

**Festivals in rural regions: an empirical study on value creation processes by the example of the Orange Blossom Special Festival (OBS)**

*8th Vienna Music Business Research Days, 13 September 2017*

Presentation

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## **1 Introduction**

The growing live-music-sector is embedded within various interwoven sociocultural and socioeconomic changes of the last decades in “western” societies. Along with the rise of the general standard of living, and increase in leisure time, life expectancy, mobility and technological development, structural changes occurred; production intensive industries gave way to service oriented industries, such as great parts of the cultural sector. This shift was accompanied by the hope that the growing of the cultural sector is going to compensate for the collapse of traditional industries, at least in part – not only economically but also in terms of reframing identities of entire areas of former production sites (e.g. Ruhr region). Cultural events played and still play an important role within these processes, so their output in terms of sales numbers, economic value creation, employment rate, image creation, etc. is of special interest. This led to research on their multiple effects of in various disciplinary fields. Whereas in the beginning of this trend studies had focused primarily on monetary effects, current research develops a differentiated understanding of effects in terms of a broader perspective on value creation.

Against this background this paper presents a commissioned study which was conducted between May 2016 and June 2017 by the University of Paderborn. The aim was to evaluate the multiple values and value creation processes of the Orange Blossom Special Festival (OBS), a small indie pop festival in Beverungen. Beverungen is a small town at the tri-border area of Nordrhein-Westfalen, Hessen and Niedersachsen with about 13.000 inhabitants. As many small towns in peripheral positions, Beverungen is affected by an ageing society and migration. Nevertheless, the cultural offering within the region is rich and diverse.

Since 1997 the OBS has taken place annually for three days at Whitsun and since then it has been organised by the two owners of the independent label *Glitterhouse Records*, which is also situated in Beverungen. The festival area is located at the company site of the label, a small area with an historic villa. The camping ground is located approximately 200 meters away, at the bank of the Weser River.

Every year around 2.900 people visit the festival. Tickets can be ordered by phone only and are sold out within just a few hours. Nonetheless, the number of visitors has remained unchanged for years. One characteristic of the OBS is that the organisers of the festival are local and integrate local gastronomy and enterprises, so that over the years the OBS has become an essential part of Beverungen. Not only regarding sales or touristic issues, but also in terms of identity, relations, pride of the inhabitants and image of Beverungen. These circumstances were the starting point of the study presented here.

## 2 Theoretical contexts and empirical frameworks

This study is framed by various theoretical approaches. Firstly, it is necessary to mention concepts which describe relations between the rise of events and sociocultural changes in western societies (see e.g. Schulze 1992, Gebhardt 2000, Hepp & Vogelgesang 2003, Hitzler 2011). Structural changes in urban as well as in rural regions are embedded within these processes. Former industrial sites became event locations and former agricultural regions were transformed into popular festival regions. Referring to Harvey (1985) and adapting Schumpeter (1942), Mitchell (2013) describes this process with respect to rural regions as *creative enhancement* (Mitchell 2013: 376). Regarding festivals in Canada, she provides a typological differentiation of the commodification of the countryside ideal and states that its logic is inscribed into the landscape. Consequently, commodification of the countryside ideal as one aspect of structural change in rural regions goes along with changes in self-image of inhabitants and entrepreneurs, with changes in economic structure and external perception.

Considering this from an opposite point of view by focussing on the influence of the environment on events, an ecological approach is taken into account. Behr et al. (2015) refer to this concept in their research on venues in Scotland and use it to analyse the complex socioeconomic and sociocultural processes of the live music business. In order to take the environment into consideration, the research team suggests focussing primarily on space (e.g. architecture), networks of people and sustainability regarding cultural policy.

Up to this point, the above-mentioned theoretical approaches provide a framework for considering the effects of festivals on their environment as well as the influence of the environment on festivals. Against this background the issue of value creation processes within the context of festivals must be taken into account. For cultural goods the *Kulturbetriebslehre* (Zembylas 2004; Zembylas & Tschmuck 2006) provides an interdisciplinary theoretical framework for these processes by focussing on the interrelation of economic and cultural value creation processes (Zembylas & Tschmuck 2006: 3). This approach is a useful framework for studies which investigate the various effects of festivals on their environment by categorizing them into economic, social, cultural and ecological effects. In general, they are operationalized in terms of regional economic value, image of a region or a city, identity of the inhabitants, waste volume, etc. (see e.g. Köhler 2014, 2013; George 2015). In order to look at events and value creation processes in a broader holistic way the interrelation of events and environment must be understood as multidirectional and network-like, which goes beyond the distinction of culture and economy. Therefore, this paper is referring to a different concept, derived from the *Kulturelle Ökonomik* (Blümle et al. 2004; Blümle & Goldschmidt 2007). This approach considers economy to be (a part of) culture and transfers main paradigms of cultural sciences to economic contexts. This means that, conceptually, there is no distinction made between economy and culture and therefore no distinction between economic and cultural values.

## 3 Definition & Operationalization

Building on recent research on effects of festivals on their environment as well as on research on effects of the environment on festivals, this paper focuses on created values out of the perspective of various stakeholders. In order to conceptualise a definition, this paper adapts Köhler's (2013) differentiation between monetary and

non-monetary effects of cultural events. Values are defined as being constituted by monetary and non-monetary components. This means that value creation is defined as a process in which values are constituted by the interrelation of monetary components (which refer explicitly to monetary units, for example, ticket prices or regional economic impact) and non-monetary components (for example, the individual or social meaning of buying a ticket or hosting a festival). In order to take into account that it is not just about one value, but about various values which refer to different stakeholders, this paper uses the plural: creations of values (in German “Wert-e-schöpfung-en”). These processes of creations of values are considered as a network and are context-specific. It is assumed that values do not solely consist of monetary components, because they need some kind of non-monetary component (e.g. in terms of cultural meaning) to become a value. This is based on the premise that economy is culture.

Monetary components are operationalized as monetary items (e.g. expenditure of the visitors, accounting data from the organisers, data from the tourist information centre). Derived from studies which focus on similar research questions (Köhler 2013, 2014; George 2015), non-monetary components are operationalized as a) image of the OBS and Beverungen, b) valuation of single aspects of the OBS and c) motives to visit the OBS on one hand and on the other hand they are conceptualised exploratively. In bringing together these various components, values are investigated inductively.

#### **4 Methodological framework, research design and procedure**

The methodological approach of this paper provides a multi-method framework consisting of a) an online questionnaire, comprising open and closed questions which addressed visitors and non-visitors of the festival (conducted from the 18<sup>th</sup> to the 31<sup>st</sup> of May 2016, right after the OBS 2016) and b) semi-structured face-to-face interviews (conducted in January 2017). The online questionnaire was addressed to festival visitors of 2016, to festival visitors who visited the OBS at least once, but not in 2016 and to non-visitors who have never visited the OBS. The participants of the online survey had the chance to win tickets for the OBS 2017.

The online questionnaire of all three groups contained questions on the image of the OBS and the image of Beverungen, on motives to visit the OBS, on leisure behaviour regarding festival attendances and on socio-demographic data (gender, age, education etc.). Additionally, participants who had already visited the OBS were asked about their valuation of single aspects of the festival, on their visitor behaviour and on Beverungen. Participants who visited the OBS in 2016 were asked questions on their expenditures at the festival site, in Beverungen and within the region as well. Non-visitors were asked on their motives to visit the OBS.

Depending on the sub-sample, the online questionnaire contained between 21 and 28 open as well as closed questions.

All interview-guides were semi-structured and contained, aside from the main question on the values of the OBS for Beverungen, questions on the specific OBS-related background of the interview partner.

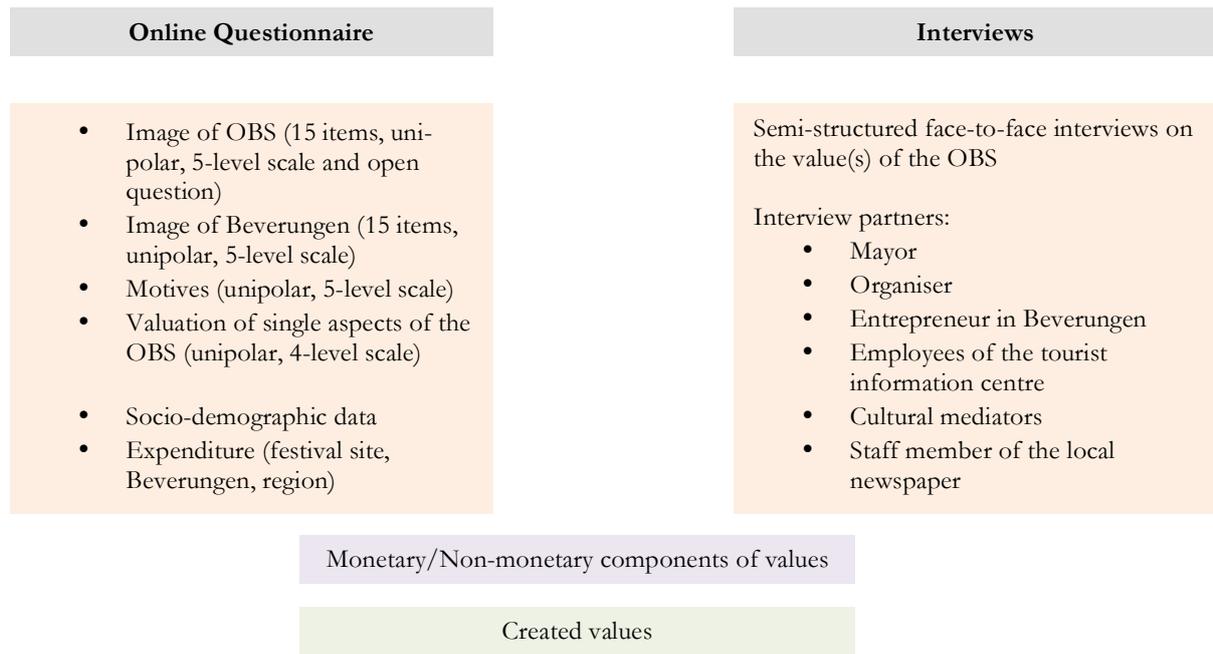


Figure1: Schematic illustration of the research design<sup>1</sup>

## 5 Sample, statistical analysis and selected results

The sample of the online questionnaire is not a random sample. This is because there is no existing list or archive of the visitors of the festival. As a result, the sample is not a representative one. The call for the online questionnaire was disseminated through social media, meaning that it should be assumed that the data are biased. In order to minimize this bias, information from the organisers (e.g. sales numbers, accounting numbers, data from the tourist information centre) was retrieved as well. Only fully completed questionnaires and questionnaires which were completed within an acceptable timespan were statistically analysed.

Data from the questionnaire have been statistically evaluated by univariate (means, standard variations), bivariate (cross-tables) and multivariate (factor analysis) analyses. Due to the fact that the sample is not a random sample, no statistical analysis requiring a random sample has been used.

The sample of the interview partners consisted of people connected to the OBS in various ways. The contacts were made by email. Seven out of eight interviews were conducted by students of the master program *Popular Music and Media* at Paderborn University (Seminar: Cultural Management 1: Research Project, Winter semester 2016/17).

The interviews as well as the open questions of the online questionnaire were analysed by a qualitative content analysis.

The following section gives a short insight into selected results. Because the presented study is a commissioned research project, only some aspects of the results are presented here.

<sup>1</sup> All used items have been pretested.

<sup>2</sup> Numbers are rounded to the first decimal place.

<sup>3</sup> Gender was queried in an open question.

A total of 805 respondents of the online survey submitted valuable data. 713 participants (88,6 %)² stated that they had visited the OBS in 2016, 56 participants (7 %) stated that they have visited the OBS at least once but not in 2016 and 36 participants (4,5 %) stated that they have never visited the OBS. The total sample (n=805) included 386 women (48 %), 387 men (48,1 %) and 32 participants (4 %), who did not answer the question concerning gender³. Nearly half of the respondents were aged between 15 and 26 years and nearly half of the respondents stated to have a university degree/university of applied science degree. Nearly a quarter of the respondents stated that the OBS is the only festival they visit and 18,5 % stated that they have visited the OBS more than ten times. Thus, the sample can be described as consisting of rather young and educated people who are “fans” of the OBS. It is possible that the relatively high rate of young people is due to the online nature of the questionnaire.

Participants who have visited the OBS at least once (n=769) stated that the main motives to visit the OBS are to enjoy high-quality entertainment (78,0 %), to spend time with friends (74,0 %) and to have fun (70,3 %)⁴. Around two-thirds stated that visiting the OBS is an inner need of theirs. This subsample (n=769) also stated that they value the atmosphere of the festival (90,9 %), the credibility of the organisers (74,4 %), the music programme (67,8 %) and the organisation (68,5 %) very highly.

As mentioned in figure 1, the image of the OBS as well as the image of Beverungen was measured by a list of 15 items. A factor analysis⁵ of the collected data showed four factors which explain 63,12 % of the overall variance. Thus, the image of the OBS is based on four independent dimensions, which represent content-wise *Open Community (factor 1)*, *Activity (in the sense of innovation/party, factor 2)*, *Unique Culture (factor 3)* and *Province (factor 4)*.

A total of 8 interviews were conducted (7 male interview partners, 1 female interview partner), which lasted from 30 minutes to 2 hours. They were transcribed word-for-word (Kuckartz 2010: 44) and their transcripts were content-analytically examined. In total, five main categories were inductively extracted: *Stimulation* (of economy and in the sense of a vivid lifestyle), *Relation* (business relations within Beverungen as well as interpersonal relationships between visitors and inhabitants), *Cultural Enrichment*, *Publicity* (due to the festival) and the *Atmosphere of the Festival* (at the festival site).

Coming back to the aim of this investigation – to evaluate the creations of values – the main results can be summed up as follows. The respondents of the online questionnaire, who are rather young and well educated, are a group of people who enjoy high-quality musical entertainment with friends within an extraordinary atmosphere and like to have fun. The dimensions of the perceived image of the OBS can be described through the concepts *Open Community*, *Activity (in the sense of innovation/party)*, *Unique Culture* and *Province*. So, out of the perspective of the visitors, created values are *Community*, *Fun*, *High-Standard Musical Entertainment* and *Extraordinary Atmosphere*. The results of the content analysis of the interviews are closely related to this, so that a quite consistent picture can be sketched.

Monetary and non-monetary components interrelate within these values in a number of ways and depend on the perspective of the respective group of stakeholders. For example the value *Stimulation & Vivid Lifestyle* is

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² Numbers are rounded to the first decimal place.

³ Gender was queried in an open question.

⁴ The numbers give the relative rate of the response category “trifft zu” (engl. correct)

⁵ Kaiser-Meyer-Olkin: .730, Barlett-Test Sphericity: .000; principal component analysis; Rotation: Varimax, Eigenvalue = 1,

constituted by monetary components, such as sales and revenues, and lifestyle feelings of the inhabitants. Or the value of *(Business) Relations* is constituted by monetary components, such as revenues of the local entrepreneurs, and by non-monetary components, such as upcoming relationships between the local organisers and the local gastronomy or local entrepreneurs. As the results make clear, processes of creations of values must be seen as multidirectional networks that map various connections between the environment and the festival.

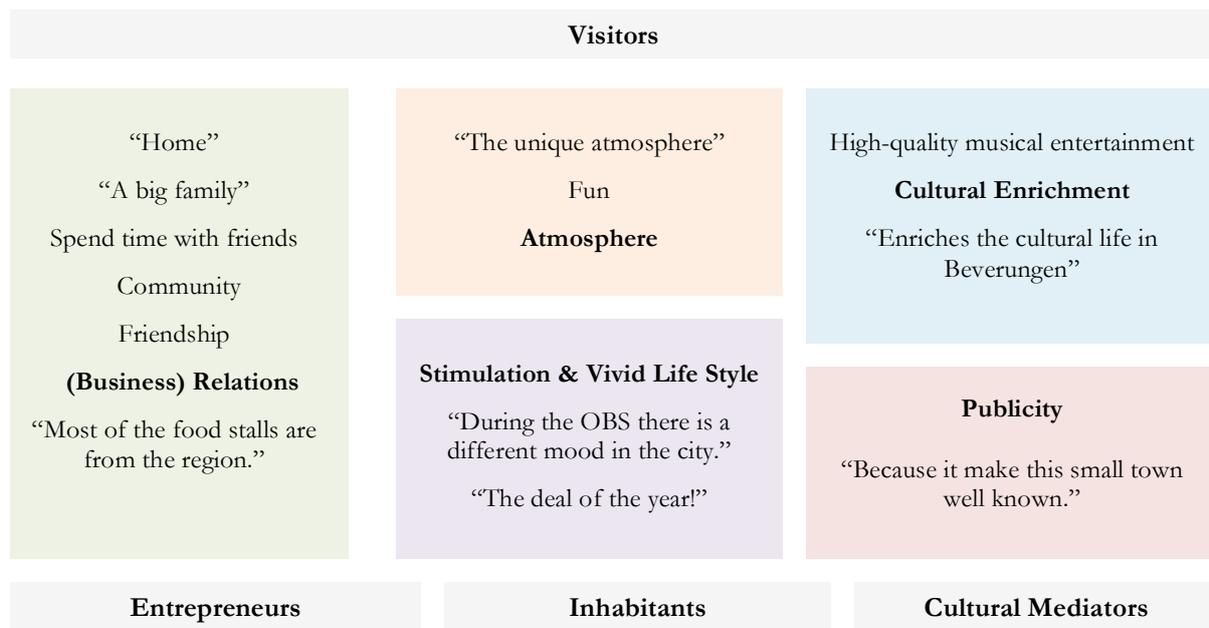


Figure 2: Schematic illustration of created values

## 6 Summary

This paper investigates the creations of values by the OBS within Beverungen and follows earlier studies on the economic, social, cultural and ecological effects of festivals. However, in contrast to these studies, this paper does not distinguish between culture and economy, but conceptualises economy as (a part of) culture. Accordingly, values are defined as being based on the interrelation of monetary and non-monetary components, which are investigated inductively out of the perspective of various interrelating stakeholders. This means that the creation of values – as one possible understanding of effects – is seen as a multidirectional, network-related process. The results suggest that the main values of the OBS are *(Business) Relations*, *Atmosphere*, *Stimulation and vivid lifestyle*, *Cultural enrichment* and *Publicity*.

Within rural regions pop music festivals became more and more important, especially smaller ones, which are based on the initiative of locals. Research on effects and on created values of festivals faces a difficult data situation (e.g. no archive or list of visitors, etc.), which can lead to methodological difficulties, especially regarding to the sample. Nevertheless, these festivals need be explored more intensively because they are central elements of rural life – especially against the backdrop of an aging population and migration.

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