The identification and differentiation of festival stakeholders: A new perspective

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THE IDENTIFICATION AND DIFFERENTIATION
OF FESTIVAL STAKEHOLDERS

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This article sets out to identify, differentiate, and categorize festival stakeholders by means of a multidimensional approach. Festivals are coproduced by a collection of stakeholders, and festival organizers facilitate the festival outcomes by interpreting stakeholders’ contributions, aims, and concerns. Based on an extensive literature review, a theoretical framework was developed that illustrates how previous studies have typically identified and differentiated festival stakeholders by listing them or by means of a one-dimensional approach. For this study, an online survey was developed and administered to festival organizers in the US, testing the possibility of identifying, differentiating, and grouping festival stakeholders from a multidimensional approach. Based on the study results, festival stakeholders have been identified, differentiated, and categorized into internal and external stakeholders, eight universal groups, and a further 45 unique subgroups. Some stakeholders are universal in terms of most festivals, while other stakeholders will be unique—this depends on the festival itself. This study challenges the traditional hierarchical view that often marginalizes or at times ignores some stakeholders. It advocates for a wider and more consultative perspective where the sustainability of the festival is ensured as it complements the interest and contribution of the wider and often marginalized stakeholder groups.

Key words: Festival stakeholders; Stakeholder theory; Stakeholder differentiation; Stakeholder identification

Introduction

The stakeholder theory suggests that, by addressing the interest of stakeholders, an organization will be sustainable and perform better (Freeman; 2010, Freeman, Wicks, & Parmar, 2004). Stakeholder engagement is often regarded as necessary to legitimize the festival that is created and to achieve the set objectives (Sharples, Crowther, May, & Orefice, 2014). Festivals are defined as a sacred or profane time of celebration, marked by special observances (Falassi, 1987; http://www.m-w.com/dictionary/festival) and may celebrate values, ideologies, identity, and continuity of a community.
Festivals are coproduced by a collection of stakeholders, and festival organizers facilitate the festival’s outcomes by interpreting stakeholders’ contributions, aims, and concerns (Sharples et al., 2014). Festival stakeholders are identified as those individuals who have a stake in the festival and its outcomes and who influence or are influenced by it (Getz, 2008). Festival stakeholders have diverse interests and have different power positions within the festival network; these should therefore be properly identified and differentiated (Freeman, 1984; Karlsen, 2007). If festival organizers want to produce festivals that achieve strategic objectives, it is important to seek positive stakeholder involvement, understand their various viewpoints, and evaluate if the stated outcomes have been achieved (Sharples et al., 2014). For a successful festival one must effectively manage the festival’s stakeholders; one should also take cognizance of the following three concepts, according to Sautter and Leisen (1999). Firstly, the organization should identify and differentiate their stakeholders, then decide on the process to manage the organization’s relationship with its stakeholders, and lastly it needs to consider the transactions that will take place between these. This research article only focuses on on the identification, differentiation, and categorization of the festival stakeholders as this process constitutes the first step towards successfully managing festival stakeholders (Polonsky, 1996).

Although stakeholder theory has been widely used in tourism and festival studies (Garrod, Fyall, Leask, & Reid, 2012; Karlsen & Nordstrom 2009; Presenza & Iocca, 2012; van Niekerk & Coetzee, 2011), previous studies tended to be quite narrowed in their understanding of what a stakeholder is, and this may lead to a skewed and hierarchical view of stakeholders (Sharples et al., 2014). It appears that scholars tend to identify and differentiate stakeholders in different ways. Although some prefer a narrow frame that will only reflect the economic link with the organization, others prefer a broader frame that encompasses the broader society (Getz & Andersson, 2009; Polonsky & Scott, 2005; Sheehan & Ritchie, 2005). For example, several studies have differentiated stakeholders as either primary or secondary (Carroll, 1989; Clarkson, 1995; Freeman, 1984; Sheehan & Ritchie, 2005), while other studies divided them into five groups or categories, namely: local community; investors; suppliers; customers; and employees (Garrod et al., 2012). Researchers have therefore developed various models with different numbers and combinations aimed at the identification and differentiation of stakeholders, but these typically operate on a one-dimensional level (Andersson & Getz, 2008; Anuar, Ahmad, Jusoh, & Hussain, 2012; Freeman et al. 2004; Garrod et al., 2012; Getz, Andersson, & Larson, 2007; Larson, 2002; Presenza & Iocca, 2012; Reid & Arcodia, 2002; Sheehan & Ritchie, 2005).

This study advocates for a wider and consultative perspective where the sustainability of the festival is ensured because it complements the interest and contribution of the wider and often marginalized stakeholder groups. Engaging a broader range of stakeholders also allows not only for achieving the festival’s objectives, but is also likely to minimize possible adverse impacts on the festival. Focusing on a wider variety of stakeholders is also likely to ensure the success and sustainability of the festival (Jones, Hillier, & Comfort, 2014). If stakeholders are not engaged in a meaningful way, then the gap between what they expect and the actual outcomes will widen (Sharples et al., 2014). Given this gap in the field, this study aims to develop a conceptual framework for the identification, differentiation, and categorization of festival stakeholders from a multidimensional approach.

**Stakeholders**

**Stakeholder Theory**

Increasingly more researchers have argued for the importance of increasing collaboration of all stakeholders in the planning process at a community level (Hunt, 1991; Jamal & Getz, 1995; Keogh, 1990). This view is one of the underlying premises of stakeholder theory. The origins of the stakeholder theory lie in the strategic management literature (Frow & Payne, 2011). It is also an important concept within organizational management and ethics (Phillips, Freeman, & Wicks, 2003). Stakeholder theory propounds that by addressing the interest of stakeholders, an organization will be sustainable and perform better (Freeman, 2010, Freeman et al., 2004). The stakeholder theory had been introduced...
in festival and tourism research with the work of Freeman (Garrod et al., 2012; Getz et al., 2007). However, it is important to know that the foundation of the stakeholder theory dates back much earlier to 1963 when the Stanford Research Institute (SRI) was already doing groundbreaking work on the theory (Freeman, 1984). Stockholders were the only group of people who were really seen as important within the organization at that point and therefore the only stakeholder group to whom management had to respond. The stakeholder theory, however, has a much broader view on who encompass the stakeholders within an organization and include the employees of the organization, the lenders, society, the suppliers, the customers, and the owners. The stakeholder theory was supported and opposed in the early years by scholars. For instance, Ansoff (1965) opposed the stakeholder theory and stated that the objectives and the responsibilities of the organization are not the same and therefore cannot be seen synonymous with each other as stated in the stakeholder theory. Supporters of the stakeholder theory hold firm that the organizations should balance the conflict between all the stakeholders within the organization and must be able to separate the social side (the organization’s responsibility to its people) and the economic side (the organization making a profit) from each other. The stakeholder theory lost some momentum in the late 1960s but was then revived by Ackoff and Churchman in the mid-1970s (Sethi, 1971). Organizations had to rethink their role in society due to the social movements arising in the 1960s. The satisfaction of the public, the employees, and the community become more important than just satisfying the owners and their goals. Dill’s research in 1975 went one step further and introduced the concept of involving all stakeholders’ needs during decision making within the organization (Dill, 1975).

Today, the stakeholder theory concerns morals and values explicitly as a central feature of managing organizations; it involves a greater intention than simply maximizing shareholders’ wealth (Phillips et al., 2003). The fundamental basis of stakeholder theory is that it is normative, and that the organization needs to accept two key principles (Donaldson & Preston, 1995; Jones & Wicks, 1999; Phillips et al., 2003). The first principle is that stakeholders are groups or individuals with a legitimate interest in the substantive or procedural aspects of the organization. Secondly, each group of stakeholders merits consideration of its own sake and not because of their ability to further the interests of another group like the shareholders. Consideration should also be given to all stakeholders regardless of their power and interests. From a managerial perspective, all stakeholders should have a direct influence on management decisions (Sautter & Leisen, 1999). Lo (2013) and Clarkson (1995) caution that if organizations fail to retain the participation of stakeholders, the organization might fail.

**Identification and Differentiation of Stakeholders**

Various scholars have attempted to provide a framework for the identification and differentiation of various stakeholders. Strong, Ringer, and Taylor (2001) argue that a stakeholder framework provides the identifiable categorization of markets in which the organization will operate. They identified stakeholders according to the three markets they serve. In the product/service market the customer is the stakeholder, while in the labor market the employee is the stakeholder and in the capital market the owner is the stakeholder.

Other studies have categorized stakeholders according to their salience, power, legitimacy, and the urgency they play within the organization (Clarkson, 1995; Freeman, 1984; Lo, 2013; Reid & Arcodia, 2002; Spiropoulus, Gargalianos, & Sotiriadou, 2006). Sheehan and Ritchie (2005) noted that stakeholders can also be classified based on aspects such as (1) the power of the stakeholder, (2) the urgency of the relationship, as well as (3) the legitimacy of the stakeholder.
Stakeholder theory has emerged as an important topic in festival studies (Frisby & Getz, 1989; Getz, 2007, 2008, 2010; Karlsen & Nordstrom, 2009; Presenza & Iocca, 2012; van Niekerk & Coetzee, 2011), and while some studies focus on stakeholder roles and functions (Anuar et al., 2012; Getz et al., 2007; Karlsen & Nordstrom, 2009), a few have attempted to categorize and differentiate between festival stakeholders (Garrod et al., 2012; Getz & Andersson, 2009, 2012; Getz et al., 2007; Larson, 2002; Reid & Arcodia, 2002; Sheehan & Ritchie, 2005). Literature on event and festival management has acknowledged the importance of stakeholder theory and of building a relationship with festival stakeholders (Getz, 1997; Getz et al., 2007; Watt, 1998). Festival stakeholders are defined by Getz (2007) as: “those persons or groups who can influence the organization, or are influenced by it” (p. 91). They have a stake in the event or festival and its outcomes, and are impacted by the event. These stakeholders can also be beneficial to the festival because of their special skills and the funding and resources they can attract to the event (Watt, 1998).

Getz et al. (2007) argue that it is difficult to identify and differentiate all the festival stakeholders because although the festival organizer is the most powerful stakeholder, they are still dependent upon other stakeholders. The identification and differentiation of festival stakeholders has been considered both generically and functionally within the management of festivals. The power and the influence of festival stakeholders in relation to their roles have been investigated by various researchers (Getz et al., 2007; Larson, 2002; Reid & Arcodia, 2002; Spiropoulos et al., 2006). The concept of primary and secondary stakeholders is also applicable to festivals and is identified by Reid and Arcodia (2002) as those stakeholders without whose direct support the festival cannot exist. They identified primary stakeholders as the employees, volunteers, sponsors, suppliers, spectators, attendees, and participants. Secondary stakeholders do not have a direct impact on the festival and are identified by Reid and Arcodia (2002) as government, the host community, emergency services, general business, the media, and tourism organization.

Spiropoulos et al. (2006) developed a festival stakeholder model based on the differentiation of festival stakeholders’ functional roles. It consists of marketing stakeholders (product, place, promotion, and the audience), the festival’s production stakeholders (event), and the administration stakeholders (human, financial, and infrastructure resources). Larson (2002) defined the stakeholder groups related to the marketing and production function of the festival as being the music industry (contractors, performers, and the band), sponsors, associations and clubs, media, local trade and industry, and the public authority. Getz et al. (2007) identified and
differentiated festival stakeholders according to the festival organization (employees, directors, owners, investors, volunteers, members, and advisors), the audience and impacted (those who are audience members and who are impacted by the festival), coproducers (independent organizations that will participate on a voluntary basis), regulators (cooperation and approval), allies and collaborators (the stakeholders that provide intangible services such as marketing), partner suppliers, venues, and facilitators (provide resource and support to the festival). Bowdin, Allen, O’Toole, Harris, and McDonell (2006) identified festival stakeholders as the participants and spectators, the coworkers, the host organization, host community, sponsors and, finally, the media.

Various authors have therefore attempted to identify and differentiate festival stakeholders, but researchers tend to simply list the stakeholders or to use a one-dimensional approach. This study advocates for a wider and consultative perspective where the sustainability of the festival is ensured as it complements the interest and contribution of the wider and often marginalized stakeholder groups.

Table 1 illustrates the stakeholders as identified by Andersson and Getz (2008), Bowdin et al. (2006), Getz et al. (2007), Karlsen and Nordstrom (2009), Larson (2002), Presenza & Iocca (2012), Reid & Arcodia (2002), Shone and Parry (2001), Spiropoulous et al. (2006), and van Niekerk & Coetzee (2011) in their various studies on festivals and events. Figure 1 is the authors’ synthesis of all the previous research done in the field of festival research and what a theoretical framework for the identification and differentiation of festival stakeholders can look like. Eight stakeholder categories are identified and then further differentiated into 43 subcategories.

Methodology

This study forms part of a larger study that was conducted on festival organizers in the US. A detailed description of the methodology can be found in a previous study by Van Niekerk (2016). The deductive research approach was used in this study and focuses on existing theoretical knowledge. This approach is also associated with the positivism paradigm (Gill & Johnson, 2010; Gray, 2009). In this study, the stakeholder theory was first reviewed. It then proceeded to develop a theoretical framework identifying and differentiating stakeholders and tested it with festival stakeholders in the US. Primary data was then gathered from festival organizers all over the US by means of online-based questionnaire. The questionnaire consisted of 35 questions and was divided into three parts. The first part focused on the identification and differentiation of festival stakeholders and questions were primarily developed from the theoretical framework and research of Andersson and Getz (2008), Bowdin et al. (2006), Getz et al. (2007), Karlsen and Nordstrom (2009), Larson (2002), Presenza & Iocca (2012), Reid & Arcodia (2002), Shone and Parry (2001), Spiropoulous et al. (2006), and van Niekerk & Coetzee (2011). The second part focused on the management of festival stakeholders and the third part focused on the festival and the management themselves.

The questionnaire was developed with closed and open-ended questions so that it could capture all possible answers of the respondents. Five local festival organizers then pilot tested the questionnaire online and provided some valuable comments and suggestions to improve the quality of the questionnaire. The questionnaire was also given to some Ph.D. students and academic colleagues in the area of festivals and events who reviewed the questionnaire and provided feedback. After finalizing the questionnaire, an e-mail was sent out to 410 festival organizers within the US requesting them to complete the online questionnaire. As there was no comprehensive list of festival organizers in the US, this list was created from Internet searches, websites, Facebook pages, and by contacting tourism bureaus and festival associations. The researchers also requested the organizers to invite some other festival organizers that they know to complete the questionnaire.

Two weeks later a follow-up e-mail was sent to remind the participants to complete the questionnaire. After a 6-week period 59 questionnaires were completed. In the context of festival studies, to be able to have 59 different festival organizers respond back to the questionnaire is acceptable as most studies on festivals will only focus on one festival or will be case study oriented (Akintan, 2013; Getz, 2013). Festival ownership of 13 festivals in Sweden
Table 1

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were studied by Andersson and Getz (2009). Stakeholder cooperation of three festivals in the Barents Region were researched by Karlsen and Nordstrom (2009), while the roles of festival stakeholders were researched by Getz et al. (2007) in 13 festivals in Canada and Sweden. This study is therefore unique as it not only provides the view of a single festival but it involves and researches a very large number of festival organizers at the same time.

The informed consent letters were completed by all participants in the study and the researcher avoided any harm, risk, or deception to any participant. The online questionnaire was managed through Qualtrics and after the data were collected all “unique identifiers” were removed from the data. The data were exported to SPSS 21 for descriptive and inferential statistical analysis. All measures were taken into account in the designing of the questionnaire to ensure criterion validity, content validity, face validity, and concurrent validity.

Sampling error has been identified as the biggest threat to online questionnaires’ validity as it
is possible that the questionnaire will only reach a certain demographic segment of the population due to the accessibility of the population having Internet access. Most festivals that are taking place in the US have their own websites and it was therefore presumed that most of the festival organizers and their stakeholders will have access to the Internet. All procedures and policies as stipulated by the University’s Institutional Research Board (IRB) were followed. An application was submitted to the IRB and the study, the concept letter, and questionnaire were approved by the IRB.

Study Results

Demographic Information

Table 2 indicates that 67% of the respondents have 5 or more years of fairly extensive experience in festival management. In terms of demographics, 11% were males and 89% of the respondents were females. Although there is not an equal representation of the genders in the results it can be explained by the fact there is a higher percentage of women than men working in the event and festival industry. These results are also similar to findings from other studies (Goldblatt, 2000).

The age of festival organizers is equally distributed, with 37% of festival organizers between the ages of 55 and 64 years old. Results indicated that respondents’ education levels are quite high, with 33% of them having master’s degrees. This result is higher than the national average where the median is a bachelor’s degree (US Bureau of Labor Statistics, 2014).

The gross annual income of festival organizers is also higher than that of the national average of personal income at $32,184 (US Census Bureau, 2012) and very similar to the mean average of $49,830 for meeting, convention, and event planners in the US (US Bureau of Labor Statistics, 2014).

Festival Information

As noted in Table 3, about 63% of festivals focus on the local community as their target market and 79% of the festival ownership can be described as nonprofit organizations. There is very little information available on festivals within the US. It is therefore difficult to compare the data against any national standards. A study conducted by Andersson and Getz (2009) on festival ownership in Sweden has, however, indicated 50% nonprofit ownership, 29% public, and 21% private ownership. Of all festivals identified, 25% were arts and crafts festivals, 20% child/family festivals, 18% music festivals, 11% performing arts, racial/ethnic/cultural festivals, and 9% were visual arts festivals.

These results are similar to the study conducted by the National Endowment for the Arts (National Endowment for the Arts, 2009). According to the study findings, of all the festival organizers participated in this study, 43% of them were managing their festivals 1–10 years, 17% 11–20 years, 17% 41–50 years, 11% 21–40 years, and 4% for 50 years and more.
its outcomes and who influence or are influenced by it. It becomes clear that other competing festivals should be recognized as a festival stakeholder and cannot be removed from the main groups of festival stakeholders.

**Differentiation of Festival Stakeholders**

Festival organizers were then requested to further differentiate the festival stakeholders under the main groups identified. Figure 2 identifies them first according to internal and then external stakeholders and then identifies the eight different universal stakeholder groups according to the importance to festival organizers. The festival organizers confirmed all 43 unique subcategories and two more festival stakeholders were identified by them, namely board members and the immigration office. Stakeholders that received high scores were the local community (100%); this can be attributed to the fact that most of the festivals are targeting the local communities and therefore place a great deal of emphasis on the community. The festival committee, festival attendees, artists, and sponsors all received a score of 96%. Again, it should be noticed that the competing festivals of similar nature (15%) and festivals within the same area (13%) received very low scores.

**Discussions**

The aim of the study was to identify, differentiate, and categorize festival stakeholders from a multidimensional approach. Previous festival studies have

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**Table 3**

<table>
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<th>Festival Information</th>
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<td><strong>Festival Information (N = 59)</strong></td>
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<td>Target market of the festivals</td>
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| Domestic tourist (tourist from the US) | 32%  
| International tourist (Tourist from outside the US) | 5%  
| Local community (the community within a 50 mile radius) | 63%  
| Festival ownership |  
| Private ownership | 16%  
| Public ownership | 5%  
| Nonprofit organization | 79%  
| Type of festival |  
| Music festival | 18%  
| Arts & crafts festival | 25%  
| Multidisciplinary festival | 6%  
| Racial/ethnic/cultural festival | 11%  
| Visual arts festival | 9%  
| Theatre festival | 0%  
| Performing arts festival | 11%  
| Child/family festival | 20%  
| Festivals’ years in existence |  
| 1–10 years | 43%  
| 11–20 years | 17%  
| 21–30 years | 11%  
| 31–40 years | 11%  
| 41–50 years | 17%  
| 50+ years | 4%  

**Table 4**

<table>
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<tr>
<th>Identification of Festival Stakeholders</th>
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<tr>
<td><strong>Festival Stakeholders Yes No</strong></td>
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<tr>
<td>Internal stakeholders (N = 59)</td>
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</table>
| Employees | 88% | 12%  
| Owners/shareholders | 86% | 14%  
| Senior managers | 84% | 16%  
| External stakeholders (N = 59) |  
| Customers | 76% | 24%  
| Government/government agencies | 75% | 25%  
| Suppliers | 63% | 37%  
| Special interest groups | 46% | 54%  
| Competitors | 29% | 71%  

approaches that can lead to a skewed and hierarchi-

cal view of stakeholders and advocated for a

wider, more consultative perspective. This multi-
dimensional approach provides the foundation for

a more sustainable event, economically, socially,

attempted to identify, differentiated, and categorize

festival stakeholders, but tended to do so from a

one-dimensional approach (Getz et al., 2007; Lar-

son, 2002; Reid & Arcodia, 2002; Spiropoulos et

al., 2006). This study challenged such conventional

Figure 2. Conceptual framework for identification, differentiation, and categorizing of festival stakeholders.

New festival stakeholder as identified by festival
and environmentally (Sharples et al., 2014). It also complements the interest of the immediate stakeholders and ensures the interest and contribution of the wider and often marginalized stakeholders.

The study therefore makes a clear distinction firstly between internal and external stakeholders as festival organizers identified as recognizing them as being stakeholders in the festival. Internal festival stakeholders (employees, owners/shareholders, senior management) can be identified as those stakeholder groups or individuals inside the organization that have an effect or are affected by the decisions of the festival. External festival stakeholders (customers, government, suppliers, special interest groups, competitors) are outside the festival organization, but still affect or are affected by the festival itself. This study therefore makes a distinction between internal and external stakeholders. It further identifies eight universal categories of festival stakeholders that can be identified in all festivals and then differentiated them into 45 more unique groups that could be different from one festival to the other. These unique groups will depend on the type of festivals, festival ownership, location, resource decency, and so forth. Festival organizers confirmed all universal groups and unique subgroups and festival organizers identified two further unique groups, which were board members and immigration offices.

Managerial Contribution

In managerial terms, festival organizers should understand their role in identifying and differentiating festival stakeholders, because it is the first step to successfully manage the festival stakeholders (Polonsky, 1996). Stakeholder engagement is important in order to legitimize the event and to assist festival management to achieve specific objectives that would benefit all parties. Engaging the broader range of stakeholders also presents the opportunity to festival management not only to achieve specific objectives, but also to minimize adverse impacts and advocate broader social responsibility. Internal and external festival stakeholders need to be managed differently, and festival organizers should be conscious of this fact. The identification, differentiation, and categorization of festival stakeholders can assist festival organizers to identify relevant strategies to manage their festival stakeholders and also to consider the transactions that will take place between them. If stakeholders are properly identified, differentiated, and categorized, management is very likely to be more successful—and this, in turn, is likely to create a sense of cohesion that will benefit not only the festival, but all stakeholders involved.

Theoretical Contribution

Theoretically, the study contributes to knowledge of the field by developing a comprehensive framework for the identification, differentiation, and categorizing of festival stakeholders. Although many authors have suggested identifying and differentiating festival stakeholders in various ways (Andersson & Getz, 2008; Bowdin et al., 2006; Getz et al., 2007; Karlson & Nordstrom, 2009; Larson, 2002; Presenza & Iocca, 2012; Reid & Arcodia, 2002; Shone & Parry, 2001; Spiropoulos et al., 2006; van Niekerk & Coetzee, 2011), these were typically using a one-dimensional approach. These studies tended to list or simply identify a very limited number of festival stakeholders and did not differentiate or categorize them in any way.

Limitation and Future Research

The study has various limitations. The framework used for this study should be tested with a larger sample size because the current study was characterized by limited access to festival organizers in the US (N = 59). A bigger sample might have been possible through the International Festival and Events Association, but the study focused specifically on festival stakeholders and not event stakeholders. Likert-scale questions could also have revealed more insightful results than “yes” or “no” questions; more advanced statistical analysis would then be possible. Future studies should focus on the most appropriate management strategy for each stakeholder group and should also consider the transactions that will take place between them. It is also important to consider how festival organizers can increase the use of available resources that festival stakeholders provide to the benefit of the festival and broader tourism destination.
References


