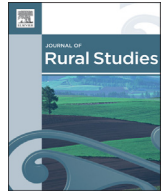




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## Entrepreneurial implications, prospects and dilemmas in rural festivals

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### ABSTRACT

Festivals play an important role in rural communities, and they are typically embedded in the local ecosystems of sports, culture, business and other types of associations, where they might deliver elements of coherence, commitment and meaning, as well as occasional economic benefits. This study aims to showcase the business entrepreneurship aspect of festivals in Danish rural areas, and it is based on primary data from 315 festivals. Special emphasis is placed on the nature, prevalence and importance of business activities at such festivals and on the opportunities for entrepreneurs to utilize festivals as a means of business development in relation to sales, marketing, product testing, and customer feedback. On the one hand, the results show that very few of the surveyed festivals are entirely commercial and that commercial objectives are, due to ideological and relational reasons, generally low-ranked by organizers. On the other hand, there is strong evidence that local businesses actually participate in rural festivals' ecosystems and that there are numerous mutual interactions among local businesses, festival organizers and residents that together create an excellent means for driving entrepreneurial activity. It is a delicate undertaking to strengthen partnerships with entrepreneurs without compromising community objectives. Several potential courses of action are proposed.

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### 1. Introduction

Over the years, festivals have become vibrant elements of human and community life. Traditionally, they originated to cultivate local traditions and to celebrate momentous occasions such as the harvest or religious seasons. Intrinsically, their origins are strictly rural, even though many festivals have, over time, developed in scope, number and format (Andersson et al., 2013; Gibson et al., 2011; Jepson and Clarke, 2014).

There are many definitions of festivals. Inspired by Getz (2010) and Wilson et al. (2016), this study defines festivals using five characteristics: (1) Festivals are limited in time with a clearly defined start and end; (2) Festivals are confined to a specific location; (3) Festivals are planned occasions with predefined objectives, themes and programmes in recognizable structures, although they may contain some elements of spontaneity; (4) Festivals combine

several activities into beneficial symbioses; and, finally, (5) Festivals are open and inviting, meaning that anyone can join.

Rural festivals are regarded as contributors to pleasurable hedonism, as well as to the social and cultural cohesion of communities; they bring citizens together as visitors and organizers and they are often appreciated for their playful, integrative potential (Derrett, 2003; Jamieson, 2014; Reid, 2011). However, as a consequence of stronger competition, many festivals seem to rely on strategic planning and more rigid execution when commercial objectives and elements are more prevalent (Biaett, 2015; Getz and Page, 2015; Ziakas and Costa, 2011). The festival landscape is becoming more pluralistic and competitive, potentially allowing for more diversity in mutually beneficial structures, including for business purposes (Mackellar, 2006). Most business-related research on festivals is concerned with sponsoring issues and the gross economic impacts on communities, whereas less has been done to understand the many other facets of the business-festival relationship. The empirical analysis of business and entrepreneurial potential in multi-case settings may offer guidance for a wide range of festival stakeholders including festival organizers, business entrepreneurs and local governmental bodies.

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Against this backdrop, the study examines the current supply of festivals in rural areas in Denmark. It is based on a survey of 315 rural festivals in Denmark, and the respondents are the individuals with primary responsibility for each festival's organization. The questions raised in the study include: (a) What types of festivals take place in rural areas? and (b) To what extent are rural festivals considered to benefit the local business environment? In addition, the research scrutinizes forms of business involvement in the festivals' setup and the intensive collaboration with festivals organizations. To address the stakeholders' perspectives, the article eventually systematizes and elaborates policy measures.

Consequently, the main contributions of this study are identifying the essential entrepreneurial characteristics of festivals, addressing development constraints and success criteria, and providing examples of festivals that can serve as platforms for entrepreneurship without compromising the social and cultural objectives of the festivals. The priority given to business aspects and prospects will be discussed in the context of rural development challenges, among others, by examining to what extent rural festivals can increase their significance and value for rural entrepreneurs who seek to boost business, widen their market reach or test new products and services. This study offers the potential to advance the knowledge of the ways in which a host community can use festivals as incubators of local entrepreneurship in which local business can meet and work together, with each other and with other actors. Academically, the study offers the first examination of rural festivals on this scale, and it gives a rather comprehensive overview of the numerous mutual interactions among local business, festivals and residents that together create an excellent means for driving entrepreneurial activity.

The presentation of the study is structured as follows: First, the relevant literature is introduced. Next, the data collection and methodology used in the study are described. Then, the results regarding different aspects of festival operation in Danish rural areas are presented and the results are then summarized. In the final chapter, some practical and policy-related implications are discussed.

## 2. Literature review

Today, festivals contribute to the attractiveness and viability of rural areas for residents as well as visitors. Typically, festivals are embedded in the local ecosystems of sports, culture, business and other types of associations. All the interest groups in such ecosystems might contribute to and benefit from participation, as the amalgamation of elements provides coherence, commitment and meaning, as well as occasional economic benefits (Gibson, 2007; Gibson et al., 2011). For that reason, there is a growing interest in researching how festivals in rural areas are staged and how they contribute to the wider revitalization of host areas (Andersson et al., 2013; Blichfeldt and Halkier, 2014; Gibson et al., 2011; Wood and Thomas, 2008). Predominantly, however, scholarly research focuses on the social and cultural processes and significance of festivals (Jaeger and Mykletun, 2013). There is a strong research emphasis on the inclusion of local residents in festival organization as visitors and volunteers, which has led to a better understanding of the cohesive forces and the social sustainability of festivals in rural settings (Janiskee and Drews, 1998; Moscardo, 2007; Ziakas and Boukas, 2015). This strand of research stresses the importance of collaborative structures, in which the boundaries between different interest groups and stakeholders are often blurred (Andersson and Getz, 2008; Karlsen and Stenbacka Nordström, 2009; Reid, 2011).

Attendees' experience and satisfaction constitute another major research area, as observed, for example, in studies conducted by

Bruwer (2014), Jung et al. (2015) or Wan and Chan (2013), to name but a few. Among other findings, this strand of research demonstrates that festivals are regarded as critical assets in the current experience landscape (Janiskee and Drews, 1998; Li et al., 2009). Visitors appreciate both tradition and novelty. Festivals constitute touristic resources in rural areas by contributing to the attractiveness of rural destinations and adding experience value and animation to specific local sights (Blichfeldt and Halkier, 2014; Lorentzen, 2012; Moscardo, 2007; Winkelhorn, 2015). Destination management offices eagerly promote festivals to create a variety of reasons to visit an area across the seasons, and Kostopoulou et al. (2013) show that festivals may act as mechanisms to encourage regional economic development and touristic attractiveness, and for these reasons, festivals are increasingly being integrated in rural tourism planning (Kostopoulou et al., 2015).

The economic aspects of festivals constitute a topic that has generated a long and substantive research history, but the studies have focused predominantly on single-case, economic impact analyses of (mega) sporting festivals (e.g., the Olympics, the FIFA World Cup, the Commonwealth Games) (Agha and Taks, 2015; Kwiatkowski, 2016a), rather than on smaller scale festivals. Impact studies of various types of festivals (e.g., music, culture, sport), including studies of festivals that are omnipresent in rural areas, are less prevalent (Getz and Page, 2015; Ziakas, 2013). Impact analyses tend to, in fairly standardized ways, investigate visitors' spending patterns (Thrane, 2002), and with use of economic modelling, they determine the local effects on business turnover and derived employment (Diedering and Kwiatkowski, 2015). Such examinations also include many variants of multiplier effects, and they address the difficulties of and set-backs for local economies; for example, the significance of economic leakages (Mair and Whitford, 2013) or the crowding out effect (Litvin, 2007). Chhabra et al. (2003) show that festivals have a certain economic impact on their host regions but that the benefits accrue mainly to the accommodation and catering sectors and that, altogether, these benefits are most often rather modest. The impact depends a great deal on the size and structure of the local economy, the composition of festival attendees and how well-rooted the festival is in the local economy (O'Sullivan and Jackson, 2002; Kwiatkowski, 2016b; Kwiatkowski et al., 2017).

Some studies dwell on incidences in which festivals help to showcase sponsors and highlight supplier products and services; however, this requires a proactive festival management to balance the outcomes for festivals and corporate stakeholders (Reid, 2011). Studies of the microeconomic aspects of festivals, including the motivation of exhibitors, stallholders, suppliers and service providers, are otherwise very infrequently observed in festival research (Mosely and Mowatt, 2011). This issue is largely under-researched in rural festivals, although it is gaining more attention with regard to food-related festivals and other types of festivals, possibly as a consequence of food being rooted in rural origins (Jung et al., 2015; Wood and Thomas, 2008). Reid (2011) and Jæger (2012) suggest that the relationships between stakeholders with business perspectives and other more community-related stakeholders may be somewhat strained, as their goals and motivations are not always compatible.

Festivals may provide opportunities for business entrepreneurs in particular, by serving as occasions for product testing and exhibition and as a platform for gaining initial market access. The entrepreneurial aspect is, however, addressed to a limited extent in the research, and the main focus of the existing studies is on festivals as platforms for entrepreneurs in the performing arts, particularly for those in music (George et al., 2015). For example, the study conducted by Caust and Glow (2011) suggests that the Adelaide Fringe Festival promotes an entrepreneurial approach by

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