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The Signature Event in Curacao: A Source of Brand Equity and Economic Significance

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The signature event in Curaçao:

**A source of brand equity
and economic significance**



UNIVERSITY OF CENTRAL FLORIDA

curaçao
north
sea Jazz
festival

2 & 3 SEPTEMBER 2011

The signature event in Curaçao:

A source of brand equity and economic significance

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Wednesday, October 26, 2011

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Acknowledgment:

The Dick Pope Sr. Institute *for* Tourism Studies would like to acknowledge the support of the Curaçao Tourism Board, in particular the valuable assistance of Mrs. Christine Campagnard and her staff during the data collection and tabulation process.

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Seventy-nine percent of tourists stated that the CNSJF was their first music festival in Curaçao.

Executive Summary

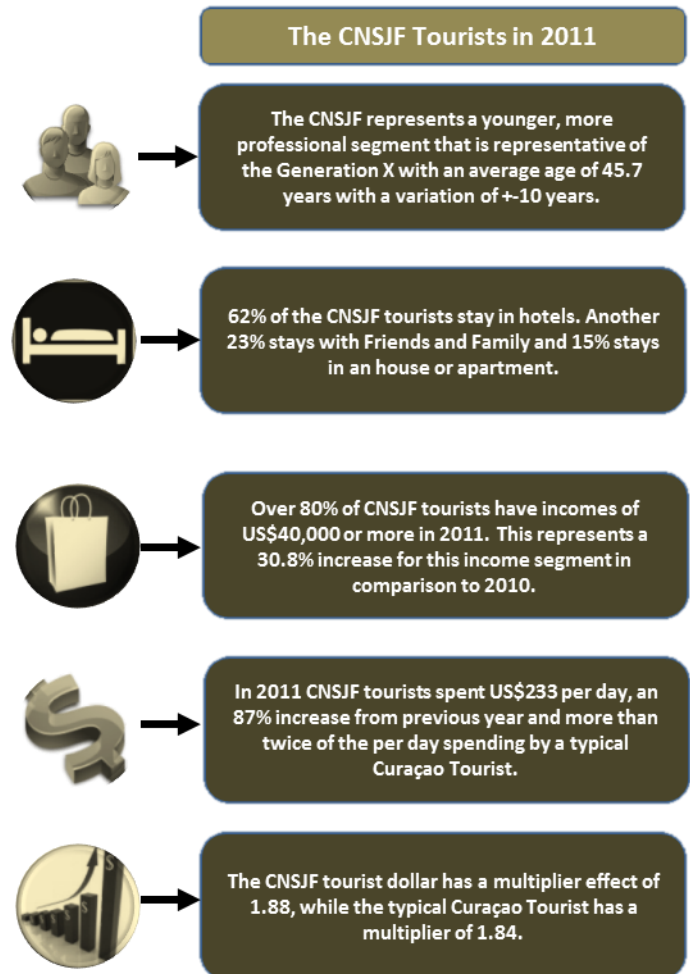
For a second year, the organizer of the Curaçao North Sea Jazz Festival (CNSJF) commissioned the Dick Pope Sr. Institute for Tourism Studies (DPITS) to prepare a report on perceptions of attendees of the festival. Additionally, the project investigated the value of the event as well as the economic benefits the event brings to Curaçao. A survey instrument was designed and used to assess the perceptions of perceived value of event attendees. The survey was completed during the event which was held September 2-3, 2011. A total of 400 surveys was collected and analyzed by DPITS.

The survey revealed that the CNSJF was successful from a destination perspective as well as a management perspective, despite the constraints confronted in terms of accessibility to the island as well as availability of accommodation. The organizer spent US\$4.9 million, which entails an increase of US\$1.7 million compared to the previous year. The 53 percent increase in investment paid handsomely in terms of economic benefits to Curaçao. The total economic benefits increased by an astounding 311 percent for a total amount of US\$16,338,601. This exponential increase of economic benefits is reflected by a substantial growth in the degree of affluence of the attendees to the CNSJF.

The festival attracted 4,930 tourists, more than twice the amount of the previous year. On average, this group stayed on the island for 7.3 days and spent US\$1,716, a 93 percent and 52 percent increase respectively compared to the previous year. The festival's attendees spent US\$233.00 per day, which is more than twice the amount spent per day (US\$107.00) by the typical tourist patronizing Curaçao. The spending per day of attendees seems to be correlated by a group of highly affluent tourists attracted to the festival. For example, 30.6 percent of all respondents enjoyed a salary of over US\$75,000, while the category of US\$40,000 and up saw an increase of 31 percent compared to the previous year.

In addition to the economic benefits, the festival was also successful in another dimension. This year, the CNSJF seems to confirm the prediction of our previous study in terms of loyalty. Fifty-nine percent of tourists attending the CNSJF have visited Curaçao before. Close to half of this group (28 percent) has attended the first edition of the festival in 2010, indicating a significant loyalty component to the festival. Similarly to the previous year, the CNSJF is the main draw for visiting Curaçao as eighty-four percent of tourists indicated the main reason to come to Curaçao was the festival.

Figure 1. CNSJF Attendees Profile vs. Curaçao Tourist Profile



Overall, the perception of enjoyment at the festival is highly positive. The means of all of the service value items were higher than 6 on a 7 point Likert scale. This suggests that attendees are highly satisfied with the way the festival was set up in terms of staff, performance, and safety. In fact, they perceived that the festival was worth the money, time, and effort they spent during the festival.

Compared to the previous year, the score means of twenty-eight value items were higher. In particular, attendees showed a stronger feeling toward cultural and social value. Attendees felt that the festival helped them to enrich their knowledge of Curaçao, to make friends, to share time with

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people from different backgrounds, and to represent the culture of Curaçao. They also think that future generations should have the right to enjoy this festival. In addition, attendees felt that the price of entry and goods at the festival was better than expected. This indicates that attendees felt that they received good value for the money they paid for entry, food, and goods. The price structure of the festival is considered therefore to be effective.

Overall, the CNSJF possesses unique characteristics that set it apart from other tourism activities on the island. The combination of the event's performers, venue, services, and attendees has made the CNSJF a major social event that represents the heritage and spirit of Curaçao. It seems that the CNSJF allows its visitors to interact with interest and curiosity the virtues of the Curaçao culture, residents, and visitors alike. But more importantly, it generated higher loyalty towards the event. The results of the survey reveal that the higher the attendees' perceived their enjoyment at the festival and the more the festival offered the opportunity to socialize, the more likely attendees are to come back to the CNSJF, give good references to others, encourage family and friends to come, consider the CNSJF their first choice to attend a festival next year, and recommend to others.

In comparison to 2010, this year the attendees' loyalty towards the festival increased significantly. Such display of loyalty towards the festival presents new possibilities for the organizer. The CNSJF displayed an impressive ability to spurt an affluent, repeat tourist that makes investment in the festival one of the most cost effective investments in the island's tourism development.

The festival contribution goes beyond the economic impact during the event and potential repeat patronage. Its value is also reflected in the significant brand extension that Curaçao receives due to this event. Although at this time, it is impossible to quantify the financial value of the brand equity, current performance suggest that this will ripple significantly in terms of recognition, fit, association, and reducing search costs.

Purpose and Background of the Study

The Curaçao North Sea Jazz Festival (CNSJF), held at the World Trade Center in Curaçao for its second consecutive year, has been transformed into a week-long event showcasing two major concerts on September 2 and 3, 2011. The CNSJF was sponsored and organized by Fundashon Bon Intenson, a local charitable foundation established in Curaçao since 1990. In its first year, the festival enjoyed paramount success by selling over 10,000 tickets both locally and internationally and by providing stellar performances from big-name artists from a wide range of music genres.

Now on its second year, the significance of the festival has become more substantial. Ticket sales soared to 20,900 sold locally and internationally, backed by legendary artists such as Sting, Steve Wonder, Ruben Blades, and Juan Luis Guerra who graced the CNSJF stages with remarkable performances. This was mainly possible because the organizer invested US\$1.7 million more than the previous year, for a total investment amount of US\$4.9 million in 2011. Overall, the spread and diversity of music genres presented at the CNSJF are unmatched by previous festivals on the island and living up to the expectations from a world-renowned brand, the North Sea Jazz Festival of the Netherlands. As anticipated, the use of the NSJF brand, a well-known brand, has drawn much excitement from international tourism markets. Thus, the brand demonstrates the organizer's ability to secure and foster an important role in signaling an image of quality for the event.

The CNSJF sets apart from other festivals in the region. Traditionally, hosting festivals and special events unveils opportunities for tourism growth and economic diversification, as well as the overall image of the destination. As a result, these thought after effects trigger disbursement of general financial aid from the government. In the case of the CNSJF all financial support (US\$4.9 million) was completely and exclusively funded by the founder of Fundashon Bon Intenson and no sponsoring of any kind was sought or required since the foundation's specific objective was, according to the founder of the event, to enhance the image of Curaçao as a venue of quality events.¹

Fundashon Bon Intenson commissioned the Dick Pope Sr. Institute for Tourism Studies to carry out a dual purpose. The main objective is to ascertain participant's perceptions of the CNSJF in terms of its management and organization, quality, and audience satisfaction. The second aim is to investigate the total contribution of the festival to the island's economy.

The Dick Pope Sr. Institute for Tourism Studies (DPI) at the Rosen College of Hospitality Management at the University of Central Florida is assisting the festival organizer for the completion of this report for the second time. The expectations are that such a study will provide valuable insights regarding the attendees' perceived value from attending the festival and how this perception impacts the participants' future intentions. Since live music is an "experience good", demand will be dependent on the attendees' expected utility.² Therefore, for measurement purposes it is important to measure the benefit of the event after the experience of the event.

Finally, the study intends to gauge the economic benefits for Curaçao via an analysis of festival and attendees' spending. The study provides important information about the relatively unknown impact of cultural activities, thus allowing destination managers to better anticipate and respond to the impact. Moreover, it provides germane information for the organizer in terms of understanding their event and audiences for purposes of developing and improving marketing; and either to develop new or secure existing partnerships. In addition to emphasizing value creation, potential development, and branding to the destination, the report contemplates the meaning of the festival to the local community.

¹ See, for example, DPI (2010), *Uncovering the Potential of a New and More Affluent and Loyal market: The Curaçao North Sea Jazz Festival*, University of Central Florida, Orlando.

² An "experience good" may only be enjoyed after it has been consumed by the consumer.

The Survey

The study applied a survey instrument to acquire information from the attendees and to gauge their perceptions of the event, their behavioral intentions, and their spending behavior. The survey design emanates from a theoretical framework founded on a motivation approach and investigates a number of predictors for attending a music festival. This framework is relevant in assessing the offerings for special event attendees, in providing a means to gauge the satisfaction level of attendees, and in providing an understanding of the attendees' decision-making processes.

The survey contains predictors relevant to a music festival. It included a total of five sections, consisting of 23 questions. The survey queries why patrons come to the festival; isolates patrons' demographic profile; identifies patrons' satisfaction levels and whether they will return or provide a referral (behavioral characteristics) to prospective attendees; and finally, ascertains how much they spent at the festival. The questions related to the spending behavior of the attendees were aimed at estimating spending impacts and then, on this basis, deriving potential benefits. Other questions were related to the event itself. For example, the participant's perception regarding the stages and overlapping performances is captured through the following items in question 7: e.g., viewing, seating, cleanliness, crowding, sound quality, sound volume, etc. The survey design went through several iterations before its final completion. Moreover, the questions associate motivation characteristics with demographics, satisfaction, and behavioral indicators. Finally, the survey remained the same as the previous year in order to allow comparison analysis with some minor exceptions.

Data collection took place at key locations during the festival, near the concession stands, resting areas, and exit areas. In order to insure a random sampling of attendees, the survey was conducted on both days of the festival from different stations on the festival site. As an incentive in soliciting survey participants, participants could take part in a raffle for a vacation getaway sponsored by the Curaçao Tourism Board (CTB). Data collectors from the Curaçao Tourism Board were trained by members of the DPITS for collecting data and conducting the survey accordingly. In all, two supervisors (the first night) and one supervisor (the second night) and a group of CTB personnel conducted the surveys.

A total of 400 respondents participated in the survey.³ Taking into account that the total amount of attendees based on ticket sales was 12,436 for the two day event, the survey represented 3.2 percent of the total sales. Overall, 2011 ticket sales totaled 20,900 and the distribution of attendees is presented in Table 1.

Table 1. Ticket Sales and Attendance

2011 Attendance	
Total Ticket Sales	20,900
CNSJF Main Purpose Two Days	3,953
CNSJF Main Purpose One Day	977
Total Tourists Other	870
Residents Two Days	3,814
Residents One Day	2,822
Total Attendance	12,436

Building a new tourism market: An insight to the 2011 CNSJF attendees

This year the CNSJF experienced high attendance with a very favorable demographic profile compared to last year. In total, 269 tourists (68 percent) and 128 residents (32 percent) were interviewed at the CNSJF. This means that the ratio of tourist to resident respondents at the festival was one resident for every two international tourists. Demographic characteristics of the respondents as well as a breakdown of the tourists and residents are provided in Table 2 and Table 3. Additionally, in the same table, the demographic profile information is compared from 2010 to 2011. This provides an insight to the demographic changes from last year.

According to the survey, the respondents appear to be highly educated as 81.9 percent of all respondents have an undergraduate degree or a graduate degree (Master/Doctorate). Notably, there was a 4.8 percent increase in the number of master/doctorate degrees compared to last year. Residents (80.6 percent) attending the festival appear to enjoy a slightly higher level of education compared to the tourists (79.5 percent) measured by the possession of an undergraduate or a graduate degree.

³ The sample size can be very important. That is why it is necessary to get an adequate number of completed surveys to have a representative sample of the entire crowd of attendees. In 2010 a total of 216 surveys were collected; in 2011 the sample was increased to 400 respondents in an attempt to validate previous results. See, for example, LCRA Community and Economic Development (2008). *Determining the Economic Impact of Festivals and Events: a "How-To" Guide for Communities*. The 400 surveys collected represent an 85 percent increase above the best practice threshold.

Table 2. Demographic Characteristics Tourists

Tourists	2011	2010	Δ %
Education			
High School	17.3%	10.9%	6.4%
Undergraduate Degree	43.1%	49.3%	-6.2%
Master/Doctorate	36.4%	39.7%	-3.3%
Salary			
Less than US\$25,000	5.9%	11.8%	-5.9%
US\$25,000-US\$29,999	2.3%	13.5%	-11.2%
US\$30,000-US\$39,999	10.1%	11.8%	-1.7%
US\$40,000-US\$49,999	27.6%	10.1%	17.5%
US\$50,000-US\$74,999	24.8%	10.1%	14.7%
US\$75,000-US\$99,999	14.2%	22.0%	-7.8%
US\$100,000 & over	14.7%	20.3%	-5.6%
Age			
Age	45.7	45.5	0.2
Gender			
Male	49.3%	53.0%	-3.7%
Female	53.6%	47.0%	6.6%
Party Size			
Average Party Size	2.9	3.4	-0.5
Concerts in Curaçao			
Yes, participated	21.7%	44.1%	-22.4%

Table 3. Demographic Characteristics Residents

Residents	2011	2010	Δ %
Education			
High School	19.3%	15.5%	3.8%
Undergraduate Degree	31.5%	51.9%	-20.4%
Master/Doctorate	49.1%	32.5%	16.6%
Salary			
Less than US\$25,000	5.2%	12.2%	-7.0%
US\$25,000-US\$29,999	6.2%	11.2%	-5.0%
US\$30,000-US\$39,999	16.6%	15.3%	1.3%
US\$40,000-US\$49,999	14.5%	16.3%	-1.8%
US\$50,000-US\$74,999	22.9%	24.4%	-1.5%
US\$75,000-US\$99,999	16.6%	12.2%	4.4%
US\$100,000 & over	17.7%	8.1%	9.6%
Age			
Age	49.9	43.5	6.4
Gender			
Male	60.8%	50.0%	10.8%
Female	39.2%	50.0%	-10.8%
Party Size			
Average Party Size	3.0	2.9	0.1
Concerts in Curaçao			
Yes, participated	32.1%	84.7%	-52.6%

The higher levels of education of respondents may explain the higher levels of income. Almost eighty percent (78.4 percent) of all respondents enjoy a salary of over US\$40,000; in fact, 30.6 percent of all respondents enjoy a salary of over US\$75,000. It is remarkable to notice that compared to last year a 17.5 percent increase was observed of tourists attending the CNSJF from the US\$40,000 - \$49,999 segment, as well as a 14.7 percent increase of tourists in the US\$50,000 - \$74,999 segment. Tourists appear to be more affluent than locals. Eighty-one percent of all tourists enjoy a salary of over US\$40,000 compared to 71.7 percent of residents.

The age segment that attends the CNSJF is a very favorable segment. The average age of respondents was 46.1 in 2011 which was slightly older than the previous year of 44.2. The average age of tourists was 45.7 this year which was about the same as last year (45.4). There appears to be a slight increase in the age of residents as the average age of residents this year was 49.9 compared to 43.5 last year. This segment can be currently characterized as the Generation X segment, which is currently those who are in the prime income-earning age years. This implies that this segment is an attractive market for CNSJF.

The gender distribution of the respondents was 55.9 percent female and 44.1 percent male. Last year the differences were more subtle as 51.2 percent was male and 48.7 percent was female. The breakdown of gender was about the same with tourists: 49.3 percent male and 53.6 female. The gender profile of the residents, on the other hand reflected more male (60.8 percent) than females (39.2 percent).⁴ The average party size also increased from 2.4 in the previous year to 2.9.

The second edition of the CNSJF seems to confirm the prediction of our previous study in terms of loyalty. Fifty-nine percent of tourists attending the CNSJF have visited Curaçao before. Close to a half of this group (28 percent) has attended the first edition of the festival in 2010, indicating a significant loyalty component to the festival. Similarly to the previous year, the CNSJF is the main draw for visiting Curaçao. Eighty-four percent of tourists indicated the main reason to come to Curaçao was the CNSJF. Seventy-nine percent of tourists stated that the CNSJF was their first music festival in Curaçao.

⁴ The increase participation from females in leisure activities is a recent trend well documented in the literature. For more information see: (1) Pennington-Gray, L. A., and D. L. Kerstetter (2001). "What Do University Educated Women Want from Their Travel Experiences?" *Journal of Travel Research*, 40:49-56; (2) Croes, R. and Rivera, M. (2011) The Economic and Tourism Potentials of the Aruba Soul Beach Music Festival. Prepared for the Aruba Tourism Authority; (3) Atlanta Jazz Festival (2011) Festival Demographics and Sponsorship Opportunities.

Respondents are extremely devoted to the CNSJF. Eighty-nine percent of tourists attended the festival for two days compared to 11 percent of tourists attending the festival for one day. Additionally, 73 percent of locals attended the festival for two days compared to 27 percent attending the festival for one day.

Music, Artists, & Friends: A look at the driving force behind the CNSJF Attendees

The motivations for attending the CNSJF as reported by tourists are reported in Table 4. The survey respondents reveal that the most important reason for tourists to attend the CNSJF was this year's performers. In fact, tourists rated this reason a 5.94 on a seven point Likert scale this year compared to a 5.90 last year. Similarly, the music in general was another important reason as tourists scored a 5.93 on a seven point Likert scale this year compared to a 5.92 last year. The remaining top reasons for attending the CNSJF include jazz music (5.45 on a seven point Likert scale); participation in a cultural event (4.47 on a seven point Likert scale); something do while in Curaçao (4.18 on a seven point Likert scale); and joining friends/family (4.07 on a seven point Likert scale).

The motivations for attending the CNSJF as reported by residents are reported in Table 5. The most important reason for attending the CNSJF for residents was the music in general. Local residents gave this reason a 6.04 on a 7 point Likert scale this year. Additional reasons for attending the festival by residents included this year's artists (5.91); jazz music (4.86); participation in a cultural event (4.75); something to do while in Curaçao (4.20); and joining friends/family (4.20).

Table 4. Motivation Factors to Attend the CNSJF (Tourists)

Tourist's Motivations to Attend the CNSJF				
	2011	2010	Δ	Sig.
This year's artists	5.94	5.90	0.04	t=4.61
The music in general	5.93	5.92	0.01	t=.112
Jazz music	5.45	5.78	-0.33	t=-3.20*
Participate in a cultural event	4.47	3.82	0.65	t=4.95*
Something to do in Curaçao	4.18	4.00	0.18	t=1.31
Join my friends/family	4.07	4.13	-0.06	t=-.417

Note: * $p < .01$ ** $p < .05$

Overall, the respondents seem to indicate that the most powerful draw of the festival is the line-up of the artists. The single most important attribute of the festival could be enhanced with culture. Cultural events in both groups

(tourists and residents) have revealed a significant statistical increase. Unlike the first edition, the festival and Curaçao seems to be closer aligning to each other, albeit at a slow pace. But the trend is in the right direction.

Table 5. Motivation Factors to Attend the CNSJF (Residents)

Resident's Motivations to Attend the CNSJF				
	2011	2010	Δ	Sig.
The music in general	6.04	6.12	-0.08	t=-0.728
This year's artists	5.91	6.21	-0.30	t=-2.52*
Jazz music	4.86	5.55	-0.69	t=-3.66*
Participate in a cultural event	4.75	4.12	0.63	t=3.22*
Something to in Curaçao	4.20	3.62	0.58	t=2.57**
Join my friends/family	4.20	4.27	-0.07	t=-0.333

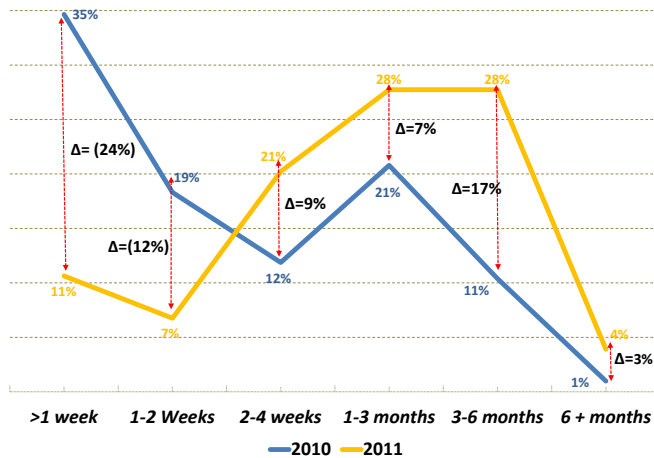
Note: * $p < .01$ ** $p < .05$

In addition, what may also be relevant for destination managers is that tourists attending the festival seem to appreciate and enjoy culture and were interested more in Curaçao. For example, there was an increase in the participation in a cultural event (.65) compared to last year and a .18 increase in the factor "something to do while in Curaçao." This has implications for tourism on the island. For tourists, it appears that more tourists perceive the event as a cultural entity on the island because it seems that the interest and willingness to engage in cultural exchanges and participation in such an event manifests an increasing trend. Additionally the event is providing tourists with something to do while on the island. This can be perceived as having an additional value-added component to their experience. The reasons for attending the event could open the door for great tourism development opportunities on the island. Thus, there is an opportunity on the island for events, festivals, cultural awareness programs, and more opportunities for "something to do" on the island.

The interest from tourists to patronize other activities in Curaçao was also reflected on their actual purchasing behavior. In comparison to last year, the reservation window for making travel arrangements for their trip to Curaçao demonstrates the commitment to the event. For example, a month prior to the event 60 percent of the tourists had already made the arrangements to attend the festival, a drastic increase when compared to 33 percent the previous year. At the same time, the high demand for the CNSJF is palpable when comparing the purchase activity within 2 weeks of the event. In 2010, 44 percent of the attended made their reservation during that time, a marked difference from 11 percent in 2011. Such behavior is not only indicative of the interest on the festival but on loyalty as well. Clearly the organizer learned from the first edition that they had to start their marketing efforts much earlier in time. The shift in

marketing strategies clearly was a success concerning the lesson learned from the past.

Figure 2. Reservation Window 2011 vs. 2010



During this year's event, the sources of information most patronized by tourists were the internet and recommendations from friends and family. The complete distribution is presented in Table 6. It is remarkable to notice that on its second year, 4 out of every 10 tourists received information from acquaintances. This demonstrates the authority of the CNSJF brand in persuading and providing positive testimonials for new comers.

Table 6. Source of Information Used all Participants

Sources of Information	Frequency (tourists)		Frequency (residents)	
	2011	2010	2011	2010
Newspaper	14%	16%	49%	42%
Television	9%	20%	43%	37%
Internet	36%	33%	29%	27%
Family and Friends	41%	31%	34%	22%
Radio	9%	9%	46%	32%
Magazine	17%	6%	30%	20%
Word-of- Mouth	18%	11%	46%	15%
Posters	4%	5%	23%	15%
Signs	3%	0%	5%	13%

Perceived Value

The attendees were asked to evaluate the value that they received from the festival. The values that the respondents experienced at the festival were grouped into three factors (see Figure 3). These factors are enjoyment of the festival, social and cultural enrichment, and price.

Enjoyment was considered in terms of enjoyment, ambience, organization, attractiveness, courteous and polite staff, punctuality, safety, security, and worthiness of the time, effort, and money. The social and cultural value was assessed in terms of the opportunity to make friends, to share an experience with people from various backgrounds, to enrich their knowledge of Curaçao, to identify themselves with the CNSJF, to contribute to their well-being, and to represent the culture of Curaçao. Lastly, price was measured in terms of the price of goods, food, and entry was better than expected. These three factors combined explained 70 percent of the variance in value. This means that these factors are good predictors of the event attendees' perception of value.

Overall, the perception of enjoyment at the festival is highly positive. The means of all of the service value items were higher than 6 on a 7 point Likert scale. This suggests that attendees are highly satisfied with the way the festival was set up in terms of staff, performance, and safety. In fact, they perceived that the festival was worth the money, time, and effort they spent on the festival.

Compared to the previous year, the means of twenty-eight value items were higher. In particular, attendees showed a stronger feeling toward cultural and social value. Attendees felt that the festival helped them to enrich their knowledge of Curaçao, to make friends, to share time with people from different backgrounds, and to represent the culture of Curaçao. They also think that future generations should have the right to enjoy this festival. In addition, attendees felt that the price of entry and goods at the festival was better than expected. This means that attendees felt that they received good value for the money they paid for entry, food, and goods. The price structure of the festival is considered therefore to be effective.

Since value is considered one of the most important indicators of loyalty, the attendees' loyalty towards the festival was gauged by five attitudinal dimensions: (1) intend to come back to the CNSJF; (2) give good references for the CNSJF; (3) encourage family and friends to attend the CNSJF; (4) consider the CNSJF as their first choice of festivals next year; and (5) recommend the CNSJF to anyone that asks me.

Figure 3. Participants Perceived Value of the CNSJF



The factor of “enjoyment” was the most significant predictor of festival attendees’ loyalty, which is similar to the previous festival. When attendees experience enjoyment, great ambience, attractiveness, friendly staff and safety at the festival, they would not only come back to the CNSJF but also encourage their family and friends to come to the CNSJF.

At the same time, the factors representing “social and cultural value” became a significant predictor, unlike the result of last year. This means that the festival is providing attendees with experiential and emotional benefits and that the festival is turning into a potential driver of emotional bonding between the tourists and Curaçao. This is a major improvement compared to last year. The festival may want to focus more on developing social and cultural drivers that seem to influence international attendees to consider the CNSJF their first choice to attend a festival next year and recommend the CNSJF to anyone that asks them about the festival and Curaçao.

The factor “price” in comparable events is a negative predictor of attendees’ loyalty. However, in the case of the CNSJF, attendees found the price charged was better than expected. While this is an indication that the organizer may have room to increase prices, the attendees indicated there is a threshold where price will negatively influence their loyalty. The latter could hamper their repeat visit and referral intentions.

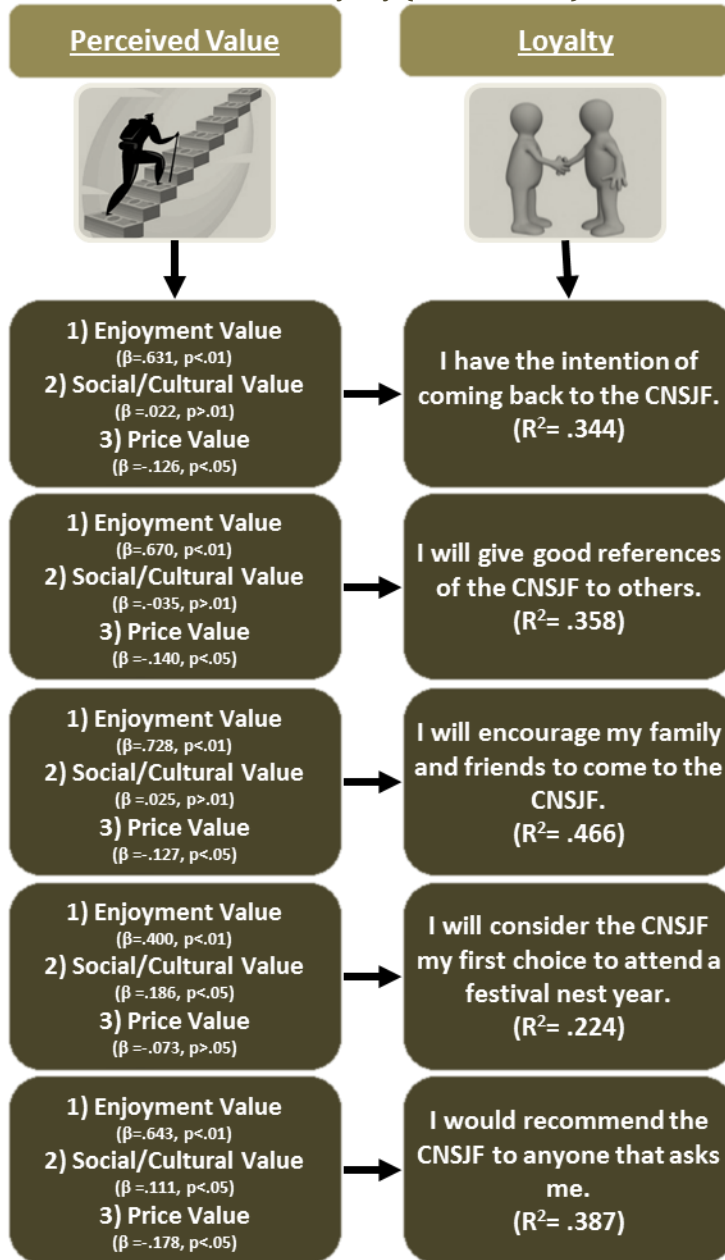
In comparison to last year, significant differences in the perception of value from tourists were present in all dimensions except for transportation, safety, shopping, festival organization, and enjoyable experience. This is a good indicator that the event exceeded the attendees’ expectations with regards to the overall value dimensions of price, socialization and culture, and enjoyment. On the other hand, the local residents reveal differences regarding shopping facilities, stages, organization, enjoyment, participation, and excitement.

Are the Attendees Coming Back?

This year the CNSJF has shown its potential to create a new experience for attendees and visitors to Curaçao. Overall, the CNSJF possesses unique characteristics that set it apart from other tourism activities on the island. The combination of the event’s performers, venue, services, and attendees has made the CNSJF a major social event that represents the heritage and spirit of Curaçao. It seems that the CNSJF allows its visitors to interact with interest and curiosity the virtues of

the Curaçao culture, residents, and visitors alike. But more importantly, it generated higher loyalty towards the event.

Figure 4. Relationship between Festival Value Dimensions and Loyalty (all attendees)



For example, the results of the survey reveal that the higher the attendees' perceived their enjoyment at the festival and the more the festival offered the opportunity to socialize, the more likely attendees are to come back to the CNSJF, give good references to others, encourage family and friends to

come, consider the CNSJF their first choice to attend a festival next year, and recommend to others.

The mean scores for giving good references to others and encouraging family and friends to come back were 6.37 and 6.36 respectively (based on a seven point Likert scale). Furthermore, the attendees indicated a strong willingness to recommend the festival to others, with an average rating of 6.40. These results indicate that the attendees' loyalty toward the CNSJF is multi-dimensional. These scores are impressive thereby providing the festival organizer and the island of Curaçao the opportunity to build on a highly affluent segment.

The actual organization of the festival turned out to be very relevant in inducing the level of satisfaction and the perception of quality. Overall, the attendees were highly satisfied with the organization and quality of the festival. The mean of overall satisfaction was 6.27 out of a seven point Likert scale.

In comparison to 2010, this year the attendees' loyalty towards the festival increased significantly. Overall, 2011 attendees are more likely to return, consider the CNSJF their first choice for the festival next year, consider attending the festival in the Netherlands, and encourage friends and family to attend. Such display of loyalty towards the festival presents new possibilities for the organizer (See Annex 2).

A real opportunity exists for designing marketing strategies that build a profitable customer base. Firstly, the organizer should continue producing reassuring news about the event that target previous attendees.

Secondly, the online presence of the CNSJF should include podcasting about past performances in order to generate excitement and anticipation about next year's event. Thirdly, the CNSJF should encourage and support a social media strategy that gives the attendees a voice. Finally, either through blog activity or social forums, marketing objectives should encourage previous attendees to comment on their common interest about the festival and the destination.

Table 7. Festival Performance Indicators (Tourists)

Festival Performance (Tourists)				
	2011	2010	Diff	Sig
Volume of the music	6.33	6.10	0.23	t=3.7*
Security that makes you feel safe	6.23	5.89	0.34	t=5.38*
Good sound quality at all stages	6.2	5.92	0.28	t=4.26*
Enough toilets	6.19	5.69	0.5	t=7.46*
Range of food and beverage	6.16	5.56	0.6	t=8.39*
All visitors can see the events	6.06	5.69	0.37	t=5.43*
Grounds and amenities are clean	6.06	5.86	0.2	t=2.9*
Limits crowding/congestion	5.94	5.62	0.32	t=4.25*
Parking access for all of its visitors	5.77	5.44	0.33	t=3.59*
Seating facilities for all visitors	5.21	4.98	0.23	t=2.29**
Note: *p<.01 ** p <.05				

Table 8. Festival Performance Indicators (Residents)

Festival Performance (Residents)				
	2011	2010	Diff	Sig
Volume of the music	6.39	6.29	0.1	t=1.2
Security that makes you feel safe	6.27	6.08	0.19	t=2.22**
Good sound quality at all stages	6.23	5.98	0.25	t=2.86*
Enough toilets	6.22	5.81	0.41	t=5.36*
Range of food and beverage	6.09	6.16	-0.07	t=-0.754
All visitors can see the events	6.05	5.86	0.19	t=1.996**
Grounds and amenities are clean	5.82	5.86	-0.04	t=-0.361
Limits crowding/congestion	5.81	5.64	0.17	t=-0.261
Parking access for all of its visitors	5.53	5.67	-0.14	t=-1.09
Seating facilities for all visitors	5.33	5.19	0.14	t=0.982
Note: *p<.01 ** p <.05				

Performance also plays an important role influencing the loyalty towards the CNSJF. The performance indicators with the highest and most significant effect were sound quality, security, volume, parking access and crowding (See Annex 3 for details). These findings suggest that, in addition to the value dimensions that influence loyalty, performance provides a platform for the appreciation and sense of value gained from the event.

Festival Performance

The CNSJF is characterized by inimitable keenness from the organizer to exceed attendees' expectations regarding the aesthetic experience the festival provides. The aesthetic consumption of the festival attendees can be defined as those aspects of sensory experiences that are manifested in the consumption of everyday objects. These objects are presumed to have aesthetic qualities and the capacity to enhance experiences related to artistic events.⁵

The aesthetic and experiential appeal of the CNSJF was measure by 10 performance indicators that were rated on a seven point Likert scale, anchored at 1=Low Performance and 7=High Performance. Both the tourists and the local residents had favorable perceptions of these indicators and rated them very highly (see Table 7 and Table 8). The indicators that had the highest score in terms of the sensory experience were the sound volume, the quality of the sound, security, visibility, sanitary accommodations, food and beverage options, and visibility. The combination of these indicators makes the appreciation of the performance much more enjoyable and pleasurable. This confirms the notion that enjoyment for music is related to the sense and sensory pleasure that constitute a hedonic experience.

Other performance indicators rated favorably were more related to the event venue. The attendees' perceptions of spatial aesthetics such as the festival grounds, crowds, parking and seating facilities were also an important component of the consumption experience, however, not as important as previously mentioned.

Overall, the ability of the organizer to integrate the various aesthetics elements as part of the CNSJF experience is positive. When comparing the results with last year's event, all tourists had significantly higher perceptions for all indicators. For the local residents, however, significant higher scores were given to safety, sound quality, sanitary accommodations, variety of food and beverage, and visibility. Neither the tourist nor the residents had a significantly lower perception for any indicators when compared to last year.

⁵ For example see: Venkatesh, A., & Meamber, L. A. (2008). The aesthetics of consumption and the consumer as an aesthetic subject. *Consumption Markets & Culture*, 11(1), 45-70.

CNSJF: A major economic catalyst for tourism growth

During the second edition of the CNSJF the strategic configuration implemented by the festival organizer has served its purpose and paid off handsomely. From the previous discussions it can be noted that the festival has been successful in 3 key areas such as fostering loyalty, creating value for the customers, and satisfying the attendees' sensory experience. However, another important aspect deserves meticulous attention: the contributions the CNSJF makes to the local economy.

The economic impact analysis for the CNSJF was based on the I-O model calibrated in the Tourism Economic Impact 2007-2008 Report⁶. While contributing to the local quality of life, festivals and events are an economic generator that may leverage a significant amount of spending by their attendees. For example, visitors to a festival may first eat at a local restaurant, fill up their car with gas, pay for parking, buy souvenirs, or even spend the night at a local hotel. Thus, the impact of a festival trickles down to many sectors of the local economy, and in turn, to residents and business owners. It is important to quantify the economic impacts of a festival or event. The economic contribution of a festival is an estimate of the change in economic activity that results from spending by tourists who come from outside the community to attend the event. It represents incremental spending above and beyond what would be expected in the community if the event was not held. It is the change in sales, income, and jobs in businesses or agencies that receive 'event attendees' spending directly or indirectly.

The upcoming section of the report concentrates in identifying the various sources of income related to the festival and its complimentary role to Curaçao's economy.

CNSJF Organization: A new prospectus to the Curaçao economy

The staging of the CNSJF required a substantial investment, locally and internationally, from its organizer. While the organizer substantially invested in the event (US\$4.9 million), for the purpose of this report only the expenses consigned on the island are considered as the potential to generate additional economic activity when demand is met locally. The

analysis assumes that from the money the organizer spent on the island a fraction would leak outside the economy. This fraction (30.8 percent) was subtracted from the total visitors' expenditures, locals' expenditures, and from the festival production-related expenditures, termed "leakage money"⁷.

The expenses related to the montage of the CNSJF added value to nontraditional tourism related sectors such as Construction, Wholesale/Trade, Finance, and Real Estate as well as Transportation, Hotels and Restaurants. The CNSJF expenses on the island totaled US\$1,089,349.70. This influx of spending indirectly generated an additional US\$608,414.69, for a total impact of US\$1,697,764.39. For every US\$1,000 the CNSJF organizer spends on the island an additional US\$570 is generated, meaning that the multiplier effect of event related expenditures is 1.57.

The potential advantages of these expenses are also translated into opportunities for productive agents in the Curaçao labor force by creating supplementary jobs. Directly, these monies generated 32.4 direct full time jobs and 17.7 indirect full time jobs. The creation of jobs was more visible in the Construction, Transportation and Wholesale sectors. Annex 5 presents the total economic distribution from the expenses made by the festival organizer.

CNSJF "Committed Attendees"

The second source for estimating the economic contributions of the CNSJF considers as the visitor's spending of tourists whose main purpose to visit Curaçao was the CNSJF. This sector represented almost 40 percent of total attendees. Thirty-two percent of these tourists attended the concert for two days and another eight percent only participated one day. In total, 4,930 loyal supporters visited Curaçao because of the festival. The CNSJF "committed attendees" purchasing behavior differed significantly from 2010. On average, this group stayed on the island for 7.3 days and spent US\$1,716, a 93 percent and 52 percent increase respectively.

The distribution of expenditures and the comparison to last year's event is presented in Table 9. Overall, due to the increase in the length of stay, all spending categories on a per trip basis are higher. However, the success of attracting a more affluent market to Curaçao is more profound when looking at the per day spending. In 2011 the spending per day

⁶ See Croes, R., Rivera, M. and Semrad, K. (2010). Curaçao Tourism Economic Impact 2007-2008, prepared for the Curaçao Tourist Board, DPI, Orlando, September 15.

⁷ The leakage fraction was drawn from the Tourism Satellite Accounts from the World Travel and Tourism Council (WTTC) that provide data on the direct and indirect effects of tourism spending in the Caribbean. See, WTTC (2007). Caribbean, Navigating the Path Ahead, London.

by tourists increased from US\$121.22 to US\$233.91 or by 93 percent. The CNSJF tourist also exceeded the per day spending of the typical Curaçao tourist, who only spends an average of US\$107 per day⁸.

The total direct economic impact to the Curaçao economy from the “committed attendees” was US\$5,857,079. This round of spending had a multiplier effect of 1.87 for an additional indirect effect of US\$5,088,212. The total contribution is US\$10,946,292. It can be deduced that for every US\$40 the “committed attendees” spend in Curaçao a total of US\$75 is generated in the economy.

The absolute contribution from this segment also encompasses a major effect on the Curaçao labor force. Our findings suggest that for every 22 festival attendees a job is created in the local economy. Total jobs generated in Curaçao because of the event equal 288, 151 direct and 136 indirect. All impact figures are presented in Annex 5.

Table 9. Total Spending by Categories (Tourists and Residents per trip and per day)

Category	Tourists 2011		Tourists 2010		Δ %
Tickets	\$333.33	19%	\$218.59	38%	52%
Hotel(F&B)	\$393.15	23%	\$183.89	32%	114%
F&B	167.55	10%	\$63.52	11%	164%
Car Rental	\$139.11	8%	\$39.08	7%	256%
Other	\$357.58	21%	\$34.48	6%	937%
Nightlife	\$101.07	6%	\$23.51	4%	330%
Gasoline	\$74.89	4%	\$8.03	1%	833%
Taxi	\$62.05	4%	\$5.10	1%	1117%
Music CDs	\$36.29	2%	\$0.86	0%	4120%
CNSJF Souvenirs	\$51.92	3%	\$4.81	1%	979%
Total	\$1,716.91	100%	\$581.87	100%	195%
Total Per Day	\$233.91		\$121.22		93%

CNSJF: A major leisure and economic activity in Curaçao

This year the success of the CNSJF is also attributed to the concurrence and presence of local residents and other types of tourists that were already in Curaçao. It is estimated that tourists who visited Curaçao for other purposes, rather than the festival, equated to 870 additional attendees to the festival. This year this group made a significant impact on tickets sales by capturing 7 percent of total attendees. Even though this particular segment was already on the island,

their patronage reflects the potential and value of the CNSJF brand. With ticket prices averaging US\$185, the sacrifice to attend the festival requires this group to spend almost 187 percent more than they traditionally spend per day while on vacation⁹. Therefore they influenced total ticket sales and were considered as part of the overall economic impact of the festival. For example, 55 percent attended the festival for two days and the remaining 45 percent for just one day. The impact of ticket sales represented almost one quarter of a million dollars (US\$247,504).¹⁰ When taking into consideration the leakage factor, the total economic output generated from the ticket sales for this group equals US\$331,713 with a multiplier of 1.94.

Table 10. Total Spending by Categories (Residents)

Category	Residents 2011		Residents 2010		Δ %
Tickets	\$291.34	88%	\$257.09	86%	13%
Hotel	\$3.99	1%	\$10.97	4%	-64%
F&B	\$27.84	8%	\$22.18	7%	26%
Other	\$1.81	1%	\$4.46	1%	-59%
Nightlife	\$2.25	1%	\$2.72	1%	-17%
Gasoline	\$0.59	0%	\$2.69	1%	-78%
Taxi	\$1.06	0%	\$0.24	0%	343%
Music CDs	\$0.59	0%	\$0.09	0%	550%
CNSJF Souvenirs	\$0.51	0%	\$0.24	0%	113%
Total	\$329.98	100%	\$300.69	100%	10%

Another group that significantly contributed to the prosperity of the CNSJF includes the local residents. This group has not only remained loyal but a new and more affluent market started to develop. Their participation on the festival represented 53 percent of total attendees. On average, 57 percent of the local resident attended the festival for two days and the remainder 43 percent for just one day. On average, each resident spent US\$330 at the event. In comparison to last year, local residents also spent 10 percent more in 2011 (see Table 10). Their spending also spanned across other sectors of the Curaçao economy such as entertainment, food and beverage, and shopping.

The direct impact from residents attending the CNSJF was US\$1,741,539 with a multiplier effect of 1.94, for a total impact of US\$3,363,829. This impact also generated a total of 87 jobs, 44 direct and 43 indirect.

⁸See Croes, R., Rivera, M. and Semrad, K. (2010). Curaçao Tourism Economic Impact 2007-2008, prepared for the Curaçao Tourist Board, DPI, Orlando, September 15.

⁹ The average Curaçao tourist spends US\$107 per day.

¹⁰ This is gross ticket sales without any leakage discount.

Table 11. Total Economic Impact (Direct and Indirect)

How much does the CNSJF impact the Economy?

The total economic contribution of the CNSJF to the economy was US\$16,338,601. This includes the direct impact of US\$8,859,242 from the organizer, the “committed attendees”, local residents, and other tourists. The total indirect impact was US\$7,479,359 for a multiplier effect of 1.84. In comparison to last year, the total direct effect demonstrates a 300 percent increase.

Sixty-seven percent of the total impact of the event is attributed to the participation of tourists (“committed attendees”). The ripple effect from their spending has a positive impact that not only generates inter-sectoral linkages, but also creates new jobs. This is a remarkable achievement for the organizer. This music festival has become a significant draw for the hospitality industry on the island. The Curaçao Tourist Board, for example, stated that all hotels on the island were sold out during the event. The CNSJF has clearly become a significant powerhouse for the local economy¹¹.

The second largest contributor to the financial success of the event was the local community. Their economic participation in the festival accounted for 21 percent of the overall impact. As for the other tourists that participated, their contributions only reflected tickets sales and represented 2 percent of total impact.

Finally, the contributions from the event organizer totaled 10 percent of the overall impact. For an event that is funded exclusively by a private foundation, rather than with major sponsors, it represents a major commitment to the development of tourism on the island and showcases the potential distributional effect from the organizer internal activities.

Our expectation is that the economic potential from this event is yet to be fully realized, as the attendees should be more likely to make additional contributions based on their behavior in terms of repeat patronage, recommendation and positive word-of-mouth.

Sectors	Direct Impact		Difference (Δ%)
	2011	2010	
Agriculture	\$0.00	\$0.00	
Manufacturing	\$0.00	\$0.00	
Utilities	\$0.00	\$24,870.48	
Construction	\$414,716.43	\$277,083.03	
Wholesale/Trade	\$549,453.99	\$26,105.02	
Hotel-Restaurant	\$6,498,607.02	\$1,560,196.09	
Transportation	\$1,288,405.34	\$138,116.91	302% Increase
Finance	\$0.00	\$0.00	
Real Estate	\$45,000.00	\$162,944.94	
Government	\$63,059.00	\$600.66	
Education	\$0.00	\$0.00	
Health	\$0.00	\$0.00	
Other	\$0.00	\$0.00	
Total	\$8,859,241.78	\$2,189,917.13	

Sectors	Indirect Impact		Difference (Δ%)
	2011	2010	
Agriculture	\$563,775.98	\$141,483.46	
Manufacturing	\$1,947,073.21	\$490,470.49	
Utilities	\$759,989.36	\$179,947.20	
Construction	\$149,319.30	\$41,384.73	
Wholesale/Trade	\$0.00	\$0.00	
Hotel-Restaurant	\$260,176.46	\$59,993.76	
Transportation	\$655,146.66	\$139,419.20	318% Increase
Finance	\$1,709,602.34	\$402,962.11	
Real Estate	\$666,243.68	\$157,802.76	
Government	\$0.00	\$0.00	
Education	\$22,896.89	\$5,137.84	
Health	\$19,372.14	\$3,592.54	
Other	\$725,762.75	\$163,377.84	
Total	\$7,479,358.78	\$1,785,571.90	

Sectors	Total Impact		Difference (Δ%)
	2011	2010	
Agriculture	\$563,775.98	\$141,483.46	
Manufacturing	\$1,947,073.21	\$490,470.49	
Utilities	\$759,989.36	\$204,817.68	
Construction	\$564,035.74	\$318,467.76	
Wholesale/Trade	\$549,453.99	\$26,105.02	
Hotel-Restaurant	\$6,758,783.48	\$1,620,189.85	
Transportation	\$1,943,552.00	\$277,536.10	309% Increase
Finance	\$1,709,602.34	\$402,962.11	
Real Estate	\$711,243.68	\$320,747.70	
Government	\$63,059.00	\$600.66	
Education	\$22,896.89	\$5,137.84	
Health	\$19,372.14	\$3,592.54	
Other	\$725,762.75	\$163,377.84	
Total	\$16,338,600.57	\$3,975,489.03	

¹¹ For details see: Caribbean 'Jazz' Fest Circuit: Where Air Supply, Dionne Warwick, Lionel Richie Are Still Stars. October 07, 2011 By Patricia Meschino, Willemstad, Curaçao (<http://www.billboard.biz>)

Table 12. Total Economic Impact (Jobs)

Sectors	Direct Jobs		Difference (Δ%)
	2011	2010	
Agriculture	0.00	0.00	
Manufacturing	0.00	0.00	
Utilities	0.00	0.11	
Construction	8.18	5.46	
Wholesale/Trade	32.35	1.54	
Hotel-Restaurant	161.17	38.69	
Transportation	26.82	2.87	325%
Finance	0.00	0.00	Increase
Real Estate	1.49	5.38	
Government	1.86	0.02	
Education	0.00	0.00	
Health	0.00	0.00	
Other	0.00	0.00	
Total	231.85	54.08	

Sectors	Indirect Jobs		Difference (Δ%)
	2011	2010	
Agriculture	6.69	1.68	
Manufacturing	72.18	18.18	
Utilities	3.45	0.82	
Construction	2.94	0.82	
Wholesale/Trade	0.00	0.00	
Hotel-Restaurant	6.45	1.49	
Transportation	13.64	2.90	317%
Finance	41.59	9.80	Increase
Real Estate	22.01	5.21	
Government	0.00	0.00	
Education	0.36	0.08	
Health	0.58	0.11	
Other	31.82	7.16	
	201.72	48.25	

Sectors	Total Jobs		Difference (Δ%)
	2011	2010	
Agriculture	6.69	1.68	
Manufacturing	72.18	18.18	
Utilities	3.45	0.93	
Construction	11.12	6.28	
Wholesale/Trade	32.35	1.54	
Hotel-Restaurant	167.62	40.18	
Transportation	40.45	5.78	321%
Finance	41.59	9.80	Increase
Real Estate	23.50	10.60	
Government	1.86	0.02	
Education	0.36	0.08	
Health	0.58	0.11	
Other	31.82	7.16	
	433.57	102.33	

Conclusion and Implications

The purpose of this report was twofold: first, the report was to provide valuable insights regarding the attendees perceived value from attending the festival and how these perceptions impact the participants' future intentions; and second, to gauge the economic benefits for Curaçao via an analysis of festival and attendees' spending.

A survey instrument was designed and administered to the attendees of the CNSJF event. The survey instrument included a 19-item questionnaire during the festival to assess the quality, performance, value, satisfaction, and intention to return of the attendees. The instrument was given to a convenience sample of 400 people.

The tourist profile states that the CNSJF represents a younger and more professional segment that is primarily representative of the Generation X cohort with an average age of 45.7 years (with a variation of +/- 10 years). Sixty-two percent of the sample stayed in hotels this year and close to 80 percent of CNSJF tourists had incomes of US\$40,000 or more. This represents a 31 percent increase for this segment compared to last year. This year, event attendees spent US\$233 per day, an 87 percent increase from the previous year and more than twice of the spending per day by the typical Curaçao tourist. Finally, the CNSJF tourist dollar has a multiplier effect of 1.88 while the typical Curaçao tourist dollar has a multiplier of 1.84.

These findings indicate that the profile of the attendee to the CNSJF is changing. The increase in attracting the higher income tourist is worth discussing. This year there was a 31 percent increase for the income profile of US\$40,000 compared to last year. In response to higher income attendees, this year's attendees spent more on merchandise, lodging, restaurants, etc. indicating an astonishing 87 percent increase in spending per day compared to last year.

This demographic profile of the CNSJF attendee suggests that Curaçao may have an opportunity to attract a more lucrative market segment than the typical tourist profile. It is suggested for destination managers to review marketing and communication efforts that are currently in use because they may not be attracting the profile of the target market that could be reached. Following the marketing strategy of the event organization, destination managers may be able to model their marketing strategies after the CNSJF model.

Compared to the previous year, attendees start planning the trip more in advance which indicates that they appear more

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committed to the CNSJF. There is also an opportunity for the CNSJF to reap more benefits from early bookings and commitment to the festival. For example, a month prior to the event 60 percent of the tourists had already made the arrangements to attend the festival, a drastic increase when compared to 33 percent the previous year. At the same time, the high demand for the CNSJF is palpable when comparing the purchase activity within 2 weeks of the event. In 2010, 44 percent of the attendees made their reservation during that time, a marked difference from 11 percent in 2011. This increase reveals the organizer's ability to be proactive in its marketing efforts; however, there is still some room to improve this even further. In terms of the source of the information, tourists are motivated to attend the CNSJF by word of mouth and the Internet while residents were motivated by newspaper, TV, radio, and word of mouth.

This year tourists perceive a higher quality of performance than last year in all aspects including security, sound quality, enough toilets, and range of food and beverage. Three factors are defined to explain value that include enjoyment, social/cultural, and price. The enjoyment value and price value appear to be a significant indicator for attendees to encourage others to come to the CNSJF. Moreover, the respondents indicated that the most powerful draw of the festival is the line-up of the artists. In addition, the socialization opportunity provided by the festival has had a significant impact on the value of the festival.

The festival creates supplementary jobs and opportunities for productive agents in the Curaçao labor force. For every 22 festival attendees a job is created in the local economy. It is expected that the economic potential from this event is yet to reach its full potential, as the attendees should be more likely to make additional contributions based on their behavior in terms of repeat patronage, recommendation and positive word-of-mouth.

The festival contribution goes beyond the economic impact during the event and potential repeat patronage. Its value is also reflected in the significant brand extension that Curaçao receives due to this event. Although at this time, it is impossible to quantify the financial value of the brand equity, current performance suggest that this will ripple significantly in terms of recognition, fit, association, and reducing search costs.

In conclusion, the additional investment made by the organizer benefited the island of Curaçao generously. The increase of 53 percent in investment by the organizer represented a 311 percent increase in total economic benefits for the island. This exponential increase suggests that a cultural event like the CNSJF is not only an important draw for a highly affluent segment patronizing the island, but also is becoming an important source of economic benefits for Curaçao. For example, the event has become an important tool in promoting a competitive image for Curaçao as a destination in the Caribbean. Overall, it seems that the CNSJF has become the signature event of Curaçao.

Annex

Annex 1 All Demographics

Demographics for all attendees 2011 and 2010

	2011	2010	Δ %
Education			
High School	18.0%	13.7%	4.3%
Undergraduate Degree	41.4%	50.4%	-9.0%
Master/Doctorate	40.5%	35.7%	4.8%
Salary			
Less than US\$25,000	5.7%	11.9%	-6.2%
US\$25,000-US\$29,999	3.5%	12.5%	-9.0%
US\$30,000-US\$39,999	12.1%	13.8%	-1.7%
US\$40,000-US\$49,999	23.6%	13.8%	9.8%
US\$50,000-US\$74,999	24.2%	19.5%	4.7%
US\$75,000-US\$99,999	15.0%	15.7%	-0.7%
US\$100,000 & over	15.6%	12.5%	3.1%
Age			
Age	46.1	44.2	1.9
Gender			
Male	44.0%	51.2%	-7.2%
Female	55.9%	48.7%	7.2%
Party Size			
Average Party Size	2.9	2.4	0.5
Concerts in Curaçao			
Yes, participated	32.1%	34.1%	-2.0%

Annex 2 Loyalty Towards the CNSJF

Tourist's Loyalty

Tourist's Loyalty towards CNSJF				
	2011	2010	Δ	Sig.
Recommend the CNSJF to anyone that asks me	6.40	6.40	0.00	t=-.045
Give good references of the CNSJF	6.37	6.39	-0.02	t=-.241
Encourage my family and friends to attend CNSJF	6.36	6.17	0.19	t=2.77*
Intention of coming back to the CNSJF	6.11	5.89	0.22	t=2.76*
Consider the CNSJF my first choice to attend a festival next year	5.84	5.56	0.28	t=2.88*
Intention of going to the North Sea Jazz Festival in the Netherlands	5.10	4.48	0.62	t=4.71*

Resident's Loyalty

Residents Loyalty towards CNSJF				
	2011	2010	Δ	Sig.
Recommend the CNSJF to anyone that asks me	6.61	6.57	0.04	t=0.44
Give good references of the CNSJF	6.44	6.58	-0.14	t=-1.39
Intention of coming back to the CNSJF	6.31	6.51	-0.20	t=-1.69***
Encourage my family and friends to attend CNSJF	6.25	6.33	-0.08	t=-0.64
Consider the CNSJF my first choice to attend a festival next year	6.25	6.12	0.13	t=1.08
Intention of going to the North Sea Jazz Festival in the Netherlands	3.94	4.04	-0.10	t=-0.466

Annex 3 Relationship between Performance and Loyalty

Regression Results for Performance and Loyalty

Dependent Variable: Loyalty towards the CNSJF			
Independent Variables	Beta	R ²	P
Sound quality	0.436	19%	p < .01
Safe security	0.427	18%	p < .01
Volume of the music	0.421	18%	p < .01
Good parking access	0.402	16%	p < .01
Set out that limits crowding	0.373	14%	p < .01
Enough toilets	0.345	12%	p < .01
Ensure all visitors see the event	0.341	12%	p < .01
Clean amenities	0.336	11%	p < .01
Range of food and beverages	0.274	8%	p < .01
Seating facilities	0.155	2%	p < .05

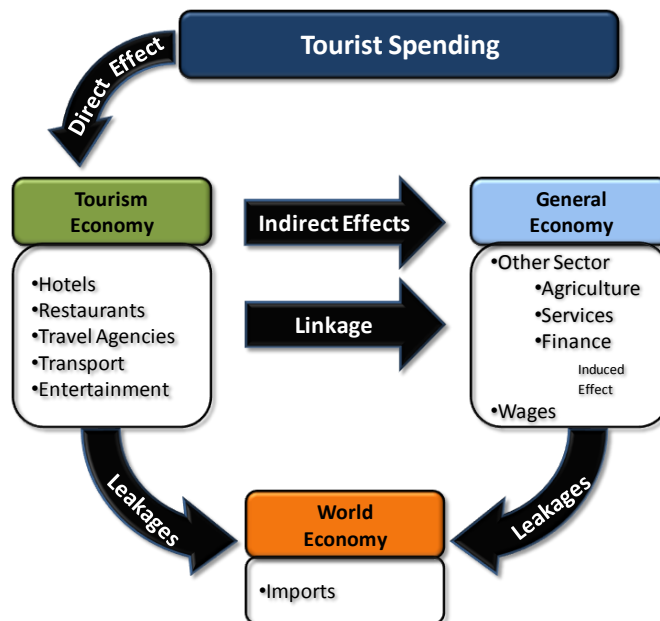
Annex 4 The Input-Output Model

Since an economic impact analysis is based on actual expenditures (as reported by the CNSJF attendees), each new dollar of spending generates indirect and induced impacts. Indirect impacts are reflected by spending on goods and services made by local businesses affected by the new direct spending. Induced impacts are the additional spending by the employees of these businesses who are paid wages and salaries for their services. Together, the indirect and induced impacts are the “*spin-off*” that results from the initial spending at the festival. It is also important to note, that with regard to the I-O model only non-residents should be surveyed. Local residents do not contribute to the economic impact of the event, as their spending can be easily captured by other activities replacing the festival.

The potential benefits of tourism on host economies are exemplified by their primary (direct) and secondary (indirect and induced) channels. The direct impacts from tourism refer to the primary tourist spending at the destination amass from, for example, hotel accommodations, meals and other services. Indirect impacts, on the other hand, are generated when these expenditures spill through the general economy via purchases of goods and services from the local non-tourist sectors of the economy. For example, hotels purchase food from local vendors, acquire furniture, or request additional services. Finally, induced effects correspond to the increased income of wage-earners that support the tourism economy, such as wait staff (servers), receptionists, tour operators, and taxi drivers who in turn buy goods and services in the general economy.

The benefits from tourism to the local economy are gauged according to their multiplier effects. The concept of multipliers relates to the ability of tourists dollars to reverberate throughout different economic sectors. In other words, the tourism dollar creates desired linkages to the local economy. However, if these linkages to the local economy are for imported products, tourism receipts will then abort any multiplier effects due to the leakages used to render such service. The effects of tourism dollars in a local economy are depicted in Figure 5.

Figure 5. Effects of Tourism: Direct, Indirect, and Induced



Annex 5 Economic Impact Figures (Residents, Visitors, Organizer)

Residents' Impact

Sectors	Direct Impact	Indirect Impact	Total Impact	Direct Jobs	Indirect Jobs	Total Jobs
Agriculture	\$0.00	\$142,333.68	\$142,333.68	0.00	1.69	1.69
Manufacturing	\$0.00	\$435,779.18	\$435,779.18	0.00	16.15	16.15
Utilities	\$0.00	\$184,807.14	\$184,807.14	0.00	0.84	0.84
Construction	\$0.00	\$33,308.60	\$33,308.60	0.00	0.66	0.66
Wholesale/Trade	\$11,449.84	\$0.00	\$11,449.84	0.67	0.00	0.67
Hotels-Restaurants	\$1,712,766.37	\$53,711.84	\$1,766,478.21	42.48	1.33	43.81
Transportation	\$17,322.99	\$114,824.08	\$132,147.07	0.36	2.39	2.75
Finance	\$0.00	\$375,041.35	\$375,041.35	0.00	9.12	9.12
Real Estate	\$0.00	\$134,381.58	\$134,381.58	0.00	4.44	4.44
Government	\$0.00	\$0.00	\$0.00	0.00	0.00	0.00
Education	\$0.00	\$4,211.05	\$4,211.05	0.00	0.07	0.07
Health	\$0.00	\$2,988.90	\$2,988.90	0.00	0.09	0.09
Other	\$0.00	\$140,903.11	\$140,903.11	0.00	6.18	6.18
	\$1,741,539.20	\$1,622,290.50	\$3,363,829.71	43.51	42.96	86.47

Tourists' Impact CNSJF as main purpose of visit to Curaçao

Sectors	Direct Impact	Indirect Impact	Total Impact	Direct Jobs	Indirect Jobs	Total Jobs
Agriculture	\$0.00	\$387,394.66	\$387,394.66	0.00	4.60	4.60
Manufacturing	\$0.00	\$1,305,355.16	\$1,305,355.16	0.00	48.39	48.39
Utilities	\$0.00	\$529,784.08	\$529,784.08	0.00	2.41	2.41
Construction	\$0.00	\$96,666.32	\$96,666.32	0.00	1.91	1.91
Wholesale/Trade	\$300,929.59	\$0.00	\$300,929.59	17.72	0.00	17.72
Hotels-Restaurants	\$4,614,567.65	\$175,957.51	\$4,790,525.17	114.44	4.36	118.80
Transportation	\$941,582.64	\$442,868.81	\$1,384,451.45	19.60	9.22	28.81
Finance	\$0.00	\$1,174,530.20	\$1,174,530.20	0.00	28.58	28.58
Real Estate	\$0.00	\$443,590.02	\$443,590.02	0.00	14.66	14.66
Government	\$0.00	\$0.00	\$0.00	0.00	0.00	0.00
Education	\$0.00	\$15,376.97	\$15,376.97	0.00	0.24	0.24
Health	\$0.00	\$11,093.81	\$11,093.81	0.00	0.33	0.33
Other	\$0.00	\$505,595.09	\$505,595.09	0.00	22.17	22.17
Total	\$5,857,079.88	\$5,088,212.63	\$10,945,292.51	151.75	136.85	288.61

Tourists' Impact other as main purpose of visit to Curaçao

Sectors	Direct Impact	Indirect Impact	Total Impact	Direct Jobs	Indirect Jobs	Total Jobs
Agriculture	\$0.00	\$14,222.93	\$14,222.93	0.00	0.17	0.17
Manufacturing	\$0.00	\$43,273.63	\$43,273.63	0.00	1.60	1.60
Utilities	\$0.00	\$18,382.99	\$18,382.99	0.00	0.08	0.08
Construction	\$0.00	\$3,309.71	\$3,309.71	0.00	0.07	0.07
Wholesale/Trade	\$0.00	\$0.00	\$0.00	0.00	0.00	0.00
Hotels-Restaurants	\$171,273.00	\$5,286.92	\$176,559.92	4.25	0.13	4.38
Transportation	\$0.00	\$11,156.94	\$11,156.94	0.00	0.23	0.23
Finance	\$0.00	\$37,082.78	\$37,082.78	0.00	0.90	0.90
Real Estate	\$0.00	\$13,211.47	\$13,211.47	0.00	0.44	0.44
Government	\$0.00	\$0.00	\$0.00	0.00	0.00	0.00
Education	\$0.00	\$411.46	\$411.46	0.00	0.01	0.01
Health	\$0.00	\$290.49	\$290.49	0.00	0.01	0.01
Other	\$0.00	\$13,811.63	\$13,811.63	0.00	0.61	0.61
Total	\$171,273.00	\$160,440.96	\$331,713.96	4.25	4.24	8.49

CNSJF Production Economic Impact

Sectors	Direct Impact	Indirect Impact	Total Impact	Direct Jobs	Indirect Jobs	Total Jobs
Agriculture	\$0.00	\$19,824.71	\$19,824.71	0.00	0.24	0.24
Manufacturing	\$0.00	\$162,665.24	\$162,665.24	0.00	6.03	6.03
Utilities	\$0.00	\$27,015.15	\$27,015.15	0.00	0.12	0.12
Construction	\$414,716.43	\$16,034.68	\$430,751.11	8.18	0.32	8.49
Wholesale/Trade	\$237,074.55	\$0.00	\$237,074.55	13.96	0.00	13.96
Hotels-Restaurants	\$0.00	\$25,220.19	\$25,220.19	0.00	0.63	0.63
Transportation	\$329,499.72	\$86,296.83	\$415,796.55	6.86	1.80	8.65
Finance	\$0.00	\$122,948.02	\$122,948.02	0.00	2.99	2.99
Real Estate	\$45,000.00	\$75,060.61	\$120,060.61	1.49	2.48	3.97
Government	\$63,059.00	\$0.00	\$63,059.00	1.86	0.00	1.86
Education	\$0.00	\$2,897.42	\$2,897.42	0.00	0.05	0.05
Health	\$0.00	\$4,998.93	\$4,998.93	0.00	0.15	0.15
Other	\$0.00	\$65,452.92	\$65,452.92	0.00	2.87	2.87
	\$1,089,349.70	\$608,414.69	\$1,697,764.39	32.34	17.66	50.00

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Last edited: 26 October 2011

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