Feedback of findings and lessons learned to F&E groups.
- c. Outreach training and planning support.
 - i. Local or regional event planning workshops and mentoring;
 - ii. Local or regional training for volunteer event managers; and
 - iii. Training, mentoring and support for fund-raising and recruitment of sponsors.
- d. Promotion and coordination of joint marketing.
 - i. Facilitation of local, regional or sub-sector networks for joint marketing; and
 - ii. Liaison between F&E networks and government marketing programs.
- e. Partnership with F&E Council.
 - i. Provision of secretariat services to the Council;
 - ii. Planning and coordination of research activities, sharing and communications of findings, and follow-up planning and implementation;
 - iii. Organization, implementation and delivery of the annual F&E conference; and
 - iv. Design and implementation of communications strategies to promote awareness and recognition of the F&E sector.

In practical terms these two action elements are interdependent. The consultants feel that the most effective way to develop awareness and collective capacity in the F&E sector in Nova Scotia is to begin with the establishment of a unified service hub. As more and more groups participate in support activities provided by the resource centre and receive support from it, they will become aware of their place within a wider industry sector and form relationships with peer groups and potential partners. Training and mentoring will result in greater professionalism among event managers and enhanced abilities to participate in networking, joint planning and marketing, and research activities.

For the resource sector to be effective and credible, however, it will need advice and direction from key stakeholders in the F&E sector. The proposed Council will provide legitimacy and solid policy and strategic direction for the resource centre. Appropriate models from other provinces to be considered in developing the Council are described in Appendix IV.

TIANS currently has advanced capabilities in the key service areas envisaged for the F&E Resource Centre – research, training and communications. At present, however, there is no stand-alone F&E service unit with dedicated resources within TIANS.

The most direct way to initiate the Resource Centre might therefore be to establish a partnership between the Department of Tourism, Culture and Heritage, a new F&E Council and TIANS to work through the following steps:

1. Establish a mandate and strategic plan for the operation of the Resource Centre over a three to five-year period on a contractual basis;
2. Identify and allocate sufficient resources for TIANS to establish a dedicated F&E unit including a coordinator and outreach staff; and
3. Define accountabilities among the three partners and any other funding agencies.

7.2. Human Resources Strategy

7.2.1. Findings

There are two areas of strategic concern with regard to human resources in the F&E sector: the professional workforce and the volunteer sector.

In a recent survey in Nova Scotia the 47 F&E that responded utilized 3,000 volunteer workers and provided paid employment for 209 people in 2002. The great majority of paid jobs were on a seasonal basis. Many of the event managers who were surveyed could not reliably estimate the number of volunteers and the hours worked by both paid staff and volunteers in organizing and conducting their F&E.

With regard to the development of the professional workforce for the F&E sector the following are principal concerns:

1. Many of the larger and mid-sized F&E do not currently have trained professional staff, or do not have enough of them, and would benefit significantly from added resources.
2. Among paid staff there is a need to expand and up-date knowledge and skills in the areas of event planning, fund-raising, access to corporate sponsors, IT applications, research, marketing, and recruitment and management of volunteers.
3. There are effective training opportunities available in Nova Scotia at both the university and community college levels and through the Tourism Human Resource Sector Council. However the uptake in these programs is currently limited and their impact on the F&E sector is uncertain at best.

There were different points of view on the current and future supply of volunteer labour. Some research reports and key informant interviews describe a growing problem because of the ageing of the current volunteer base, out-migration from small towns and rural areas (particularly of young people), the economic pressures that families feel to find more paid work, and the general problem of burnout. These trends are resulting in shrinking supplies of volunteers and higher turnover rates for many F&E. There are also concerns about the need to “refresh” the leadership of some F&E by bringing in younger people and creative new blood.

Other observers suggest that expanding populations of “empty nesters” and relatively young retirees are meeting their needs for skilled and dedicated volunteers. The continuing strength and vitality of Nova Scotia communities, and the growing interest in our own history and cultural traditions, mean that people are willing to help with events that are important for local pride and shared identities.

On balance, the weight of evidence would suggest that attracting and maintaining a committed volunteer labour force will become more and more difficult for many if not most F&E. The future viability of many F&E, particularly in the smaller towns and rural areas, may therefore depend on changes such as the following:

- ❑ Expanded resources and opportunities for paid compensation for people occupying key positions in planning, organization and delivery of F&E;
- ❑ Training and mentoring programs for F&E managers to improve their abilities to recruit and manage volunteer workers;

- Tax changes and other incentives for volunteer participation; and
- Expanded training opportunities to make volunteer positions more attractive and rewarding, and to improve the human capital or enhanced employability benefits of volunteer activities.

One positive sign is that the federal government has recently devoted significant attention to the wider issue of voluntary sector development, and is considering tax changes and other policy and program initiatives in this area. The Community Foundations of Canada is currently working with Human Resource and Skills Development Canada to explore the feasibility of a national sector council for the voluntary sector.⁵ This may result in improved resources and program support for training and professionalization in the voluntary sector across the board.

7.2.2. Recommendations

The F&E sector is an essential component of a wider tourism industry that must become more “productive” and sophisticated to meet the challenge of an increasingly competitive global marketplace. Tourism, and F&E in particular, is about people and about service. Building and maintaining an F&E labour force, including both the professional and volunteer components, is clearly a first order priority. The skills and capabilities of the labour force, and the emerging challenge of attracting and holding the professional and volunteer personnel that are needed, are key factors in determining the sustainability of many F&E and the capacity of the sector to contribute to the overall goals for tourism development in Nova Scotia.

This report provides evidence on the scale and nature of these challenges, and examples of best practices in other jurisdictions. However, there is insufficient evidence at this point to set out a strategy to address the many aspects of human resource development for F&E beyond the above recommendations concerning the establishment of an F&E leadership body and a resource centre. Elaboration of strategic goals such as professionalization of F&E managers, marketing of careers in the sector, and more systematic recruitment and training of volunteers, will require more detailed research, consultation and planning than have been possible within the limited scope of this project.

⁵ Website: www.community-fdn.ca. The key contact at Community Foundations is Ms Lynne Toupin (613 236-2664).

The core recommendation is therefore that the Tourism Human Resource Sector Council, the new F&E Council and the Department of Tourism, Culture and Heritage together undertake a project to develop a comprehensive human resource development strategy for the F&E sector. This initiative would be comprised of the following elements:

1. A literature review to identify and assess human resource development programs and resources specific to the F&E in other jurisdictions in Canada, the US and other relevant settings.
2. An inventory of education and training programs currently available to the F&E sector in Nova Scotia, and an assessment of their strengths and weaknesses relative to the needs of the sector.
3. A comprehensive needs assessment with stakeholders throughout the F&E sector to identify education and training priorities and appropriate delivery structures and methods.
4. Elaboration of a comprehensive action plan covering the following areas of concern:
 - a. A professionalization program for F&E managers and program staff, including standards and certification options.
 - b. A training and certification program for F&E volunteers.
 - Such an initiative should be consistent with programs for professional staff so that it generates career development benefits for volunteers.
 - c. Consultation and partnership with education and training institutions to integrate the new training priorities and standards.
 - d. Policy and program supports to enhance the affordability of professional and volunteer participation in training and certification.
 - e. A communications and marketing plan to promote careers and volunteer participation in the F&E sector through participation in the training and certification programs.

7.3. Evaluation and Economic Impact Assessment

7.3.1. Findings

The issue of research and economic assessment is complex. Most informed observers believe that the social and economic benefits generated by the F&E sector are substantial – and generally underestimated – but that more rigorous research is needed to build the business case for wider investments in the sector.

The studies done in Nova Scotia and other jurisdictions employ different methods and measurement standards, and have produced varying results. It is difficult to generate accurate assessments of the economic impacts of many F&E because of their informal nature, the lack of uniformity and rigour in record keeping, and the overlapping of local, regional and outside audiences. For many community-based events it is a particular challenge to define and measure incremental impacts from tourist attendance. There are also varying approaches to deciding whether and how to assess the economic value of volunteer labour and in-kind contributions, and whether and how to measure non-economic spread effects and outputs such as community pride or enhanced employability for volunteer workers.

Given these challenges, we would identify two strategic options:

1. Undertake substantial research in Nova Scotia to generate conclusive evidence to support the business case for investing in the F&E sector.
2. Accept as a given that the F&E sector is very important, and that there is a clear business case for investing in more effective support services and coordination, and proceed on that basis.

The consultants recommend the latter approach for the following reasons:

1. While not consistent in either methodology or detailed findings, the existing research literature provides a convincing business case at a general level for expanded investment in F&E:
 - a. Most studies identify significant positive impacts; and
 - b. Tourism competitors in Canada and beyond are recognizing the value of F&E and are investing in expansion of support services.

2. To undertake a credible economic assessment of F&E in Nova Scotia will require a substantial expenditure of time and money that might better be employed in providing stronger supports to the sector.
3. In building up coordination and support services it will be possible to put in place a much more consistent and rigorous data collection system with which to assess economic impacts over the short to medium term.

In short, the consultants feel that there is sufficient evidence to justify moving ahead with a development strategy for the F&E sector in Nova Scotia now, putting in place the data collection and analysis capabilities that are needed as part of the process.

7.3.2. Recommendations

The recommendations set out above for the F&E Council and Resource Centre describe a broad approach to developing support services including data collection and research. Separate documents accompanying this report provide templates for interview guides and survey instruments.

The following are recommended guidelines for improving and expanding data collection for F&E.

1. The Nova Scotia Department of Tourism, Culture and Heritage should expand and enhance items dealing with F&E in the existing visitor exit survey.
 - a. Identification of specific F&E that are attended, and duration of attendance;
 - b. Details of spending at actual events; and
 - c. Feedback on quality of events.

2. The F&E Resource Centre should design, test and distribute new data collection tools, including on-site visitor surveys, ballots and evaluation sheets, for use within the F&E sector.
 - a. The Centre would provide standardized data collection instruments and partner with individual F&E groups to add specificity to them where appropriate;
 - b. F&E groups (“Signature Events” and “Community Experiences”) should have trained staff resources for research and data collection;
 - The F&E Centre might employ additional field staff (e.g., summer students) to travel from one event to another through the season to conduct data collection activities.
 - Alternatively, a group or network of F&E in a region or industry sub-sector might share a staff position for research and data collection activities.
 - c. The data collection tools would also support consistent and accurate information collection about budgets of F&E, staffing levels, volunteer labour, etc.;
 - d. F&E groups would receive training in administering the data collection tools through regional workshops and other means;
 - e. Field staff from the Centre should provide appropriate supervision of the use of data collection tools, and monitor quality control;
 - f. F&E groups would return the completed surveys, ballots, etc. to the Centre for data input and analysis, and receive detailed feedback on their events and relevant comparisons with similar F&E; and
 - g. F&E groups would be assured appropriate levels and forms of privacy protection and confidentiality.

3. There should be meaningful incentives for participation in data collection for both the F&E groups and the tourist participants:
 - a. The F&E Council and the Centre staff should develop policy with the Nova Scotia Department of Tourism, Culture and Heritage and other key funding agencies to link access to funding and marketing supports for F&E groups to participate in a minimal level of research and evaluation activity using standardized data collection tools;
 - b. Incentives for F&E groups might also include access to additional funding to offset data collection costs (e.g., a small payment for each visitor survey or ballot that is filled out and submitted to the Centre); and
 - c. The F&E Council, Centre staff, and the Nova Scotia Department of Tourism, Culture and Heritage should develop and evaluate options to attach lottery tickets, registration for electronic newsletters, and/or other such incentives to visitor surveys.

4. Researchers in the Centre could explore ways to work with the Department of Tourism, Culture and Heritage to develop and track indicators of tourism activity that could be correlated with F&E to assess the impacts and associated tourist spending in local communities. Relevant indicators might include:
 - Visitor stays in hotels/motels/B&B (data is currently collated but not analyzed for F&E purposes);
 - Restaurant sales;
 - Service station sales;
 - Visits to local visitor information centres; and
 - Traffic at nearby national and provincial parks.

8. APPENDIX I: DETAILED LITERATURE REVIEW

8.1. Summary of Product and Market Research for Special Events

The Economic Planning Group of Canada, for the Nova Scotia Department of Tourism and Culture and the Federal Department of Industry, Science and Technology, 1990.

OVERVIEW

The Nova Scotia Department of Tourism and Culture and the Federal Department of Industry, Science and Technology contracted EPG to do a “Product Market Matching Study” in 1989. The study’s purpose was to identify “specialty tourism products” in Nova Scotia with untapped potential, to identify markets for these products, and to analyze specific public and private sector possibilities for product development. Ten specific products were selected from a longer list of 39 “product opportunities”, and these were researched in some detail as to the product itself, potential markets, and consumer perceptions. Festivals and Special Events was one of these ten products. For the purpose of the study, the definition of festivals and special events referred to those that “run for more than one day and have the potential to attract at least 3 of the 4 target markets (Nova Scotia, Other Canada, United States, and Overseas)”.

SUMMARY OF OUTPUTS

The study concluded that there is a fairly small market of tourists who travel “specifically to attend a special event or festival”. However, there is a significant market for people who attend festivals and events “as an incidental activity on a more broadly based trip”. This was considered a large market with good growth potential for the tourism sector in Nova Scotia and Canada. The expenditure levels for tourists who include F&E in their vacation were found to be higher than those who travel specifically to attend an event. A unique festival or event, “something they are unlikely to see at home”, was shown to draw more interest from tourists. The market was found to be fairly upscale, with average incomes being high and typical visitor occupations in the managerial or professional sectors. Nova Scotia was determined to have “unique aspects of history and culture that are well suited for developing festivals and special events”. However, the study noted that few of the events and festivals taking place every year have the ability to attract “a

significant tourist market”. The consumer research revealed that the quality and size, “as well as the personal significance”, of the event are important factors to potential visitors.

An evaluation process was carried out on the data gathered related to each of the products, the market possibilities, and the feedback from consumers. The Special Events/Festivals sector was ranked 7 of the 10 tourism products analyzed. Four of the more highly rated product areas were selected for further study and strategy around development.

LESSONS LEARNED

Evidence of Impacts

Data gathered from the Antigonish Highland Games survey was used to illustrate economic impacts. In addition to expenditures on fixed-roof accommodation and campsites, attendees’ other expenditures were researched. The results were:

- Campground users spent an average of \$19 per party per day on restaurants; those in fixed roof accommodations spent \$74 per party per day.
- Antigonish area shops and grocery stores received \$14 per party per day from campground users and \$5 per day from those in fixed roof accommodation.
- Retail outlets received \$16 per day from camping parties and \$27 per day from those staying in fixed roof accommodation.
- The total expenditures of out-of-province Games attendees contributed \$700 per party to the community.
- Festival-goers tended to stay longer in the province (an average of 9.65 nights overall compared to 6.19 nights for bus tour travelers and 6.02 for auto, RV, and air travelers).
- Survey results for the Gaelic Mod Festival supported the findings that festival visitors have higher spending levels, longer stays, and a tendency to return to the area.

Principal Challenges

The positive aspects that may help facilitate the growth of the F&E sector were thought to be “picturesque scenery, pleasant atmosphere, tradition, and unique history”. Significant weaknesses, which hinder further development, were: the

seasonality of many event opportunities, and the heavy dependence on public funding.

Best Practices – Marketing

Consumers who completed the study survey indicated the increased marketing value of the following: coordinated events so that visitors can participate easily in more than one function; improved signage; and direct advertising of some of the more major events in New England area magazines.

8.2. Festivals and Events in Nova Scotia: A Development Strategy for the '90s

The Randolph Group for the Nova Scotia Department of Tourism and Culture together with Corporate Research Associates, Solution Finders, Inc., and Waterfront Festivals, March 1994.

OVERVIEW

The Randolph report was the result of a comprehensive tourism market research and strategy study focused on the Festivals and Events sector in Nova Scotia. The study set out to determine what data and information on F&E already existed, the range of market characteristics for F&E, the economic impacts of festivals and events, the needs and opportunities in terms of training and education, and to create an action plan to further the development of the sector. Primary research included surveys of consumers, tourism operators, and festivals and events organizers as well as “key informant” interviews. Detailed case studies were done of nine in-province and nine out-of-province festivals and events.

SUMMARY OF OUTPUTS

- Festivals were categorized according to theme. Local community events (43%) and Arts/Culture/Heritage (30%) were predominant.
- Festival duration ranged from one day to all season. Almost 65% were between 1-3 days long.
- The study found a correlation between the more populated areas of the province and the number of festivals available.
- There was no correlation between the size of a festival and any provincial grant monies. Provincial grants were found to be available on a fairly small

scale (e.g., majority of grants are under \$2,000).

- The average attendance at a Nova Scotia festival or event was 8,200. Sixty-two percent of the attendees live in the county where the event is taking place. A small majority (55%) of festivals keep track of attendance figures; many others rely on subjective assessments.
- Organizational structures and management vary across festivals and events. Most F&E initiatives are undertaken by non-profit organizations with few paid staff and much of the work is the responsibility of volunteers. The volunteer to paid staff ratio was found to be 20:1 during the planning stages and 12:1 during the operation of the event. The study expressed concern that “volunteerism is a problem in all areas of the Province with the existing base overtaxed”. The majority (70%) of festivals were not incorporated.
- Most funding support generally comes from admissions fees, corporate sponsorships, and government grants. Government funding for festivals in N.S. was expected to experience the same cutbacks as those seen worldwide in the mid-90s. However, the study showed that most F&E “would not survive without government funding, unless new sources of revenue can be tapped”. Corporate sponsorship was thought to be increasing, according to festival organizers. However, government support remained the largest source of festival funding. Tourist operators were found to believe that the most important role of provincial and municipal governments was to provide financial support, and 90% of the operators surveyed supported either continued funding at the current level or increased funding.
- Seventy-five percent of the festival organizers surveyed said they were “very satisfied” or “somewhat satisfied” with support from the provincial Department of Tourism and Culture. Areas where respondents felt further Department help was warranted were: promotional assistance, financial assistance, and marketing training.
- The majority of festivals (83%) either made a profit or broke even. The average budget was over \$50,000.
- Most festivals and events did not have access to market profile information. There was very little demographic or visitor origin data available.
- Very little information was available outlining the economic impact of specific festivals and events in N.S. The majority of festivals in the survey (81%) had not carried out an economic impact analysis. Of those who did an assessment, the average economic impact they determined was approximately \$200,000. There was not agreement throughout the sector on the relevance of assessing F&E by economic criteria.
- Three main concerns were raised by F&E organizers: funding and financing;

organization/management/training; and recognition of the “broader impact festivals have in pulling communities together, which is not specifically an economic impact”. Tourism operators specified financial support and advertising/marketing as key areas for development.

The development strategy put forward by the Randolph study to address the issues raised had three overall goals:

1. To strengthen the Nova Scotia tourism experience as an opportunity to “experience Nova Scotia people, special places and unique indigenous culture through hundreds of annually scheduled festivals and events”.
2. To enhance the contribution of festivals/events to Nova Scotia’s tourism industry by improving the quality of the experience and increasing the length of stay of visitors.
3. To increase both economic and community development throughout the province as a result of festivals and events.

Five objectives were created to meet these goals:

1. Reduce dependence of F&E on government funding, “putting them on a more self-sustaining, business-oriented basis”.
2. Steer government support on F&E towards facilitation, training/education, and technical support.
3. Provide ongoing training and networking opportunities to F&E organizers, “which will enhance professionalism within the sector and improve product quality”.
4. Improve product quality of F&E as well as organization and operations to “enhance customer satisfaction, visitor draw and economic impacts”.
5. Broaden cooperative marketing and promotion both within N.S. and outside.

A 14-step action plan based on these objectives, to be implemented over a three-year period, was put forward.

LESSONS LEARNED

Evidence of Impacts

The study measured on-site and off-site per capita spending. It is hard with the latter to determine how much of the spending is incremental, and therefore, attributable to the festival or event. For the nine Nova Scotia festivals examined,

“total impacts” ranged from \$210,000 to \$11.4 million. Based on the on-site data gathered, a “province-wide economic impact projection” was presented as \$31.6 million. The study suggest that this figure is probably low because it was calculated based on the lowest on-site per capital festival spending and with an estimate of only 350 F&E. Repeat visitation because of a successful festival experience was noted to lead to further economic benefits.

Thought to be “as important as the pure economic impacts” were the community development and social/cultural impacts. The report cites:

- Enhanced community spirit;
- Broader external awareness of the community;
- Increased volunteerism;
- Possible funding for community projects;
- Contribution to local cultural development;
- Reinforcement of local cultural and heritage values;
- Providing a venue to encourage development of talent in the arts;
- Social benefits resulting from temporary employment and volunteer opportunities; and
- Encouragement for multicultural cooperation.

Principal Challenges

As part of the strategic analysis process, workshops were held with festival and event organizers. The four main needs identified were: training and education for paid staff and volunteers; revenue generation; medium-term goal setting; and festival/event evaluation.

Three gaps identified in the Festivals/Events sector were:

- The lack of a provincial “flagship” festival (e.g., the Calgary Stampede);
- The lack of off-season festivals and events (only 10% of all festivals occur in the November to April period); and
- Geographic gaps in the location of F&E throughout the province.

Strengths identified that needed to be further developed were:

- Most events were well-planned/organized;
- The bigger festivals have effective marketing campaigns;
- There is a recognition of the need for training and a high response when training is made available;
- Many festivals are starting to access newer sources of revenue; and
- The industry recognizes the need to work on marketing research and evaluation.

Direct sponsorship and in-kind sponsorship by corporations were seen to be increasing trends. Festival organizers are becoming more motivated and more skilled at going after corporate support, but at the same time the competition for the corporate marketing dollar is becoming steeper.

Best Practices – Education and Training

The out-of-province case studies indicated that full-time staff organizers were more common than was the case in N.S. Volunteer bases were bigger as well (e.g., 6,000 for the Seattle Seafair). Opportunities for training specific to the needs of festival and event management were more prevalent in other jurisdictions.

Best Practices – Marketing

The larger-scale out-of-province festivals were found to carry out “more sophisticated” marketing campaigns than many Nova Scotia festivals (all the large events have full-time professional marketing staff). Travel guide information, brochures/pamphlets/posters and “the Event Map” were found to be the most effective methods the Department of Tourism and Culture used for marketing. A more business-like orientation for the F&E sector means a greater need to do market research “to better understand the needs and wants of their consumers”.

Best Practices – Funding

A greater number of funding sources was drawn upon by the out-of-province festivals studied (e.g., only one of four small Ontario festivals received government grants). Also, festivals and events are recognizing that “they can charge for many

components or elements which have previously been provided for free, as long as they are providing value for money”.

Many festivals and events that began as community-oriented activities are realizing the potential to attract tourists and thereby stimulate economic development in their communities. This new approach requires a business orientation with tourism becoming a focus, not a “by-product”. “There is potential to maintain a good bottom line and also be compatible with the festival’s original goals and objectives which may be more social and cultural oriented.” Among the successful festivals looked at through the case study process, “tapping into corporate sponsorship” dollars more effectively was a key initiative.

Best Practices – Organization, Leadership, Networking, and Communications

The study noted an increasing trend towards networking within the F&E sector “as the exchange of ideas is an extremely effective training/education vehicle”.

8.3. Historic and Cultural Events and Attractions in Nova Scotia, General Population Survey

Department of Education and Culture, and Omnifacts Research, May 1997.

OVERVIEW

The study focused on Nova Scotia’s varied historic and cultural events and attractions. Over 200 museums, galleries, and historic sites were considered to make up the “historic and cultural events and attractions” sector. The purpose of the research was to collect benchmark information that would help develop a better understanding of the use of these attractions among Nova Scotians, “both in their own communities and throughout the province”. The study results were intended to assist in facilitating improved planning, communication, and marketing on the part of the cultural industry. The study was conducted by telephone survey in April 1997, using a random sample selection procedure. A total of 608 completed interviews resulted.

SUMMARY OF OUTPUTS

Of the Nova Scotians surveyed, the following results were determined:

- 78% of the respondents had visited a cultural event or attraction in the past

year. Fifty-two percent of these visited cultural events/attractions in their own community and 30% outside the community (50 kilometres away or more).

- Those who attended cultural events in their own community averaged 3.3 such visits throughout the year; those who attended events outside their community averaged 2.2 visits per year.
- Visitors who traveled more than 50 km to an attraction or event spent more on-site; their average spending (discounting admission fees and refreshments) rose from \$4 to \$20.
- Visitors tended to spend more at community events than they did at attractions (\$13.80 compared to \$4.07). Those who attended events outside their own community spent the most, an average of \$30.43 (discounting admission fees and refreshments).
- Advertising was considered to be the first source of information for 49% of visitors to cultural events; word-of-mouth was also important, with 26% saying they had first heard of the event in this manner.
- Most visitors only visited one attraction (97%) or one event (96%) on their trip.
- Visitors who traveled outside their community relied on three main methods of seeking tourism information: the Nova Scotia Travel Guide (41%); Visitor Information Bureaus (29%); and the 1-800 number (10%).
- The propensity of people to attend community-based cultural events increased with education level (from 42% of those with a high school education to 67% of those with at least some university education). The average number of visits per year also increased with education level (from 3.1 for the high school educated to 4.1 for the university educated).
- Of those who attended cultural events in their own community, 49% had been to a performing arts event, 18% to a craft-related event, 8% to a festival, and 7% to a local event.
- Only 25% of the Nova Scotians surveyed indicated that they traveled outside their community to attend a cultural event.
- The propensity of respondents to attend cultural events outside their community increased with education level (from 20% among those with high school or less education to 36% among those with some university education). The more highly educated respondents averaged 2.3 visits outside the community per year, compared to 1.7 for the high school-educated.

- The propensity for respondents to take pleasure trips within Nova Scotia decreases with age (87% of those in the 18-24 age group, compared with 64% of those aged 65 and over). The frequency of trips indicated the same pattern (14.4 trips for the average 18-24 year olds compared with 6.4 trips for those aged 65 and over).
- 50% of those surveyed have recommended attractions/events to out-of-town visitors.
- 60% of respondents have visited a museum in the province in the past two years.

8.4. The TIANS 1998/99 Survey of Festivals and Events

TIANS in co-operation with Human Resources Development Canada, May 1999.

OVERVIEW

The TIANS Festival and Events Committee carried out a study of Nova Scotia festivals and events in 1998 with the purpose of creating a festivals and event profile, and exploring funding needs. The survey was timely as there had not been a province-wide study on the industry since 1994 (*The Randolph Study, Festivals and Events in Nova Scotia: A Development Strategy for the '90s*). The survey was considered to be “an exploratory study” which would provide valuable information but also act as a catalyst for future research. Data was collected from the results of a mail-out survey, as well as some questionnaires that were circulated informally among other contacts in the Festival and Events community.

SUMMARY OF OUTPUTS

The survey resulted in 126 completed questionnaires, a response rate of 22%.

- Attendance at events and festivals was found to vary greatly – from 100 to 130,000, with an average audience of 8,200 for those 110 respondents offering attendance numbers. Based on this average, the events surveyed attracted an overall attendance estimate of 970,000.
- Audiences were found to be primarily local and provincial in origin. Most respondents had not surveyed their audience recently.
- Full-time festival and event staff appear to outnumber part-timers but the study cautions that the low number of responses on this question does not allow extrapolation to the entire sample. Volunteers were shown to make a major contribution to festivals and events (almost 73 volunteers on average

during an event versus just over five full-time staff). Some 9,000 volunteers are estimated to offer their time and energy to 126 community events.

- When asked to indicate three things that would have the biggest impact on their event, the report summarizes the organizers' response as "funding, funding, funding". Areas requiring funding attention were: promotion/advertising, marketing, material, staff, performers, and sponsorship. Training and professional development was ranked as the least important category for increased funding.

The vast majority of respondents (101 out of 120) indicated that their event budget was under \$100,000, with \$13,500 being the average figure. Municipal funding appeared to be sufficient, but both provincial and federal government support was thought to fall short.

LESSONS LEARNED

Best Practices – Organization, Leadership, Networking, and Communications

Ninety of 104 respondents indicated a willingness to share resources with other festivals and events. This speaks well for future improved networking within the industry.

Best Practices – Measuring, Evaluating, and Tracking

The survey determined the need for cost-effective ways of directly surveying event audiences. To build on previous research, and identify trends, it would be important to use similar data collection methodology. Professional assistance combined with training in research methods should be sought out before follow-up research takes place.

8.5. Louisbourg '95 Economic Impact Assessment

Dan White and Associates and Gardner Pinfold, prepared for Enterprise Cape Breton Corporation, 1996.

OVERVIEW

1995 marked numerous anniversaries for the Fortress of Louisbourg: the 275th anniversary of the founding of the Fortress; the 250th anniversary of its first siege, and the 100th anniversary of the Sydney to Louisbourg railway. Celebrations to mark these historic anniversaries were organized under the direction of the

Louisbourg 1995 Commemorative Society. The objective was “to attract significantly more tourists, optimize their length of stay, and maximize economic impact in the area”. The study that followed the festivities was intended to assess the impact of recent tourism investment, determine the potential effects of further public investment, and explore possibilities for the development of Louisbourg through other tourism products. The method of analysis used was the Tourism Economic Impact Model (TEIM), which provides estimates of key indicators such as gross domestic product, household income, and jobs created. Note that only visitor count and origin data were gathered at Louisbourg. No information was provided directly by visitors about their reasons for visiting or about their on-site or off-site spending. Rather the estimates of economic impact were derived from a “proxy approach” which utilized data collected elsewhere.

SUMMARY OF OUTPUTS

The following trends were documented with regard to visitor travel:

- Visitation to the Fortress increased steadily since 1990, and the increase in 1995 was particularly significant (22% over 1994).
- Of the overall increased attendance, the month of July accounted for 68% of the increase. The higher visitation was largely attributed to the Grand Encampment and the Tall Ship weekend.
- There was little change between 1994 and 1995 in the mix of Fortress visitors by origin. Almost 21% of Fortress visitors are from N.S.; 52% are from other parts of Canada; 20% are from the U.S., and 8% from other countries.
- Although Fortress Louisbourg had “a banner peak operating season”, attendance was down at many other tourist attractions in Cape Breton and other parts of the province.

LESSONS LEARNED

Evidence of Impacts

In 1995, over 90,000 visitors to Louisbourg spent a total of \$17.9 million on their provincial trip, which included “in part, or wholly, the visit to Louisbourg”. This tourist spending resulted in an impact on GDP of \$6.1 million. Of this, \$4.7 million was attributable to the spending of Fortress visitors, of which 50% (\$2.3 million) can be linked directly to the Grand Encampment/Tall Ship events. It was estimated

that almost one-half of the total overall spending was contributed to the food and accommodation sectors. An assessment of household income determined that \$1.8 million could be attributed to Louisbourg 1995 spending. The number of full-time equivalent jobs created (direct and indirect) was 186.

Approximately \$9.3 million was invested for the Louisbourg 95 program. The study calculated that it would take four years of visitation similar to 1995 to pay back the investment. If only non-resident visitation is used, it would take nine years to recoup the investment. The study concluded that Louisbourg “can attract large numbers of visitors albeit with high Cape Breton representation”. This finding was similar to that from the Randolph study, which suggested that the biggest market for F&E is local and regional.

Principal Challenges

Although the Fortress of Louisbourg is regarded as “ a world class historic attraction in terms of both its physical plant and animation”, the Town itself has a “modest attraction base”. Opportunities for spending on accommodation, food, and crafts/gifts were considered to be inadequate. “The biggest problem still remains providing tourists with enough to do to substantiate more overnight stays in town.”

Best practices – Marketing

Knowledge of current trends and an analysis of the study results together help point to some possible directions for further development and marketing. Among a number of potential opportunities, the study suggested that consideration should be given to hosting major events at intervals, e.g., every five years. On alternate years, special events should be developed based on “historical events, celebrations, anniversaries and the like to build on the demand for authenticity”.

Best Practices – Measuring, Evaluating, and Tracking

The study recognized the problems associated with not having survey results specific to the time period and events analyzed at Louisbourg. For example, the extent to which a visit to Louisbourg was the main motivation for tourists to come to N.S. was not known with any certainty. “We are of the opinion a real opportunity was lost in not pursuing this market information.” The consultants recommended that detailed documentation and analysis needed to take place before planning future events. This data should include travel motivation, visitor origin, and visitor

expenditures. Criteria for priority events, including information on sources and levels of funding required, employment created, and appeal to non-residents, and a ranking system should be developed to help assess the merits of investing in future F&E.

8.6. Economic Impact of Cabot '97

Corporate Research Associates in partnership with ATi Consulting Corporation for Enterprise Cape Breton, 1998.

OVERVIEW

The Cabot '97 Campaign was a year-long series of historical and cultural festivals and events in Cape Breton. The purpose of the study was to assess “the economic impacts of the special events supported by the Cabot '97 Campaign against the economic targets established by the John Cabot Meeting Society”. The Society’s objectives were: to increase tourism revenues attributed to incremental visitors and to extend the average length of visitor stays. The data was gathered through three phases: a survey of visitors as they were exiting the province by road, air, or ferry; a detailed survey of attendees at six Cabot '97 festivals and events; and a survey of visitors by telephone or at various Visitor Information Centres in Cape Breton.

SUMMARY OF OUTPUTS

The study indicated that the theme approach had been successful in increasing incremental tourist spending, and that there would likely be a residual effect over the next few years. Festivals and events were determined to be successful in extending visits and increasing tourist expenditures. However, the difficulty in attracting potential visitors to attend F&E in advance of their arrival was noted. The study concluded that:

- The main motivation for choosing Cape Breton as a travel destination was the Island’s “sightseeing and scenery”. Of visitors who travel to Cape Breton, about one-quarter of their total travel time is spent there. Those who attended F&E spent “more time and more money in Cape Breton” than those who do not attend events.
- Cape Breton attracts “an older, more mature market with high levels of both income and education”. Seven out of ten visitors were aged 45 or older and most traveled as couples rather than as a family. Six in ten tourists had household incomes of at least \$50,000 and more than half had graduated

from post-secondary institutions.

- The Cabot '97 events increased tourist expenditures by between \$2.1 million and \$7.0 million (see below for more detail). The average length of stay for visitors increased only slightly from 4.7 to 4.8 nights.
- Festivals and events are “at best, a secondary motivator” for visitors to Cape Breton. Few respondents had come to Cape Breton for any particular festival or event, including the Cabot '97 opportunities.

LESSONS LEARNED

Evidence of Impacts

The study determined that tourism expenditures had increased by between \$2.1 million and \$7.0 million, depending on the assumptions made. Of the incremental on-island spending attributed to Cabot '97 visitors, 89% of this was estimated to be captured by the Island economy. Between 35 and 120 FTE jobs were created as a result of the Cabot '97 events. Incremental tax revenues were determined to be between \$626,000 and \$2,080,000. Residual economic impact from repeat visitors over the next two years was estimated at \$2.4 million.

Best Practices – Marketing

The study pointed to the need to respond effectively to what is known about visitors to Cape Breton. Visitors come to Cape Breton because of its status as “one of Canada’s premier touring destinations”. However, the Island has a proven ability to attract a market that “prefers to experience the lifestyle and cultures of the destinations visited”. The following practices were expected to improve the impact F&E could make on the region:

1. Careful and more aggressive promotion of the opportunities presented by F&E is necessary to help extend the visits of those who have chosen to come to Cape Breton for other primary reasons. One suggestion was to take advantage of the “importance of the Canso Causeway as the main entry point to the Island” by installing electronic billboards that would welcome visitors and inform them of upcoming F&E.
2. Instead of “one-time marketing themes”, events that can be developed over a number of years, and can perhaps become “the prime reason for a visit to Cape Breton in the shoulder season” (like Celtic Colours, for example) should be invested in more heavily.

3. The Island's "appeal and strength as a touring destination", especially to the mature visitor market, should remain a focus. Infrastructure must be improved to meet the expectations of these visitors and serve the market well.
4. Detailed qualitative research should be carried out to better understand the older, more mature visitor market. These travelers were found to be "more demanding and discerning in terms of having their travel needs satisfied". A better understanding of the market should lead to better service.
5. The tourism industry in Cape Breton should be made aware of the results of the study, especially with regard to travel motivation and the profile of visitors. The industry should also "participate in the development of a strategy to better serve Cape Breton's key target market and to understand that this market segment will likely grow in size over the next ten years or so".

8.7. Fortress of Louisbourg Encampment 99 Satisfaction Survey

Parks Canada and Tourism Cape Breton, 1999.

OVERVIEW

This survey evaluated a three-day special event held in July 1999 at the Fortress of Louisbourg National Historic Site. "Encampment 99" re-enacted 18th century colonial life in Louisbourg to mark the 250th anniversary of France's re-occupation of the fort in 1749. Ceremonies and parades, dance performances and music concerts were part of the festivities. The objectives of the study were to analyze the demographics and the trip characteristics of Encampment 99 visitors, to evaluate the marketing efforts for the event, to learn more about the visitors' perceptions of the relevance of the commemoration, and to assess satisfaction levels with the facilities and services available. An interview process with staff researchers using a hand-held computer to record information provided by visitors was used. This was the first time Parks Canada had gathered visitor information by electronic means over such a short interview period. The data-collection process was considered to be successful and the information collected was available for analysis much more quickly than is the case with the usual Parks Canada hard copy survey forms.

SUMMARY OF OUTPUTS

The number of completed questionnaires was 553, which allowed for a 95% confidence level, with a margin of error of +/- 4%. Results from the Encampment 99 survey could be contrasted with the 1998 Client Satisfaction survey, which assessed the visitor population throughout the entire 1998 season. The results showed much higher local (defined as Cape Breton Island residents) visitation for the special event than was the case over the summer of 1998 (30% compared to a mere 1%). Visitors from other parts of Nova Scotia amounted to another 16% (compared to 7% in the 1998 survey). The number of “person days” represented by the 1999 re-enactment event was seen to increase by several thousand in-province visitors as well as several thousand out-of-province visitors.

The survey gathered information about party composition (72% of the attendees were in parties of adults only, with 28% in the families-with-children category) and the length of the visitors’ stay (31%, mostly Cape Bretoners, did not spend any nights away from home, other Nova Scotians averaged 2-3 nights away). Again the survey showed up the unique characteristics of the three day 1999 event, with 40% of Encampment visitors on trips of seven or more nights, compared with 86% of the visitors from the 1998 season survey.

The study reports that the organization of the event was “very successful” based on the visitors’ feedback—80% of the visitors responding to the survey rated their overall visit as “very good” and 69% indicated the highest level of satisfaction with the value they received from their entrance fee.

LESSONS LEARNED

Evidence of Impacts

To calculate the economic impact to the community of the event, the number of person days (5,336) for out-of-province visitors is multiplied by the average number of days spent in Cape Breton times an average expenditure estimate of \$50 a day. This daily expenditure figure was borrowed from a PEI government equation used in a document titled Economic Impact, Tourism 1997. The total economic impact of the Encampment was determined to be \$1,415,000.

Approximately 20% of the Enactment visitors attended concerts and other events in the community of Louisbourg.

Best Practices - Marketing

Direct marketing of the Encampment outside of the Louisbourg area seems to have produced results. The survey revealed that 78% of the overall visitor population was aware of the event before arrival (the figure was over 90% for Nova Scotians). Ninety-two percent of those surveyed specified that the Encampment was either their main reason for coming to the area (50%) or one of their main reasons (42%). The marketing methods people were most likely to cite as having attracted them to the event were: newspapers/magazines (25%) and the Doers' and Dreamers' travel guide (21%).

Best Practices - Measuring, Evaluating, and Tracking

The study was careful to ensure they were measuring only “new dollars” to the provincial economy; therefore, only out-of-province visitors were included in the assessment.

The researchers used a “top box analysis” to determine visitor satisfaction. This method of assessing feedback makes an assumption that “the only completely satisfied clients are the ones who check the ‘top box’ in a survey, e.g., 5 on a scale of 1 to 5”. Top Box theory advocates that 40-60% of the score received should fall in the highest satisfaction category. Parks Canada indicates a preference for a 40-80% range of “top box” selection in order to assess meaningful visitor satisfaction.

8.8. Tall Ships 2000: Economic Impact Assessment

ATi Consulting in association with John Jozsa, The Marketing Clinic, for Tall Ships Nova Scotia, 2000.

OVERVIEW

The Tall Ships event took place in Halifax over a five-day period in July 2000. “Large and enthusiastic crowds” came out to see 82 Tall Ships. Visitors were surveyed on-site and some of these respondents also participated in a follow-up telephone questionnaire. Approximately one-half of the visitors surveyed were from outside Nova Scotia. Event sponsors and suppliers were also surveyed. Economic impact estimates were determined using the Nova Scotia Department of Tourism and Culture’s ‘Tourism Impact Model’. In addition to the overall economic impact, and the distribution within HRM of the events’ financial benefits, the study also attempted to find out whether Tall Ships 2000 had a “lasting effect on the

likelihood that visitors would return to Nova Scotia and/or recommend it to their friends and business associates”.

SUMMARY OF OUTPUTS

The Tall Ships event attracted an estimated 1,143,691 visitors (200,000 to 250,000 per day). HRM residents made up 29% of total visitors; other Nova Scotians made up 19% and visitors from outside Nova Scotia represented the remaining half. All aspects of the event received very high ratings from the respondents, both on-site and in the follow-up interviews. On a scale of 1 to 5, no aspect of the event received an average rating of below 3.5. Most factors were rated over 4, with 4.69 given to “Planning/Organizing of the Event”, and 4.86 to “Overall Impression of the Waterfront”. Event sponsors and suppliers also rated the event highly, and most expressed interest in participating again in a similar event. A minority pointed to communication problems with event organizers and concern that the direct benefits they received were lower than expected given the costs to participate. The study concluded that Tall Ships “is the type of event well-suited to the area, Halifax Harbour, and the Halifax Waterfront”. National media coverage of Tall Ships 2000 was substantial and the event’s “many positive features (weather, attendance, enthusiasm, and organization) unquestionably enhanced the image of Halifax and Nova Scotia”.

LESSONS LEARNED

Evidence of Impacts

The study concluded that the Tall Ships event was a tremendous success and that it had “instilled pride in the people of this province”. Total visitor spending was calculated at \$96.5 million. Of course, some of this spending would have taken place in Nova Scotia even without the Tall Ships event. Using the Tourism Impact Model, it was calculated that the Tall Ships event was “likely” responsible for \$53,869,046 in “extra direct spending” in the province. The study estimated that the number of jobs (part-time and full-time) created was 1,559. The tax revenue to Nova Scotia was estimated to be \$4.0 million, and \$4.5 million was collected by the federal government.

Best Practices – Organization, Leadership, Networking, and Communications

Among the few recommendations for improvement presented in the study were the following:

- The role of professional event organizers should be increased in order to improve communication between the Tall Ships organization and sponsors/suppliers, as well as between the Tall Ships organization and the institutions and businesses on the Waterfront.
- Improved cooperation between Tall Ships organizers and Tourism Nova Scotia, TIANS, and others would help to promote linkages to other tourist opportunities in Nova Scotia, and therefore to maximize the benefits derived from the Tall Ship event.

Best Practices – Measuring, Evaluating, and Tracking

The study points out that the most important measure to use in evaluating a project is the incremental impacts, which “describe the economic effects that would not have occurred in the subject jurisdiction if the project were not undertaken”. By comparing the positive incremental impacts with the cost of the project, one determines whether benefits exceed costs, and by how much. Note that this study did include the spending of Nova Scotians who either “shortened or replaced out-of-province travel with their Tall Ships visit” and those who “did not replace or shorten their out-of-province travel but spent more in Nova Scotia on leisure activities because of Tall Ships”.

8.9. Subsidizing Stan: Measuring the Social Benefits of Cultural Spending

Jeff Dayton-Johnson and Emily King; Department of Economics Working Paper, Dalhousie University, November 2003.

OVERVIEW

The Stan Rogers Folk Festival held in Canso, Nova Scotia began in 1997 as a community economic development project, which would both commemorate the late Stan Rogers, and help revitalize the economy of the town of Canso, and the surrounding area. (In 2001 the unemployment rate in Canso was 31.7%, compared to 10.9% for the provincial average.) More than 50 artists performed in 2002, the year of the study, many of them of international acclaim, and 3,377 visitors

participated in the 2002 festival – “no easy feat in a town with only 11 motel rooms” as Dayton-Johnson and King point out.

In place of the conventional means to assess special events, the impact analysis, Dayton-Johnson and King prefer cost-benefit analysis, because they are critical of economic impact assessments that “mix spending representing both costs and benefits to the Canadian economy”. In this report, Dayton-Johnson and King carry out a social cost-benefit analysis to measure the net social benefit of the Canso festival in 2002. They attempt to address the unique external and intangible benefits of cultural activity through this method.

SUMMARY OF OUTPUTS

In its 7th year at the time of the study, with a budget of almost \$548,000, StanFest’s revenue exceeded costs by \$20,000. The cost-benefit analysis showed, in what the authors considered the most reasonable scenario, that the net social benefit was highly positive (\$295,447), exceeding the festival’s subsidy by \$123,951. Using a more conservative scenario (specifically involving a lower assessment of consumer surplus), net social benefits remained positive, although less than the subsidy level. Under the most adverse scenario, net social benefits became negative. Subsidies came to roughly one-third of costs, but the authors argue that even if the festival is not viable without public subsidy, there may well be compelling benefits, social or economic, that are provided to society by the festival.

LESSONS LEARNED

Evidence of Impacts

The authors address a range of impacts for the StanFest festival. On the benefits side, they include the direct economic impacts (total revenues, and estimates of the consumer surplus obtained by participants) and the indirect benefits, such as the option value, i.e., the value of having the option in the future of attending the festival (as the authors’ put it, “the price [an individual] is willing to pay today to ensure the possibility of consuming the good in the future”). The authors also discuss in detail measures of community benefit and other non-economic benefits, including (a) ‘existence value’, (b) ‘learning value’, (c) ‘diversity value’, (d) ‘network externalities’, and (e) ‘sociability effects’, although no estimates are given for these benefits.

Dayton-Johnson and King discuss the ways that hosting an internationally recognized festival might have important consequences for Canso. “First, mounting a festival involves collective action. It is furthermore reasonable to assume that collective action, co-ordination and cooperation are habit-forming: volunteers and festival staff will be better at mounting the festival next year after their experience doing so this year.” As a result, a smaller number of labour hours will be necessary next year to get the same results. They also point to the possibility that skills and experience gained by Canso-area people involved in the festival might be applied “to other economic domains where collective action is necessary”. The study documented that a full two thirds of the town (586 people) participated in the festival as volunteers. Furthermore, “virtually all of the town participates in other supporting roles either as festival goers or providing services to the influx of people”.

The study also found that StanFest led to significant consumer surplus in Halifax and Antigonish counties, as visitors to the festival spent money in those markets.

Best Practices – Education and Training

The study cites the need to find ways to adequately account for volunteer contributions. It is also important to recognize that volunteers receive benefits other than intrinsic ones from their participation. In many cases, they are permitted to see the show for free. They also gain experience, which can be included on their résumés. “Recent research...in Canada suggests that in sluggish labour markets, volunteer experience is a form of human-capital investment or training.”

Best Practices – Access to Funding Sources

The study concludes that, under its most reasonable scenario, the results show a positive net benefit of the festival, exceeding the level of subsidy it received. This form of cost-benefit calculation, the study notes, can be used to assess the allocation of public funds among various activities: “The net social benefit estimates... can be usefully compared with net social benefits estimated for other public projects”.

Best Practices – Measuring, Evaluating, and Tracking

The adapted social cost-benefit analysis method is presented as a viable approach to measuring festival and event impact. The study recommends the method to

determine whether cultural activity improves economic efficiency and/or social welfare.

8.10. Volunteers' Relationship with Community: A Study of Festival Volunteers in Liverpool, Nova Scotia

Masters Thesis, Acadia University, Barry Clarke, 2003.

OVERVIEW

The study looks at festival participation by volunteers in the town of Liverpool and their relationship with their community. Questions explored were: (1) how does festival volunteering affect the volunteers' relationships with their community (2) what are the benefits of volunteering, and (3) what are the disbenefits of volunteering. For the purposes of the study, the definition of a festival, "a public themed celebration", was borrowed from Canadian tourism expert Donald Getz. The festival at the centre of the investigation was Privateer Days, an event that has been held annually in Liverpool since the mid 1940s to celebrate the town's rich seafaring history. Three complementary research methods were used to study the participation of Privateer Days volunteers in the summer of 2002. The author attended the festival as a short-term 'observer as participant'. This was followed by a Nominal Group Technique meeting with volunteers, and 10 in-depth interviews were later held with festival volunteers.

SUMMARY OF OUTPUTS

The study looks at the socio-cultural benefits/disbenefits to volunteers of active participation in a festival. A balance between altruistic ideals and self-interest was found to motivate the festival volunteers' participation. They identified the following key benefits to their participation: (1) giving back to the community, (2) personal fulfillment, (3) the knowledge and experience they gain, (4) self-expression, and (5) community responsibility or obligation. As well, five disbenefits were noted: 1. shortage of volunteers, 2. volunteering takes time from other activities, 3. lack of cooperation between organizations involved in the festival, 4. lack of community involvement, and 5. personal stress. When asked how festival volunteering impacted their relationship with the community, volunteers offered these responses: heightened sense of belonging; perceived in the community as a doer; opportunity to showcase Liverpool; feel personal ownership of the town; and the opportunity to gain knowledge of local history and heritage. Privateer Days

is seen to be a cultural celebration that provides a public display of the participants' "profound attachment to community". The study concludes that the Privateer Days festival has a visible socio-cultural effect on Liverpool "that may be more significant than the economic impact".

LESSONS LEARNED

Evidence of Impacts

Cultural festivals "provide opportunities to improve community life through social interaction, increased community spirit, bonding, and a strengthened community identity". Various researchers, including Tourism Nova Scotia, are cited indicating that community festivals lead to "improved community pride, self-esteem, improved community identity, opportunities for residents to display their artistic, musical, dramatic, creative, and sport skills, encouragement of local initiatives and improved leadership from residents, and community development goal realization." The study quotes the Canadian Tourism Commission: "Successful cultural and heritage tourism ventures help define the unique history and character of a place, and relate to the contributions of past generations and the cultural dynamics of today".

The Privateer Days festival was seen in this study to create social capital among the volunteer participants, which results "as a function of people working together for a common purpose". Although the social impacts of festivals are not easily quantifiable, it is important for festival managers to understand these social impacts and reflect on them when planning festivals "for both the people of a community and the festival tourist".

While acknowledging the relevance of economic benefits, the author cautions, "it is important that economic goals do not overshadow the social and cultural goals inherent in a community celebration". He quotes Canadian researchers Delamere and Hinch who suggest, "ignoring the perceptions and attitudes of community residents in favour of more expedient assessments of economic impact poses the very real threat of transforming a festival from a community celebration to simply programmed entertainment". Furthermore, Clarke expresses concern that some economic impact assessments fail to address economic costs, and therefore, any negative impacts. Examples cited are price increases during the festival, and the creation of exclusively poorly paid jobs, while other members of the community

benefit disproportionately. The study refers to the argument that “who benefits and who incurs costs” from a festival could be more important than the actual economic value to the community. The potential for environmental degradation in a community due to an influx of festival visitors was also raised. Recent research on festival management points out the “limits of acceptable change”, which refers to the changes to an environment that communities are willing to accept.

The increasing recognition of the contributions of the voluntary sector in Canada was noted. The National Survey of Giving, Volunteering and Participating in 2001 estimated that 27% of Canadians volunteer a total of over a billion hours each year. This national survey revealed that of 10 different categories identified for volunteer work in Canada, the number one volunteer contribution is “helping to organize and supervise events”.

Principal Challenges

The potential disbenefits of community festivals were outlined as follows: volunteer burnout, overtaxing the community’s resources, intrusion to residents, physical disturbance/facility overuse, and a “general drain on the community”. Volunteer burnout was seen to result from an over-commitment of time and energy, unclear decision-making structures, poor communication, lack of financial resources, lack of support and/or appreciation for volunteers, and “boring, mindless work”. The 2001 National Survey of Giving, Volunteering and Participating raises concerns about the future of volunteerism in Canada. The survey found that volunteer participation was down 3% from the 1997 survey, and that among the age group that volunteers their time the most (adults aged 35-54), the participation level had declined by 7% in the same time period. The study points to the potential for increased volunteerism among youth. It suggests that a strategic approach offering “creative outlets that might also include an employment-related learning experience to help build a résumé” could have some success.

The study found that it is a major challenge to build social capital within other organizations in the larger community, including government bodies. One volunteer stated, “The hardest thing with Privateer Days is battling our own town council... They don’t give us enough money. I don’t think they understand that the community is benefiting from the festival”.

Best Practices – Education and Training

Volunteer recognition and volunteer management are key skills for F&E organizations. Putting more effort into understanding why people volunteer their time yields important information. Fulfilling the needs of the volunteers and improving the ability to retain volunteers are important results of knowing the volunteer community better.

Professional development programs that offer F&E organizers opportunities to learn different management strategies and to explore what is being done in other places are deemed useful.

8.11. PEI Major Event Study: Strategic Plan

Economic Planning Group of Canada, in association with Waterfront Festivals, July 1994.

OVERVIEW

The PEI Major Event Study was carried out in 1994, with the objectives of prioritizing festivals and events for the purposes of allocating provincial government support, and offering strategic direction to strengthen the ability of the F&E sector to contribute to PEI's economy. The study surveyed a variety of festivals and events, developed an economic impact model and methodology, and recommended an event evaluation model. The starting premise was that more attention needed to be given to strengthening the ability of the Festival and Events industry to better serve the economic objectives of the events themselves and to contribute more significantly to the economy of PEI.

SUMMARY OF OUTPUTS

The study acknowledges the international trend among tourists for a more interactive travel experience, one that offers a taste of unique local culture. This has benefited the festival and events sector on the Island, which provides visitors with many opportunities to experience the Island's culture and heritage. Despite the small size and community-based leadership of many Island festivals, however, the economic realities of the 1990s have meant, "festivals are having to become more businesslike in their management styles".

The study proposes a new definition for "a festival or special event in PEI":

- It is open to the public;
- Its main purpose is the celebration or display of a specific theme. A theme can be defined as the overall meaning of the celebration and as a concept which “blends the name, program, promotions, symbols and event experiences into a coherent package”;
- It takes place once a year, or less frequently;
- It has predetermined opening and closing dates;
- It may own permanent structures, although this is not usually the case;
- Its program may consist of several separate activities; and
- All of its activities take place in PEI, or in a community or region within the Island.

The study determined that the overall priority within the strategic plan should be to build a sustainable festival and events industry with a particular focus on those festivals and events identified as having “the potential to generate the maximum levels of economic activity on the Island”. Those festivals and events, which occur in the shoulder and off-season, would receive second priority. Third priority would be to support those festivals and events, which appeal to a significant number of tourists and have the potential to attract Islanders as well.

LESSONS LEARNED

Evidence of Impacts

It was determined that 34 festivals and events had attracted nearly 239,000 people in the past year, 20.4% of whom were visitors to the Island. Average total attendance at the events surveyed was approximately 7,000 people. The consultants caution that since most festivals and events participating in the study did not keep systematic attendance statistics, these figures are estimates.

Principal Challenges

Areas identified as requiring strengthening were: program development, human resource development, marketing, corporate sponsorship, support services, awareness, and program delivery structure.

On the positive side, the study found there to be a wide range of festivals and events on PEI, most of which are “inspired by a sense of community pride or celebration”. PEI’s festivals and events were determined to be “one of the best ways of showcasing the Island’s heritage and culture.”

The efforts of various festivals and events to collaborate on marketing initiatives were thought to be a strength in the sector. Several festivals and events were singled out as having significant potential to draw more visitors to the Island.

Best Practices – Education and Training

Training programs for festivals and events organizers, including Board/Organizing Committee and staff, were thought to be important. Topics should include: developing a business plan, fundraising and corporate sponsorship, programming and program planning, developing and working with volunteers, and market and impact research for festivals and events.

Best Practices – Marketing

Making information on festivals and events more streamlined and readily available, and publicity materials more consistent and user-friendly are suggested. Cooperative marketing programs could be particularly efficient for the F&E sector.

Best Practices – Funding

The consultants recommended that the above-mentioned Board/staff training programs be a prerequisite for government assistance for a festival or event, and that the resulting business plan should then be submitted to the funding body. A coordinated effort among the Island’s festivals and events to seek corporate sponsorship was thought to be important.

Best Practices – Organization, Leadership, Networking, and Communications

The need to coordinate festival and event resources and programs was highlighted. The PEI Major Events study recommended the formation of an F&E Development Secretariat, which would be housed within TIAPEI. The body would assist F&E with training and professional development, marketing, and research. Government would play a liaison role, offering program support and technical expertise. Membership in the relatively new Federation of PEI Festivals and Events should be encouraged throughout the sector, and will help improve networking capacity.

Best Practices – Measuring, Evaluating, and Tracking

The study offered two economic impact models and one Festival/Event Evaluation model. The first version of the economic impact model measures only the incremental economic impact by the spending of non-residents; the second also accounts for the expenditures of PEI residents at festivals and events. Measuring both categories of event participants in order to have the big picture of festival and event tourism is recommended. The evaluation model analyzes each festival and event according to a series of criteria that have been determined to be key indicators of festival and event potential, including economic impact. The model results in valuable information about which events can be considered “major” and which events offer the greatest potential for serious impact on the F&E sector.

8.12. Determining Event Scale and Impact: An Economic Development Perspective

Atlantic Canada Opportunities Agency, Newfoundland and Labrador, November 2003.

OVERVIEW

This guide is intended to be used as a resource to help event organizers and event funding bodies assess the economic benefits of a particular event. A “companion tool kit” was produced to accompany the economic analysis framework. An event was defined as “a leisure, social, or cultural experience outside the normal range of choices, or beyond the everyday experience, for those attending. This experience may occur once, infrequently, or be on-going”. The framework requires that events first be scored and placed in one of four categories according to a scale determining “professional standards” and “tourism commitment”. Secondly, events can be assessed based on a set of economic equations that yield information about the direct, indirect and induced impact they have. The model presented to measure economic impact can be used for both a provincial and a regional (local area) assessment. Indicators were selected based on their anticipated relevance and the ease with which they would provide useful estimates. The indicators for a provincial study were: business activity (incremental expenditure); GDP; employment and personal income; and tax collections. The first three categories are to be used for a regional assessment.

LESSONS LEARNED

Evidence of Impacts

The guide points out the need to recognize longer-term economic benefits, as well as “social, psychological, and environmental” benefits that may exist. “The inability to accurately reflect the value of these benefits is a consistent problem among event organizers and impact assessors.” Longer-term economic benefits include: the value of marketing from event publicity, the core base of economic activity provided to the community, capacity building locally as a result of the services provided, infrastructure, and experience. Also relevant are non-economic benefits including “such things as cultural preservation, volunteer capacity, public attitudes, and community stability”.

ACOA notes that measuring these longer-term impacts is a serious challenge. The impact is “difficult to quantify in monetary terms” since it is hard to tell if that impact results directly from a particular event in the community. Also, separating the impact of the event from the cost of hosting it can be difficult (for example, the construction of infrastructure to facilitate a certain event can benefit the community in the short-term, but become a liability if operation and maintenance costs in the longer-term are taken into account).

Further assessment of “the impact on society of ongoing events and economic development initiatives” should take into account these factors:

- Population characteristics (expected changes, diversity, etc.);
- Community and institutional structures (local and regional government, volunteer organizations, employment and industrial diversification, etc.);
- Political and social resources (distribution of power and leadership capacity);
- Individual and family changes (attitudes, perceptions. etc.); and
- Community resources (housing, community services, land use patterns, etc.);

Best Practices – Measuring, Evaluating, and Tracking

To avoid both under-reporting and over-reporting on the part of festival organizers, and to encourage greater objectivity and consistency, ACOA recommends that

economic impact should be assessed in a standardized fashion. “Any economic impact assessment that relies primarily on unfounded estimates of spending activity to measure outcomes is prone to inaccuracy and in turn, does not achieve its intended purpose.”

- When measuring incremental visitor expenditure, one must assess how this spending “changes the amount of business activity in the province or region as goods and services are sold to visitors attracted to the area, and to facilitate the operations of the event”.
- Out-of-province visitor expenditures are included “if they are due to: increased length of stay due to the event; increased expenditure due to the event; or an increase in the number of visitors to the province due to the event”.
- The expenditures of resident event-goers are only included if their event spending would otherwise have occurred outside the province (e.g., if their attendance at the festival decreased the length of an out-of-province vacation).
- Operating costs are only counted if the money is provided by sources outside the province and spent on local goods and services.
- The GDP measures the economic activity that a specific event generates. Again, the guide cautions that only incremental spending is relevant, so that you do not count economic activity going on at the same time that is not attributable to the event.
- Statistics Canada’s Input/Output Model provides industry weightings (local value-added factors) that help convert GDP into “person years of employment” resulting from particular economic activity.
- Changes in personal income tax, HST, and payroll tax can all be determined based on incremental visitor spending figures.

8.13. 1997 Festival Network Study: Compendium Report

Research and Analysis Section of the Ottawa Tourism and Convention Authority for the Regional Municipality of Ottawa-Carleton, Canadian Tourism, and Festival Network, October 1997.

OVERVIEW

The study set out to establish a standardized method for estimating attendance and related economic impact of Ottawa area festivals. A variety of methods have been

used in the past, making comparison difficult, and the study attempted to overcome this inconsistency. A second objective was to share demographic data about audience attendance with the 21 participating festivals. The data was collected in two ways: an on-site survey to gather information on visitor spending and the ratio of local to out-of-area visitors; and a telephone survey to analyze the local population in attendance. Hand-held computers were used to record interviews, and the Tourism Economic Assessment Model (TEAM) framework developed by the Canadian Tourism Research Institute was used to measure spin-off effects of festival expenditures.

SUMMARY OF RESULTS

The Ottawa Tourism and Convention Authority cautions that the economic impacts covered in the report account for only part of the full economic impact attributable to festivals and events. This is because only the benefits resulting from visitor expenditure (“demand side impacts”) are included. Not included are benefits resulting from expenditures on capital improvements or expenditures related to daily operations (“supply side impacts”). The study points out that for some festivals the latter could be particularly important, thus increasing the overall economic impacts.

The demographic survey results were as follows:

- 1,188,447 people attended the 21 F&E included in the study, for a total of 2,182,771 individual person visits. Attendance varied from a low of 2,618 to a high of 222,170.
- 66.4% of the attendees came from the Regional Municipality of Ottawa-Carleton; 19.1% were from outside the municipality but less than 80 km away, and 14.5% of participants came from more than 80 km away.
- 46.9% of the out-of-area visitors stated that the festival(s) they attended “accounted for 100% of their decision to visit the region”.
- 50.8% of this same group stated that their image of the Capital Region had been very much enhanced by the festival. Another 25.6% said the festival had “somewhat” enhanced their image.

LESSONS LEARNED

Evidence of Impacts

The economic impact assessment revealed that:

- Visitors from outside the municipality were estimated to have spent \$23,514,044;
- The gross economic impact resulting from visitor spending was \$32,280,273. The net economic impact (contribution to GDP) was \$17,780,301;
- Total taxes generated from the festival by the out-of-area visitors were \$9,439,549. Federal taxes brought in \$4,351,738; provincial taxes were \$2,968,160; and municipal taxes were \$2,119,651;
- Visitor spending accounted for a total of 431.3 full-time equivalent jobs;
- Although smaller festivals do not have a major economic impact, “the impact the festival has on the visitors’ image of the Capital cannot be ignored”; and
- Despite the lack of “new money” expended by local residents at festivals, local resident attendance was nevertheless considered to be very important: “Once a crowd has gathered or a crowd becomes expected, tourists come to the city to participate in what is happening”.

Best Practices – Measuring, Evaluating, and Tracking

Only visitor spending from outside the local area was included in the economic impact assessment, as the spending of local residents “has virtually no incremental benefit”. Total spending by out-of-area visitors was adjusted to account for the “influence” of the festival. For example, the spending of visitors who stated that the festival accounted for 50% of their overall motivation to come to the area had only half of their overall spending attributed to the festival.

8.14. Study of Funding in Support of Ontario's Tourism Festivals and Events

Milestone Strategy in association with TCI Management Consultants, commissioned by the Ontario Ministry of Tourism and Recreation Phase One Report September 2001, Final Report November 2002.

OVERVIEW

The objectives of the study were:

- To offer information and analysis on the present support mechanisms for festival and event funding, gauge the importance of government funding to the industry's success, and identify trends and opportunities for future funding of Ontario's festivals and events sector;
- To catalogue festival and event funding programs in the province and elsewhere in Canada, and to conduct a "share analysis" of federal funding programs; and
- To examine the possibilities of having a provincial strategy for supporting festivals and events, and to look at the potential role of government.

The first phase of the study involved mailing a comprehensive survey to over 1,500 festivals and events throughout the province, as well as conducting an investigation into the economic impact assessment work that had been done by Ontario F&E. The second phase looked at the various funding sources for F&E, researched the distribution of festival funding from the federal government, and made recommendations toward a provincial festivals and events strategy.

SUMMARY OF OUTPUTS

The first phase of the study gathered information about the history, location, size, timing, type of organizing body, origin of visitors, and sources of revenue of Ontario's festivals and events. Festivals and Event organizers were asked if they had ever conducted an economic impact assessment. Of the 261 festivals responding to the survey, 35 stated that they had done at least one economic impact assessment. A total of 10 of these evaluations were gathered for further study. An analysis revealed that the studies varied greatly in terms of comprehensiveness and usefulness. The report highlighted the need for a methodology and for training to be offered "to ensure that when economic impact assessments are done, they are done on a consistent and correct basis, enabling comparison of results".

F&E organizers were asked to name the three most important issues for the F&E sector. The top three concerns were: lack of government funding; lack of sponsorship; volunteer issues (recruitment, training, and retention of volunteers).

The second phase of the study found a variety of funding programs being taken advantage of by the F&E sector. External financial support was determined to be crucial to many of Ontario's festivals and events. Eleven different provincial programs and nine federal programs were being made use of. There was a strong correlation between the attendance at the event and the average grant size. Municipal governments were found to be the main source of grants for large events and the federal government was the largest grant provider for small events.

The distribution of Festivals and Events funding provided by the federal government was analyzed by region. The notable disparity throughout Canada was documented and strongly criticized. (In the year ending March 31, 2001, Ontario received 15.8% of funds dispersed; Québec 65.7%; and the Atlantic 5.0%. The study pointed out that were all regions to receive an equal per capita share, Ontario would have accessed \$21.2 million instead of the \$9 million it received in the previous fiscal year.)

The Ontario Ministry study determined that "festivals and events play an important and critical role in reflecting community culture, history, and traditions throughout the province, and thus have tremendous value to those communities that sponsor them, as well as the province overall." Significant economic benefits were also recognized, especially when festivals and events are able to successfully stimulate smaller local economies.

LESSONS LEARNED

Evidence of Impacts

Of the 203 festivals and events that provided financial information for the study, total revenue was calculated to be \$22,640,999. It was noted that with 32.8% of festival/event attendees coming from more than 40 km away, the regional economic impact of these activities can be significant. However, as mentioned above, of the only 10 festivals that were able to submit copies of economic impact assessments, there was no consistency in terms of the methodology used. In fact, there is no agreement about what constitutes economic impact assessment. Some studies utilized only visitor expenditure figures; others "have a vague notion that there are

multipliers involved; few use [a] rigorous model”. Only one-third of the so-called “economic impact studies” were deemed to be examples of proper economic impact analyses. The study concluded that “the data necessary to draw meaningful conclusions regarding the economic impact of Ontario’s tourism festivals and events does not currently exist”. The study recommended that an economic impact assessment of the festivals and events industry be carried out as a benchmarking exercise, and suggested a framework for economic analysis.

Principal Challenges

The precarious funding base for the F&E sector, the variable quality of F&E planning and management, and inconsistent lines of communication within the F&E sector were thought to be significant concerns. The lack of understanding of what economic impact assessment is, and why it is useful, makes it difficult to gather evidence of the F&E industry’s contribution to local and regional economies.

Best Practices – Education and Training

The study cited the need for a “Volunteer Strategy”, and a detailed plan for ongoing training of F&E staff and volunteers. A useful professional development tool is a “best practices management guide”. This should be developed outlining issues such as “lessons learned and tips in successful applications for funding, sources of funding, marketing, obtaining corporate sponsorship, volunteer management strategies, planning checklists, social and economic impact, feedback mechanism, useful contacts, etc.”

Best Practices – Marketing

The study highlighted the need for a “market research service of high quality” to support F&E. Standardized research tools should be developed, including a “how-to” manual to assist festival and events organizers to carry out relevant research. An internet database geared to the public should be created.

Best Practices – Funding

The study discussed the advantages of possible multi-year funding for F&E initiatives with long-term potential. Also suggested was that charitable registration can benefit certain festivals and events, and should be considered. Making available more comprehensive information on funding sources will facilitate improved access

by the F&E sector. The consultants strongly recommend that the Ontario government engage the federal government in discussion about the province's access to federal festival and events funding.

Best Practices – Organization, Leadership, Networking, and Communications

A more integrated approach would greatly benefit the industry, according to the study. An F&E sector plan, prepared with input from all stakeholders, will serve this purpose. Tasks would include: building an integrated approach, categorizing F&E according to size, broadening and increasing membership, developing a comprehensive database, improving timing and coordination to decrease detrimental competition, streamlining grant applications, and seeking partnership with municipal governments.

Best Practices – Measuring, Evaluating, and Tracking

The study highlighted the need for education opportunities for F&E organizing committees and staff to learn about the benefits of economic impact assessment. To be effective, the process needs to be rigorous in terms of what data is collected, and should be standardized across the industry (i.e., survey form, inputs, analysis, outputs, and reporting.)

8.15. Estimating the Economic Impact of Festivals, Fairs and Events

Research Resolutions and Consulting, for the Ontario Ministry of Tourism and Recreation and Tourism British Columbia, March 2004.

OVERVIEW

The Ontario Ministry of Tourism and Recreation and Tourism B.C. commissioned this study to develop a set of principles for measuring tourism expenditures at both gated and un-gated events so that inter-study comparisons could be made. The approaches used in three recent studies were examined: the Ottawa Tourism and Convention Authority methodology used in 2003 visitor impact studies; Enigma Research's study of 25 F&E in Ontario on behalf of FEO; and Sport Tourism Alliance's STEAM model as used to assess the World Cycling Championships in Hamilton, Ontario. The feasibility of generic frameworks for economic impact studies is also investigated.

SUMMARY OF OUTPUTS

The study emphasizes the complexities of on-site surveys at fairs, festivals, and events. Careful planning is important, but does not eliminate the difficulties with evaluation such as the movement of respondents “through time and space, the absence of precise estimates of universe size and composition, and the comparatively short duration of the event”. Furthermore, “the considerable variation in the fairs, festivals, and events held across Canada annually renders a ‘one-size-fits-all’ methodology infeasible”. The cost, energy, and expertise required for effective economic impact studies led the researcher to question whether it is realistic for smaller events to choose this method of evaluation.

The study recommended a three-step process to develop a framework for measuring economic impact of fairs, festivals, and events:

1. Establishing standards of data quality.
2. Establishing the “budget and research expertise” to carry out the data quality requirements.
3. Examining the availability of funding and expertise to finance and conduct economic impact studies.

LESSONS LEARNED

Best Practices – Measuring, Evaluating, and Tracking

The following observations were considered important in economic impact assessment:

- Measurement units must be clearly defined – who and what is being measured and why? The study recommends measuring the spending of each “visitor party”, as long as the person interviewed is the one best able to speak to the party’s expenditures. Only non-local attendees should be included in the economic impact assessment although overall attendance and visitor origin should be calculated in order to determine estimates of *tourists* versus *other* visitors for projection purposes.
- In order to extrapolate from a survey, visitor counting and segmentation procedures must be thorough. Multiple-counting must be avoided (e.g., it is crucial that only one person per visitor party should be interviewed). At un-gated events, there are many options for estimating attendance, but no “single, best approach”. To make a “reasonable estimate”, it is necessary to have: good knowledge of the site; good knowledge of the flow of people; a

recognized method to capture information on visitor numbers, e.g., aerial photos or segmented parade count; and an on-site survey to capture the characteristics of the attendees, e.g., proportion of locals versus non-locals.

- Sample sizes must be adequate if the results of those surveyed will be used for economic impact projection purposes. “The larger the random, representative sample is, the more reliable are the results.” The study noted that other types of evaluation methodology, e.g., satisfaction surveys, do not require such extensive sample sizes to yield trustworthy results.
- Estimating audience size at un-gated or partially gated events is a serious challenge. The study recommended that “multiple measurement modes and external sources of validation are required to establish viable estimates of attendance” at un-gated F&E.
- Due to the “complexities of sampling, potential duplication, estimating the size of the universe, and projecting survey findings to it, dealing with substitution effect issues, etc.”, on-site economic impact assessments should be carried out by experienced researchers.
- All three studies examined were determined to have suffered from research budgets that were too low. “Inadequate budgets produce inadequate results... unless event surveys are conducted with substantial budgets by research specialists, they will not yield suitable inputs for building a forecasting model or for estimating the economic impact of an event.”
- Minimum standards for economic impact studies need to be set by the tourism research community before “tool kits” or “frameworks” can be developed. Once minimum standards have been agreed upon, “it will be necessary to examine whether the costs of meeting them via a survey approach are justified for small and medium sized fairs, festivals, and events.”
- Given the considerable expense of carrying out “methodologically rigorous studies with ample sample sizes”, the question was raised as to whether economic impact studies should be the “metric of success” for small and medium sized fairs, festivals and events. Instead, tools such as visitor satisfaction studies, local resident evaluations of event impacts, or other models that calculate “order of magnitude” estimates without event-specific assessment surveys could be further developed. “Most people would agree that properly funded economic impact studies of *mega-events* are justified but is it economically sound to adopt such complex and sophisticated studies for *all* of Canada’s fairs, festivals and events? Do we have or can we develop other small tools that would serve the needs of the many small fairs, festivals, and events that take place across the country annually... in other words, can we change the metric of success?”

8.16. Economic Impact of Arts and Culture in the Greater Edmonton Region, 1999

Economic Development Edmonton and the Edmonton Arts Council, 2000.

OVERVIEW

In both 1997 and 2000, The Edmonton Arts Council and Economic Development Edmonton collaborated on economic impact assessments of “the arts and festivals in the Edmonton region”. The economic value of this sector had not been formally studied previously and the issue of whether municipal grants were being used effectively motivated the first study. “The study was purposefully confined to the expenditures of the arts and festival organizations that applied to the Edmonton Arts Council for City of Edmonton Community Investment Grants”. The study dealt with arts and culture as a whole, a large component of which was festivals and special events. The impact analysis was carried out using the Tourism Economic Assessment Model (TEAM), a computer model created by the Canadian Tourism Research Institute that was adjusted by the Conference Board of Canada to reflect the “unique structure of the Edmonton area economy”.

SUMMARY OF OUTPUTS

The study cites difficulty with defining and capturing information on all activities that could be considered part of the arts or culture industries. The study was limited to 101 arts and festivals organizations, and the report cautions that the results reflect only a part of the possible impact of “arts and culture” in the Greater Edmonton area. In the 1999 season covered by the study, an estimated total of 2,737,268 patrons (including 590,264 visitors) attended Edmonton area festivals and events. Despite the well-recognized contributions to the city of Edmonton by the arts and culture community, the study cites “pressure for arts and culture organizations to substantiate their existence with sound economic argument particularly when their revenues are being supported by public and/or private sector sponsors”.

LESSONS LEARNED

Evidence of Impacts

The Arts and Culture organizations were found to spend \$40.3 million on local goods and services in one year. The expenditures of festival visitors were added to

this for a total net impact on the Greater Edmonton region of \$82.5 million. With spin-offs, the total impact on the province of Alberta was deemed to be \$116.6 million. Most of the impact falls within the category of wages and salaries (\$57.9 million in the Edmonton area and another \$16.6 million for other Alberta residents). As non-profit organizations, the arts and culture organizations do not pay taxes. However, taxes paid to all levels of government resulting from the festivals' economic activity were measured at more than \$36.4 million. The 2000 research found that spending by arts and culture patrons had grown by 37% over the earlier study.

The report states that economic impact is not just about direct or directly-induced expenditures. John Mahon of the Edmonton Arts Council quotes the National Governors' Association (USA): "the non-profit arts industry is a potent force in economic development nationwide. States and communities have integrated the arts into their economic development arsenal to achieve a wide range of direct and indirect economic goals. Arts and festivals assist municipalities in the following ways:

- they leverage human capital and cultural resources to generate economic viability in underperforming regions through tourism, crafts, and cultural attractions;
- they restore and revitalize communities by serving as a centrepiece for downtown redevelopment and cultural renewal;
- they improve quality of life, expand the business and tax revenue, and create a positive community image; and
- they make communities more attractive to highly desirable, knowledge-based employees thus stimulating new forms of knowledge-intensive production to flourish" (Mahon).

Best Practices - Measuring, Evaluating, and Tracking

The Tourism Economic Assessment Model (TEAM) uses comprehensive input-output tables to show "how a dollar spent (input) in one sector of the economy impacts the output of all other sectors of the economy". The analysis combines operating expenditures of the Arts and Culture industry (supply-side spending) with visiting patron expenditures (demand-side spending). The method avoids counting expenditures twice by only considering off-site visitor expenditures, e.g., hotels, restaurant meals, etc. The off-site expenditures of local Edmonton cultural event-

goers cannot be completely attributable to the event itself and are therefore not counted. Coincidental shopping by visitors (household good, business supplies) is not included. These careful adjustment and exclusions help to ensure that “the resulting impacts can safely be considered very conservative”.

8.17. Langley Cultural Tourism Impact Study

Grant Thornton for the City of Langley and the Township of Langley, British Columbia, September 2003.

OVERVIEW

The purpose of the study was to perform an economic impact assessment of cultural tourism in the Langley area, and to offer recommendations to the Councils based on the findings. Festivals and Events was considered to be one of five possible categories which belong to the cultural heritage portfolio. The study involved research into cultural tourism trends, the construction of an inventory of cultural tourism products, stakeholder workshops, and an assessment of the estimated economic impact of both tourism and cultural tourism on the Langley area.

“The World Tourism Organization estimates that cultural tourism is growing at a rate of 15% per year and that 37% of all international travel includes a cultural component.” The study cites considerable research done in the previous five years showing the growth of cultural tourism in North America. The international trend away from “the more simplistic sun, sea, and sand experience and toward a more enriching, diverse experience” is one that the Langley area tourism industry would like to respond to more successfully.

SUMMARY OF OUTPUTS

As part of the stakeholder workshop process, cultural and heritage tourism was determined to have taken place when “participation in a cultural, education, or heritage experience is a significant factor in a trip”. The Langley study helped to define further what cultural tourism is. In addition to criteria such as “involves a quality visitor encounter with a cultural or historical experience that is authentic”, they clearly highlighted their need for an obvious economic contribution to be part of the endeavour-- “it must produce economic and social benefits that can be measured”.

The level of cultural tourism was calculated using provincial statistics on overnight visitor spending combined with primary research findings on same-day spending. Cultural tourism was determined to have a significant impact on the area's economy, and it was suggested that the figures obtained could be used as a benchmark against which to measure future development. An inventory of 64 festivals and attractions (everything from the local Cranberry Festival to Canada Day at the Langley airport) concluded that the region has a good base from which to develop more cultural tourism, but that there is a significant need for coordination and packaging to create "market-ready cultural tourism experiences".

The consultants summarize: "Given that there has not been coordinated, strategic efforts to develop, package, and market cultural tourism on a regional basis in the Langley area, there could be significant opportunity to generate greater economic and social benefits from cultural tourism".

The study's main recommendations centred on developing leadership, building strategic partnerships, focussing on market-driven opportunities and competitive strengths, building a tourism inventory database and tracking system, and exploring "lessons learned and best practices from other jurisdictions".

LESSONS LEARNED

Evidence of Impacts

- The Langley study found that the overall visitor spending estimate for cultural tourism was \$17,522,000.
- Cultural tourism in the Langley area was estimated to create 130 full-time equivalent jobs.
- The study also looked at volunteer contributions to cultural tourism. They found that of the 1,209 volunteer participants, 683 of these worked on festivals and events. The volunteers' contribution was calculated on a minimum wage times number of hours worked formula. The study found the contribution to be of considerable significance (\$18,860,400).
- The economic spin-off benefit was calculated based on the provincial government's multiplier formula and was determined to be \$22,550,000.

Principal Challenges

The study found that “market-readiness varies from product to product” because of the limited resources of small businesses, a lack of knowledge of visitor expectations, limited funding for facility upgrades and staffing, and reliance on volunteers. Also cited by stakeholders were transportation issues, and funding difficulties.

Strengths were thought to be the strong growth in cultural tourism in North America, the wealth of cultural and historic facilities, and resources in the Langley area, Langley’s proximity to a large regional market, local government support, stakeholder enthusiasm, a good base of local volunteers, and the new benchmark statistics they now have available on cultural tourism.

Best Practices - Education and Training

Although the study speaks highly of the participation of volunteers in cultural tourism, it warns that a heavy dependence on volunteer labour is risky. High turnover, variable skill levels, and the serious problem of “volunteer burn-out” are familiar in the sector. In fact, the Langley study has as its first recommendation that the region hire a well-qualified tourism development and marketing professional, preferably with a focus on cultural tourism. The consultants make clear that the successful implementation of their other recommendations will depend very much on this person’s capabilities. They further recommend that a human resources development program for tourism and cultural tourism be created.

Best Practices - Marketing

The Langley study recommended that the cultural tourism industry focus on market-driven opportunities. The analysis determined that it is simply too risky to invest in tourism products for which there is limited demand. The region’s competitive strengths were thought to be the key to exploring and undertaking sound cultural tourism initiatives. Also suggested was that both short and longer term development perspectives be taken. One or two “quick win” initiatives would be appropriate to launch in the immediate term, but otherwise 5-7 years should be a reasonable expectation for the development of a mature cultural tourism industry.

Best Practices - Organization, Leadership, Networking, and Communications

The study makes clear that to develop a thriving cultural tourism industry in the Langley area, increased networking among various levels of government, businesses, and the community will be critical.

Best Practices - Measuring, Evaluating, and Tracking

Langley recommended a tourism inventory database to take advantage of the benchmarks their study uncovered. A simple tracking form was suggested to help tourism planners keep current on attendance, market origin, length of stay, and visitor expenditures. Festival and event organizers would be encouraged to complete these forms on a regular basis.

8.18. Best Practices in Parks, Recreation, and Cultural Services

The City of Richmond, B.C., June 2003.

OVERVIEW

The City of Richmond has a goal to become “the most appealing, liveable, and well-managed community in Canada”. To this end, the Parks, Recreation, and Cultural Services Division carried out a Best Practices Review at the end of 2002. Information on best practices was collected from websites, telephone interviews, and visits to numerous cities. An “appreciative inquiry approach” was used to gather information, which focused on understanding “the best of what other cities had to offer their citizens and why”. Themes covered include: Planning and Policy Development, Marketing and Customer Service, Community Involvement, Financial Sustainability, Developing Effective Partnerships, and Staff Development. The focus was to determine and learn from what worked particularly well in other places.

SUMMARY OF OUTPUTS

The 70 page report groups and describes examples of best practices in the Parks, Recreation and Cultural Services field throughout North America. Links to the various cities’ and organizations’ websites are embedded in the text of the report. As well, a “Best Practices Library” was created and materials are available for parks, recreation, and cultural services staff and volunteers.

LESSONS LEARNED

Best Practices – Education and Training

Volunteers and community groups were found to play a significant role in parks, recreation, and cultural services. The survey found that the most successful initiatives have resources allocated to supporting and training volunteers and ensuring that a range of involvement is available to volunteers, from service provision all the way up to leadership development opportunities. In Calgary, volunteers are recruited for city-run special events. A volunteer management policy manual and database have been developed. Volunteers are recognized when they have reached certain milestones (e.g., 500 hours). An exit interview process for volunteers is under development.

Best Practices - Marketing

“Knowing our customers, their needs and preferences is essential to success”. A City of Edmonton program that publishes a free guide “Free and Low Cost Recreation Opportunities for Summer” attracts visitors to festivals and events, city park activities, supervised playground programs, etc.

Best Practices – Funding

Some successful strategies have been: including financial sustainability in planning exercises, effective use of partnerships, effective use of volunteers, and increased corporate sponsorship possibilities. In Edmonton the Community Arts Council solicits and approves municipal grants of \$85,000 for festival organizations in the city.

Best Practices - Organization, Leadership, Networking, and Communication

Effective partnerships were found to depend on the allocation of resources (time) to monitor and maintain the partners’ relationship, and make changes as needed. “It is through sharing of expertise and ideas and creating forums to challenge our industry, that will provide the best chance of success.”

The presence of a festival liaison coordinator employed by the City of Edmonton is seen to offer important support to festivals and events there. The coordinator ensures that city services (police, roadblocks, etc.) are performing properly. “Edmonton sees huge benefits to the community from festivals because they are

considered an economic generator, creating a sense of pride and community spirit and providing an opportunity for paid advertising.”

In Calgary, two city support staff are allocated to work with festival organizers. Staff play facilitator roles, acting in liaison with other municipal departments, and directly with the festival personnel to ensure that the events are sustainable.

The City of Seattle has an advisory team of community members and city staff that reviews special event permit applications to ensure that events are adequately planned and coordinated. Seattle has 250 festivals and events per year.

8.19. An Analysis and Inventory of Selected Tourism Events/Festivals/Celebrations

Tourism Canada, 1988.

OVERVIEW

This document is part of a federal provincial work program that was developed at the 1987 Tourism Ministers Conference in Québec City. It includes a study on the social and economic impact of events, and offers an inventory of events in Canada, the United States, and elsewhere. Events listed were required to have “visitor interest and appeal, with the potential to generate a measurable impact at the regional level”. The selected events also must take place annually, or less frequently, must have taken place at least twice, and must be able to demonstrate a “permanent organizational structure”. The Nova Scotia inventory contained 49 events/festivals/celebrations.

SUMMARY OF OUTPUTS

Tourism Canada analyzed studies of world-scale events (e.g., Expo’67 in Montreal and Expo’86 in Vancouver) and major annual events (e.g., Ottawa’s Winterlude), but determined that definitive conclusions could not be made about their socio-economic impact. They cited the variety within the scope and nature of the studies and the “sketchy and inadequate” data they had available. Furthermore, the sample size was deemed too small to draw conclusions useful for other events in other places. The study then put forth a framework to assess the socio-economic costs and benefits of major events.

Tourism Canada finds that the hosting of major events is “a growth industry”. The steady growth in Canada and elsewhere is attributed to “a general increase in leisure time and discretionary income”. Canada’s festivals and events are seen to include art, music, and film festivals, sports events, exhibitions, and a “variety of events ranging from maple syrup festivals to events celebrating each of the four seasons”. As well, occasional major world-scale events have been hosted by Canada and will be again in the future.

The public interest was thought to arise in the following ways:

- official sponsorship (e.g., Calgary hosting the 1988 Winter Olympic Games);
- the need to create amenities which are the responsibility of the government (public buildings, parks);
- organization and coordination of logistics and services by public authorities;
- potential contributions to the “greater social, economic or cultural good” of the host community, province, or the country as a whole;
- the possibility that a failed event will have negative repercussions for the community, province, or country; and
- offering credibility and stability to an initiative by effective government-to-government liaison.

In order to better understand the socio-economic costs and benefits of hosting major events, the study recommended further investigation and development of the following four issues:

- more emphasis on event evaluation using relevant socio-economic cost benefit analysis procedures;
- development of a database on the role and impact of the tourism trade;
- improved sharing of information and “insights on lessons learned” from organizing major tourist events; and
- improved analytical methodologies to allow for more effective socio-economic cost benefit analyses of major events.

LESSONS LEARNED

Evidence of Impacts

The Tourism Canada study cites the ways in which longer-term economic effects have historically resulted from events/festivals/celebrations:

4. By encouraging broader public awareness of local attractions, visitor levels are increased over time.
5. By creating or improving amenities, visitors are attracted over the longer-term.
6. By stimulating local entrepreneurs and community leaders to become more “tourism-oriented”, longer-term tourism potential is enhanced.

An important social benefit of redistributing income in the community can result from hosting major events. Lower-income workers and small entrepreneurs may benefit significantly, contributing to “reduced reliance on welfare and social assistance, a greater sense of independence on the part of workers and entrepreneurs, and [the] acquisition of transportable skills and work/business experience”.

The conclusion is that “major events – especially permanent and regularly scheduled events such as seasonal festivals – can help to stabilize and re-structure a local economy to make it more robust and balanced”.

In addition to the economic benefits, there are broader and “in some cases, equally significant” social and cultural benefits. These include the entertainment value of the event itself, the community pride, and the “community sense of purpose and cohesiveness” which results from widespread public participation in playing host to a major event. Events and festivals help reflect the cultural origins, economic life and history of a community. This gives “formal recognition and positive reinforcement to the values, traditions, and activities of the community”.

Best Practices – Measuring, Evaluating, and Tracking

- Attempts by government to measure financial costs may be motivated by a desire to know whether public funds are spent effectively. However, a proper assessment must also look at the role of private expenditures and investments.
- The participation of volunteers must be integrated into the assessment.

“Their time and effort do reflect real human costs.”

- Both direct and indirect expenditures must be considered to get a full picture of the costs associated with organizing the event. Indirect costs would include the contributions of public employees towards the planning and coordination of an event.
- A legitimate assessment should take into account “opportunity costs”, that is the relevant costs/benefits of any alternative initiatives with the same objectives that might have been undertaken instead. For example, the costs and benefits associated with a major festival would be compared to the relative costs and benefits of an alternative tourism investment such as infrastructure, or a marketing campaign.
- The potential inflationary effects should be considered. A major event with significant, but short-term, influxes of visitors could cause inflation in the local marketplace.
- Serious disruptions in a local economy can result from a major event. In some cases, if visitors are drawn away from one local area to another, the net socio-economic benefit to the province or country may actually be nil. To ensure that this can be measured, the delineation of the market area included in the analysis is important.
- In assessing the overall costs, the social and political risks of hosting the event must be evaluated. Major high-profile events have the potential to create reputations for hosting communities. The long-term costs associated with a “failed” event are high.
- When assessing benefits, “leakages and spill-over effects” out of or beyond the relevant market area must be considered. The study warns that entrepreneurs and economic interests from outside the region may actually obtain the “lion’s share of the rewards, with no immediate or lasting benefit to the sponsoring community”, and this unfortunate situation needs to be revealed by the assessment.
- Just as indirect costs are relevant to the big picture, so too are indirect benefits. Less tangible or delayed benefits, such as enrichment of the community’s social and cultural life, are considered relevant.
- The net value of any capital assets (e.g., sporting facilities, public amenities) which remain after the event should be included in the analysis. The value assigned should reflect the “true utility and value of the assets” to the community.

8.20. A Guide for Undertaking Economic Impact Studies: The Springfest Example

John L. Crompton, Seokho Lee, and Thomas J. Shuster, Journal of Travel Research, Vol. 40, August 2001, p. 79-97.

OVERVIEW

The purpose of the study is to present a model for undertaking meaningful economic impact studies. The rationale for carrying out economic impact studies is discussed and four key principles for legitimate economic impact analyses are advocated: exclusion of local residents; exclusion of “time-switchers” and “casuals”; use of income rather than sales output measures; and correct interpretation of employment multipliers. The Springfest event in Ocean City, Maryland is presented as a case study, and analyzed using the IMPLAN model to determine how much output, income, and value added result from tourist spending on the festival. Springfest is a 4-day festival held in May in the resort community of Ocean City. The event includes arts and crafts, music and other entertainment, and a children’s program.

SUMMARY OF OUTPUTS

The study argues that economic impact assessments for publicly-funded events are crucial in order to understand what the community receives in return for their investment of tax dollars. The authors caution readers that too many economic impact assessments use inaccurate methods and assumptions to inflate the supposed impact of their project and hopefully garner greater support from funding bodies. They warn of the serious consequences this has for the industry: “The inevitable result of the misuse of economic impact methodology has been the growth of a backlash against the idea that tourism has any role to play in local economic development”. Tourism professionals are encouraged to improve their capacity to evaluate the integrity of economic impact assessment studies. The Springfest event was assessed based on the principles and methodologies recommended in the study. Springfest was determined to have had a significant economic impact on the community’s economy.

LESSONS LEARNED

Evidence of Impacts

The Springfest event was calculated to have an economic impact of \$1,922,000 (\$1,422,000 from people who came specifically for the festival and \$500,000 from people who extended their already-planned visit in order to attend). An estimation was then made of the impact of this spending on the Ocean City economy in terms of sales, personal income, and employment. The economic impact on personal income, which the authors feel to be the most meaningful measure, was \$1,101,000. Sixty-one jobs were created by the festival.

Best Practices - Measuring, Evaluating, and Tracking

The authors' experience shows that four key principles are necessary for a useful, accurate economic impact assessment:

1. ***Exclusion of local residents.*** Spending figures should represent only visitors who live outside the community, whose primary reason for being there is to attend the festival/event, or who stay longer and spend more as a result. The spending of festival-goers who live in the community is thought to represent "recycled" money and therefore should not be counted.
2. ***Exclusion of "Time-Switchers" and "Casuals".*** People who had planned to visit the community anyhow, and then changed their timing to coincide with the festival, "time-switchers", are not included in the assessment. Nor are "casuals", visitors who were already in town and then decided to attend the festival. The only exceptions are made for visitors who extended their stay in the area in order to attend the event. Their expenditures during the extended portion of their visit are then eligible to be included.
3. ***Use of Income rather than Sales Measures.*** This study criticizes the usefulness of a *sales (output) measurement*, which assesses the effect of an extra amount of visitor spending in the community's economy. Instead, the *personal income measure* is recommended as a way of determining the changes visitor spending have on the income of community members. The advantage of this method is said to be that it allows one to compare the economic benefits received by residents to the costs they initially invested.
4. ***Careful Interpretation of Employment Measures.*** Misleading or exaggerated interpretation has led to less than useful analyses of employment figures. Three problems were cited. First, employment estimates in some modeling systems (such as the IMPLAN input-output system used by the Springfest Study) do not differentiate between full-time

and part-time jobs. This leads to an inflated estimate of employment created. Second, employment gauges may make an assumption that existing employees are fully occupied and that an increase in staffing will be necessary to accommodate a special event. This is not always the case; often existing staff cover the additional work and few additional staff are needed. Third, some analyses are premised on the idea that all new staffing will be done from within the hosting community. When this does not happen, it is not appropriate to consider the job created as a benefit to the community's residents.

Other "best practices" recommendations were:

- that serious effort be given to obtaining an accurate attendance estimate so that when survey results are extrapolated they will be as realistic as possible; and
- that visitor questionnaires must be kept short. "The shorter it is, the less time it takes for respondents to complete, and the more likely it is that they will cooperate in the study." Questions that may elicit "interesting information" should not be included unless the results would be critical for calculating economic impact.

8.21. The Significance of Festivals to Rural Economies: Estimating the Economic Impacts of Scottish Highland Games in North Carolina

Deepak Chhabra, Erin Sills, and Frederick W. Cabbage, Journal of Travel Research, Vol. 41, May 2003.

OVERVIEW

The study examined the economic impact of visitor spending at two Scottish festivals in rural North Carolina. Both events are annual Scottish Highland Games, one of four days duration (Grandfather Mountain Highland Games) and the other a one-day festival (Flora MacDonald Highland Games). The method used was an input-output model called IMPLAN (Impact Analysis for Planning). The assessment of tourist spending was based on self-administered on-site visitor surveys, gathering information on accommodation, travel, food, entertainment, and souvenir expenditures. The operating expenses of festival organizers were not included in the assessment as accurate figures were not available. The average per person spending was multiplied by the number of visitors to obtain total spending results, which were then used to calculate direct, indirect, and induced effects. Note

that festival attendees residing in or near the communities were not included in the survey “since most of the local spending would have occurred anyway”.

SUMMARY OF OUTPUTS

For the four-day Highland Games, the direct impact was determined to be \$2.6 million US. The highest impact was in the lodging sector. Services, including medical care, electric services, banking, and service stations, were also seen to be substantially affected by the festival spending. The one-day festival resulted in an impact of \$82,590 US, with the largest impacts in the food and beverage sector.

The study determined the combined direct, indirect, and induced economic effects “represent significant contributions to these rural economies, and particularly to the lodging and restaurant sectors”. The multiplier effect was seen to be small, however. This was attributed to the tendency for rural areas to have smaller multiplier opportunities than urban areas, as well as the fact that there were “substantial leakages out of the local economies”.

The visitor survey revealed that 90% of the visitors to the four-day Games planned to return, and 50% were already repeat visitors. Forty-five percent of those attending the one-day Games were repeat visitors. As well, these annual events have both seen an increase in the number of new visitors in the years preceding the study. The study concludes that the festivals’ success in attracting new visitors and holding on to repeat visitors will help “maintain their small but significant role in their host regions”.

LESSONS LEARNED

Best Practices - Measuring, Evaluating, and Tracking

The study reiterated the importance of excluding festival expenditures of people living locally. Also excluded were tourist purchases from vendors who lived outside the festival region. This spending was considered to represent “leakages” out of the regional economy. The study recommended that the spending of festival organizers should be more carefully tracked, as this will facilitate “more accurate (and almost certainly higher) estimates of economic impact”.

8.22. A Report on the Impact of Folk Festivals on Cultural Tourism

Morris Hargreaves McIntyre, for the Association of Festival Organizers and the Arts Council of England, January 2003.

OVERVIEW

This research study surveyed 4,294 adult festival attendees at six different folk festivals in England in the summer of 2002. Longer questionnaires were then completed by 450 respondents, and a subsection of these participated in follow-up focus group discussions. The purpose of the research was to develop a better understanding of folk festival audiences, and to measure the value of their participation. Although anecdotal information generally supports the conclusion that festivals have a positive impact on a sponsoring region's economy, this study is the first national undertaking in England to measure that impact.

SUMMARY OF OUTPUTS

There are over 350 folk festivals annually in the UK, which generate expenditures of 77 million pounds per year. The survey showed that the festivals attracted 106,000 people annually, with those surveyed indicating that they attended an average of 3.3 festivals per year. The study showed that festivals in England have "a remarkable ability to retain tourism visitors and win their loyalty. Unlike much investment in tourism, investment in folk festivals results in almost guaranteed repeat business." In fact, 76% of the attendees were already repeat visitors, with 44% attending every year.

LESSONS LEARNED

Evidence of Impacts

The study concludes that festivals do indeed stimulate the local economy. As mentioned above, folk festivals account for 77 million pounds in expenditure annually. "Folk festivals can make a huge and wide-ranging impact on the host town or village. As well as the obvious influx of visitors and benefits to the local economy, local businesses and voluntary organizations work with festivals to build lasting partnerships that benefit the area." Over 90% of the folk festival-goers were found to be tourists. "Very few other tourist attractions can command that level of repeat visiting, which means that public money spent on folk festivals yields a

higher return on investment than most other tourism events”. Festivals were found to bolster the folk music industry by providing employment opportunities for artists and support staff, and hosting a marketplace for a range of music-related goods. A full 92% of festival-goers purchase new CDs on site. Festivals in the UK generally rely on goods and services supplied locally, and this adds to the impact felt in the region playing host to the event. “In festival week the town is enriched both financially and culturally. Town centre businesses and many others are boosted and benefit from the unique opportunity provided by the festival.”

Best Practices – Marketing

The results of the study provided festival organizers with a wealth of information about festival-goers that will facilitate their future marketing efforts. Categories thought to be helpful were: age, gender, number of family members accompanying visitors, motivation for attendance, previous experience with folk festivals, and socio-economic group. The survey was able to determine whether attendees thought the festival was good value for the money (87% responded positively).

Best Practices - Measuring, Evaluating, and Tracking

The study illustrates the need for research about who is attending festivals and events, and how they are contributing to the hosting region. Publicity, sponsorship, and funding efforts will all be made easier for festivals and events that can point to this kind of relevant documentation.

9. APPENDIX II: REFERENCES

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10. APPENDIX III: INTERVIEW GUIDE

TIANS Festivals & Events Project

Key Informant Interviews Interview Guide

Overview:

The purpose of this project is to identify practical steps to expand the contribution of festivals and events to the overall tourism economy of Nova Scotia.

“Festivals and events” includes community-based cultural, social, sports and recreational activities organized and managed largely by volunteers, most of which occur on an annual basis.

The F&E industry is perhaps unique within the larger tourism sector because of its “grassroots” nature. Even the largest undertakings – the jazz, folk and classical musical festivals, the live theatre seasons and the Tall Ships events – rely heavily on volunteers to raise money and manage very large organizations. The private sector plays a significant role through corporate sponsorships and provision of equipment and facilities.

A core issue addressed by this research project is to determine how central agencies in industry and in government can best contribute to the ongoing development of a sector that is so diverse and grassroots in its structure and operations.

Questions:

1. What do you see as the most significant contributions of the F&E sector to the tourism economy in Nova Scotia in terms of ...
 - a. Direct economic impacts (i.e., employment, incomes, aggregate demand)?
 - b. Indirect economic benefits (attracting people who create demand in other sectors of the tourism economy)?
 - c. Benefits to communities?
 - d. Other non-economic benefits?
 - e. Do you have any documents, research reports, etc. that provide information on these issues?

2. Do you see any important new challenges or opportunities (demographic trends, economic trends, behavioral trends, lifestyle issues, changes in community volunteer capacities, etc.) that may limit or enhance the contribution of F&E sector to the tourism economy in the foreseeable future?
3. In your experience, what are the strengths of the F&E sector in NS that we can build on to increase the contribution to the tourism industry overall?
 - a. Can you identify two or three concrete steps to protect and build on these strengths?
4. In your experience, what are the weaknesses of the F&E sector in NS that need to be improved to increase the contribution to the tourism industry overall?
 - a. Can you identify two or three concrete steps to reduce these weaknesses?
5. Can you identify supports or developmental services to help build up the F&E sector that might be provided by government, the Tourism Industry Association of Nova Scotia, or regional tourism associations in the areas of ...
 - a. Education and training?
 - i. What do you see as the priority needs?
 - ii. What would be the most effective ways to deliver training to this sector?
 - b. Marketing?
 - c. Communications?
 - d. Access to appropriate funding sources?
 - e. Other?

6. At present many of the community-based groups that organize and conduct F&E do not link into regional or province-wide support organizations or networks.
 - a. What would be the most useful ways to organize or network these community-based groups?
 - b. What kinds of incentives would work best to get them to participate in networks or organizations?
 - c. Any other ideas about how to encourage participation in umbrella organizations or networks?

7. A key objective of this study is to identify more effective ways to measure the economic impacts of F&E sector and to track change. Do you have any suggestions on how best to evaluate economic impacts for the sector, to benchmark key variables, and to involve F&E groups in ongoing tracking and evaluation?
 - a. Measuring economic impacts?
 - b. Benchmarking key trends in the sector?
 - c. Involving F&E groups in evaluation?

Thank you very much for your time and your contribution to this important study.

11. APPENDIX IV: F&E PROVINCIAL ORGANIZATIONS

Independent festivals and events organizations have been created in several Canadian provinces to support and promote the F&E industry. Benefits provided to members include: a forum for sharing ideas, expertise, and resources, training opportunities, joint marketing programs, and advocacy. Three examples are summarized here.

Festivals and Events PEI

- ❑ Brings together 80 F&E representatives and suppliers on the Island;
- ❑ Is a non-profit organization administered by a volunteer Board of Directors;
- ❑ Was created with the encouragement of the provincial government, which wanted to support the F&E sector;
- ❑ Aims “to increase the professionalism of festival and event staff and volunteers as well as the quality of the experience offered to the participants”;
- ❑ Has three working committees: membership, education, and marketing;
- ❑ Is funded by membership fees and Tourism PEI’s tourism investment fund;
- ❑ Maintains a sliding scale for membership, with fees ranging from \$75 to \$225, depending on the size of the F&E or business;
- ❑ Carries out an extensive marketing campaign for participating members which includes: F&E brochures provided to Visitor Information Centres, radio advertising, web site listings, and newspaper and magazine advertisements;
- ❑ Publishes a quarterly newsletter and organizes conferences and trade shows; and
- ❑ “We provide our industry with a strong, representative voice for the festivals and event sector.”

Festivals and Events PEI can be found at:

<http://www.festivalspei.com>

Festivals et Événements Québec

- ❑ Is a non-profit organization representing 175 members in the province of Québec;
- ❑ Was founded in 1975 with a mission “to bring together the fairs, festivals, and events, promote them, and provide services to further their development”;
- ❑ Has a mandate to: “increase attendance at fairs and festivals; disseminate any useful and relevant information concerning new opportunities; defend the interests of its members; and develop the skills of event organizers”;
- ❑ Maintains a web site featuring all member F&E and publishes a networking tool which lists members and describes their events, a news bulletin, training manuals, and various F&E promotional items;
- ❑ Hosts a two day annual convention for members;
- ❑ Offers information, advice, legal services, and referral to member organizations; and
- ❑ Has negotiated liability insurance for members that can be adapted to individual needs.

Festivals et Événements Québec website:

<http://www.evenementsquebec.qc.ca>

Festivals and Events Ontario

- ❑ Provides information and networking for F&E organizers “to support growth and stability in the festivals and special events industry”;
- ❑ Is a provincial network to “exchange ideas, and access resources and expertise”;
- ❑ Offers training opportunities, including seminars, workshops, and training manuals specific to the F&E industry;
- ❑ Hosts an annual conference, supplier trade show and entertainment showcase;
- ❑ Works with government and industry groups to “promote partnerships for the development of cultural celebrations, tourism, and recreational opportunities in Ontario”;
- ❑ Publishes a quarterly newsletter, provides members with regular industry updates, and produces a “one-stop shopping directory” of F&E suppliers for event organizers;
- ❑ Has various membership categories for F&E, with fees ranging from \$80 to \$500; industry suppliers may join the network by paying a membership fee of \$150;
- ❑ Sponsors awards programs to honour excellence in Ontario F&E;
- ❑ Promotes the establishment of local F&E networks to bring together people working on various events in one community; and
- ❑ Actively publicizes festivals and events organized by members throughout the province.

Festivals and Events Ontario can be found at:

<http://www.festivals-events-ont.com>

12. APPENDIX V: TIANS F&E STRATEGIC PLANNING WORKSHOP

Agenda

- 10:00 Opening and introductions
- 10:10 Review of objectives of the project
- 10:20 Summary of Findings
- Economic Impacts
 - Industry Challenges
 - Strengths & Weaknesses
 - Policy and program Support Systems
 - Training
 - Capacity Building
 - Funding
 - Evaluation Methods and Tools
- 12:00 Lunch Break
- 12:45 Planning & Priority Setting
1. Defining the industry and its sectors
 2. Policy Approach
 3. Program Support
 4. Evaluation and Data Gathering
 5. Research Priorities
- 3:00 Summary of Decisions & Next Steps
- 3:30 Adjournment