



## **Diamonds in the rough - managing higher spenders at a music festival in South Africa**

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### **Abstract**

The Diamonds and Dorings Music Festival is used as a strategy to increase attendee numbers and associated spending which would boost the economy of Kimberley and the Northern Cape. The festival attracts mostly the African ethnic market, a term coined to describe South Africa's black middle class. In a festival context, the African ethnic festival and events market can be regarded as a niche and emerging market, which is growing in the South African economy.

Unfortunately, to date, limited research has focused on the needs and spending power of this market at music festivals in South Africa. To fill this gap, this research applied expenditure-based segmentation to attendees at the festival. A visitor survey was conducted at the festival in 2015 where 367 questionnaires were administered and included in the analysis. Respondents were segmented into high, medium and low spending segments based on their total spending.

The results showed that the high spenders could be distinguished from the medium and low spenders based on their spending behaviour, motives to attend the festival, province of residence, accommodation used during the festival and the marketing mediums where respondents heard about the festival. The results provide information to the organisers and marketers of the festival on knowledge on how much money festival attendees spend and which factors influence higher spending. This knowledge can lead to a greater economic impact to the host city and province.

**Key phrases**

*African ethnic festival attendees; Diamonds and Dorings music festival; expenditure-based segmentation; Northern Cape*

## 1. INTRODUCTION

The Diamonds and Dorings Music Festival (hereafter referred to as Diamonds and Dorings) is an annual Easter Jazz Festival, which the Sol Plaatjie Municipality in Kimberley (Northern Cape) together with the National Department of Tourism host annually. The festival has occurred since 2001, and it celebrated its 14th year in 2015. Each year in April, the festival takes place at Langleg Resort outside Kimberley in the Northern Cape. It is a one-day festival showcasing and promoting local artists of different genres (Shafaqna 2015:Internet). The aim of the festival is to boost the financial state of the Northern Cape and to bring together music lovers from all ages. The festival attracts mostly the African ethnic or 'Black Diamond' market, a term coined to describe South Africa's black middle class, a recently emerged and rapidly growing market in the South African economy (Visagie 2013:1-9).

According to the Institute for Strategic Marketing and TNS (Taylor Nelson Sofres) Research Surveys conducted in 2008 (UCT Unilever Institute 2008:Internet; UCT – University of Cape Town), 'Black Diamonds' share the following characteristics: African ethnicity, middle to high income, in professional occupations, well-educated, own or acquiring homes, cars and household goods, having aspirations and confidence in the future, and being creditworthy. In 2015, the spending power of this specific market was proved as 80% of the more than 6800 tickets of the Diamonds and Dorings that were sold, was to residents in the Northern Cape, resulting in an economic impact of more than R7.8 million (TREES [Tourism Research in Economic Environs and Society] 2016:45).

To capitalise on the economic impact of the event in the Northern Cape, it is imperative that event organisers and marketers know who their target market is and how much the people in their target market(s) are willing to spend (Cohen, Prayag & Moital 2014:886). South Africa is a multi-ethnic society encompassing a wide variety of cultures making this is of specific importance since little research to date has focused on the spending behaviour of the African ethnic festival market in South Africa. According to Kwiatkowski (2016:502), Lin, Mao and

Song (2015:101) as well as Saayman and Krugell (2009:155), understanding attendee expenditure patterns can be very helpful to festival marketers and organisers in managing the economic impact of events and tourism activities.

An understanding of the spending behaviour of attendees is furthermore essential as it helps in knowing whether the target markets are willing to spend and it will assist the marketer in segmenting the targeted market (Krugel, Saayman & Ellis 2012a:1203; Tkaczynski & Rundle-Thiele 2011:426). Categorising different segments such as high spenders, medium spenders, and low spenders is a very useful approach as it can be used to identify the high spenders that festival organisers and marketers can attract (Krugel, Saayman & Saayman 2012b:76; Saayman, Saayman & Slabbert 2011:10).

The results from such segmentation, therefore, distinguish the high spenders from other segments regarding socio-demographic and behavioural characteristics such as age, group size, the length of stay, trip purpose, travel mode and their expenditure patterns (Krugel *et al.* 2012b:76; Mok & Iverson 2000:300; Spotts & Mahoney 1991:43; Svensson, Moreno & Martín 2011:1685). According to Mok and Iverson (2000:300), Svensson *et al.* (2011:1683) as well as Saayman and Saayman (2012:125) benefits of applying the expenditure-based segmentation include:

- differentiating between heavy spenders and heavy users (attendees who attend festivals but do not necessarily spend money);
- defining the attraction feasibility of attendee segments;
- maximising economic benefit;
- categorising niche markets; and
- the marketers get a better understanding and application of behavioural characteristics that influences spending.

Applying expenditure-based segmentation attendees at Diamonds and Dorings may thus be extremely beneficial to the festival organisers and marketers. A greater understanding of the spending behaviour of the African ethnic market to music festivals may also be valuable to other festivals and events aimed at attracting and expanding this market. The purpose of this research is, therefore, to fill this gap in the current literature and segment attendees at the festival based on their total spending to distinguish higher spenders from medium and low spenders.

This segmentation approach will also show the relationship between demographics, behavioural and motivational factors to spending. This distinction will furthermore provide valuable information to the festivals' organisers and marketers to increase attendee spending. With this knowledge, recommendations can be made on how the festival can increase attendee spending thereby leading to a greater economic impact of the festival on the host city and province.

## 2. LITERATURE REVIEW

Market segmentation is widely considered to be at the very heart of marketing (Dolnicar, Kaiser, Lazarevski & Leisch 2012:42; Morgan & Pritchard 2001:153). Park and Yoon (2009:100) define market segmentation as the process of dividing the present and potential market into homogeneous groups based on important characteristics. Promotion, product, and pricing efforts can then be concentrated on serving the most prominent portions of the market to form the target markets (Dibb & Simkin 2016:251).

There are many variables that can be used to segment the targeted markets such as age, occupation, the level of education, lifestyle and income to name but a few (Ernst & Dolnicar 2017:Internet). In tourism, market segmentation is often done through expenditure-based segmentation (dividing attendees into low, medium and high spenders) and by using the socio-demographic and travel characteristics to identify the important determinants affecting travel expenditure (Craggs & Schofield 2009:245; Lee, Lee Funk & Jordan 2015:178; Legohérel & Wong 2006:16; Marrocu, Paci & Zara 2015:13; Park 2016:255; Veisten, Lindberg, Grue & Haukeland 2014:303).

Aguiló, Rosselló and Vila (2017:15) as well as Saayman, Van der Merwe and Pienaar (2009:108), indicate that this approach is an effective alternative method of market segmentation. Expenditure-based segmentation gives a complete attendee profile and is used to identify and compare different segments based on their expenditure (Carneiro, Eusebio & Pelicano 2011:290; Sun, Hao, Fong, Law & Yu 2016:2; Svensson *et al.* 2011:1683).

The results can be implemented to increase a festival's economic impact (Felsenstein & Fleischer 2003:385; Thrane 2002:281). This can be achieved since the markets are profiled using the determinants that influence expenditure to segment the market in different

expenditure groups (Aguiló *et al.* 2017:15; Carneiro *et al.* 2011:290; Legohérel & Wong 2006:15; Mok & Iverson 2000:299). Increased attendee spending will not only ensure the continued existence of a festival such as Diamonds and Dorings but will also create income and job opportunities for the host community's residents (Kim, Prideaux & Chon 2010:297; Saayman & Saayman 2012:125; Vinnciombe & Sou 2014:122). This, in turn, will lead to a positive host community who support the festival on a continuous basis.

Various studies in the tourism literature have applied expenditure-based segmentation, and to different contexts. Jang, Ismail and Ham (2001:83) profiled expenditure-based segments (heavy, medium, and light spenders) of Japanese outbound pleasure travellers. The findings from the research revealed that expenditures increase with age, party size and length of the trip as expected.

Similarly, Mok and Iverson (2000:299) applied expenditure-based segmentation to Taiwanese tourists to Guam. Results from this study show that heavy spenders were distinguishable from the other segments regarding age, party size, the length of stay, trip purpose, travel mode, and their spending patterns. In their study of attendee spending at the Salford Quays (United Kingdom), Craggs and Schofield (2009:250), distinguished between heavy, medium, light and no expenditure segments and concluded that there is a broad range of socio-demographic and behavioural determinants that influence attendee expenditure.

Shani, Wang, Hutchinson and Lai (2010:337) used expenditure-based segmentation on golf travellers visiting a Southern Gulf region in the United States (US). The findings indicated that the heavy spenders exhibited clear spending patterns and were responsible for most of the sample's total expenditures. The heavy spenders also were well differentiated based on behavioural differences but not regarding socio-demographic characteristics and information sources used before the vacation.

Spencer (2010:83) tested the viability of expenditure-based segmentation in the case of visitors to a rail-trail in the Black Hills of South Dakota, US. Non-resident visitors were classified as light, medium, and heavy spenders based on their total expenditures in the region. The results showed that heavy spenders were more likely to have been mountain biking enthusiasts, to have higher incomes, and to have longer lengths of stay and greater involvement with recreation in the region. In an events context, Carneiro *et al.* (2011:290)

segmented visitors to two music festivals in Portugal (Oporto and the Coast of Alentejo) based on their expenditure patterns.

Three segments emerged – ‘residents with low expenditures’, ‘visitors with medium expenditures’ and ‘more attractive visitors’. The ‘more attractive visitors’ had almost the double of the expenditure of the other groups. The results also showed how higher spending in each segment could be stimulated to increase the positive economic impacts of events. Dixon, Backman, Backman and Norman (2012:15) on the other hand divided sport tourists attending a Professional Golfers' Association of America tournament into three groups (low, medium, and high spenders) based on their total per day spending. The results indicated that significant differences existed between the three expenditure-based segments of sport tourist spectators regarding spending patterns, trip characteristics, and trip preferences.

In the South African context, expenditure-based segmentation research has focused on visitors to nature-based destinations especially national parks (Kruger, Saayman & Saayman 2010a:142; Saayman *et al.* 2009:107). However the majority of expenditure-based segmentation studies have focused on either art festival attendees (Botha, Slabbert, Rossouw & Viviers 2011:145; Kruger *et al.* 2012b:88-89; Saayman & Saayman 2005:211; Saayman *et al.* 2011:12) or event attendees (Kruger & Saayman 2016:95; Kruger, Viljoen & Saayman 2015:346-347; Saayman, Saayman & Joubert 2012:216).

In most cases, three expenditure segments were identified, high, medium and low spenders. In certain cases, a distinction was made between two segments, high and low spenders (Kruger *et al.* 2010a:137-149; Saayman *et al.* 2011) depending on the statistical method applied to identify the segments (e.g. K-means clustering). Collectively, these and previous studies (indicated below in the text) that followed a similar approach furthermore showed that high spenders were distinguished from the medium and low spending segments by the following characteristics that can also be regarded as determinants of spending:

- older (Kastenholz 2005:563; Kruger 2009:45; Kruger 2010:103; Kruger *et al.* 2012b:88; Mak, Moncur & Yonamine 1977:5-8; Perez & Sampol 2000:630; Saayman & Saayman 2006:217; Saayman *et al.* 2012:220; Thrane 2002:284) while Serra, Correia and Rodrigues (2015:493) found the opposite to be true;
- married (Kim *et al.* 2010:297; Saayman & Saayman 2012:125); however Serra *et al.* (2015:494) found that single visitors tend to spend more;

- English-speaking (Kruger & Saayman 2016:98) while Saayman *et al.* (2012:216) found that Afrikaans-speaking visitors tend to be higher spenders; however, the influence of language is inconclusive in expenditure-based segmentation research;
- better educated (Pizam & Reichel 1979:42; Serra *et al.* 2015:494; Snowball & Willis 2006:29; Woodside, Cook & Mindak 1987:11);
- earn more (Aguiló *et al.* 2017:15; Kruger 2010:50; Saayman & Saayman 2006:220; Serra *et al.* 2015:493; Smolčić Jurdana & Soldić Frleta, 2016a:428; Snowball & Willis 2006:29; Thrane 2002:285; Woodside *et al.* 1987:11);
- stay longer (Aguiló *et al.* 2017:15; Downward & Lumsdon 2004:415; Kruger *et al.* 2012b:88; Kruger *et al.* 2015:346-347; Mehmetoglu 2007:213; Mok & Iverson 2000:303-305; Saayman & Saayman 2006:220; Serra *et al.* 2015:494; Spotts & Mahoney 1991:24; Thrane 2002:285);
- travel longer distances (Cannon & Ford 2002:263; Lee 2001:659; Pouta, Neuvonen & Sievänen 2006:132; Kruger & Saayman 2016:98);
- nationality (Amir, Osman, Bachok & Ibrahim 2015:394; Marrocu *et al.* 2015:13; Serra *et al.* 2015:493; Thrane 2016:38) is a significant variable for higher expenditure in international studies. Province of origin (location) plays an important role in visitor spending at arts festivals, national parks and sports events in South Africa; attendees from richer provinces, e.g. Gauteng and Western Cape, spend more (Kruger 2009:30; Kruger & Saayman 2016:98; Saayman & Saayman 2008:128; Saayman *et al.* 2009:122; Streicher & Saayman 2009:128); however the findings are also influenced by the host destination where the festival/event is held;
- travel in smaller groups (Kruger 2010:50; Kruger *et al.* 2015:347; Mok & Iverson 2000:303-305; Saayman & Saayman 2006:220; Serra *et al.* 2015:489) while Saayman *et al.* (2009:122) and Spotts and Mahoney (1991:24) revealed the exact opposite and concluded that high spenders tend to travel in larger groups;
- travel for purpose to attend festival/enjoy destination (Kruger 2010:50; Mehmetoglu 2007:213; Saayman & Saayman 2006:220); while motivations of cultural and historical resources, gastronomy, sightseeing and excursions and hospitality also show a positive effect on tourism expenditure (Serra *et al.* 2015:494);
- purchase more tickets (Botha *et al.* 2011:45);

- stay in paid accommodation (Aguiló *et al.* 2017:15; Alegre, Cladera & Sard 2011:828; Botha *et al.* 2011:145; Kruger 2009:30; Marcussen 2011:850; Svensson *et al.* 2011:1683);
- make use of internet as source of information (Marcussen 2011:850; Svensson *et al.* 2011:1683) while attendees who heard about event/destination by word of mouth tend to be lower spenders (Svensson *et al.* 2011:1683). Television as a source of information seem to be associated with lower spending (Kruger *et al.* 2015:349);
- prefer drama or dance theatre at arts festivals (Kruger 2009:48; Saayman *et al.* 2009:122) and music theatre and cabaret and contemporary music shows/productions (Kruger *et al.* 2012b:80);
- satisfied overall with amenities, activities, facilities and service (Serra *et al.* 2015:493; Smolčić Jurdana & Soldić Frleta 2016a:429; Smolčić Jurdana & Soldić Frleta 2016b: 696); and
- the findings within the context of first-time and repeat visitation studies are not as consistent as one might expect (Li, Cheng, Kim & Petrick 2008:288). Botha *et al.* (2011:145), Kruger *et al.* (2012a:117), Serra *et al.* (2015:489), Shani *et al.* (2010:337) and Wang (2004:110) found that repeat visitors spend more than first-time visitors do. Alegre and Juaneda (2006:695); Kruger, Saayman and Ellis (2010b:97); Li *et al.* (2008:288); Oppermann (1997:179); Petrick (2004:469) and Tang and Turco (2001:39) all found in their respective research that first-time attendees spend significantly more than repeaters while Li *et al.* (2008:288) and Petrick (2004:469) concluded that repeat attendees are more price sensitive and hence more likely to search for lower prices than first-time attendees.

The research findings from the afore-mentioned South African festival and event studies emphasised that it is not only the distinct nature of the festival or event and its target market that play a significant role in visitor spending, but also the influence of the multicultural nature of South Africa's population that distinguish higher spenders. The determinants that distinguish higher spenders can therefore not be regarded as homogenous (Olya & Mehran 2017:148-149). This is a significant conclusion, which stresses the need to place the results from expenditure-based segmentation studies in a proper context. This will especially be relevant when analysing a specific cultural group as in the case of the present study.



Cross-cultural comparisons in international studies have examined the differences in spending behaviour between visitors from different countries (e.g. Jang *et al.* 2001:83; Marcussen 2011:850; Mok & Iverson 2000:299). Unfortunately, no study has to date, segmented the African ethnic festival market based on their expenditure levels or identified the determinants that influence their spending behaviour. Kruger and Saayman (2014:1-13) is the only study to the authors' knowledge that analysed the music preferences of this market to live music performances in South Africa. The results of their study offered insight into the needs of this unexplored market, especially concerning their leisure behaviour.

By filling the gap in the current literature, the results of this research can assist festival marketers/organisers of not only Diamonds and Dorings but also other festivals aimed at this specific market, to differentiate between the high spenders and determine the viability of targeting African ethnic groups as a target market. Findings will further suggest how the festival's appeal to high spenders could be maximised, and how its existing market of high spenders could be encouraged to stay longer, have a greater tourism impact, recommend the festival to others, and return in the future.

### **3. METHOD OF RESEARCH**

This research was quantitative in nature and made use of a structured questionnaire. The next section discusses the method of research applied in the study.

#### **3.1 The questionnaire**

The questionnaire used in the survey had three sections.

Section A measured the socio-demographic information of the respondents (age, occupation, income, province language, group size, spending behaviour, and type of tickets purchased).

Section B measured respondents' motives for attending the festival. This section measured 22 items on a five-point Likert scale of agreement (1 = totally disagree; 2 = disagree; 3 = undecided; 4 agree and 5 = totally agree). Section B also measured information on when respondents made a decision to attend the festival, who initiated the decision, the age of first festival attendance, where they heard about the festival and the preferred type of music genre. Sections A and B measured festival attendees' socio-demographic characteristics

and motives which have previously been tested at a variety of festivals, especially arts festivals in South Africa (see Botha & Slabbert 2011:2-18; Kruger *et al.* 2010a:137-149; Kruger *et al.* 2010b:79-104; Kruger, Saayman & Ellis 2011:511-526; Kruger & Saayman 2012:147-162; Kruger, Saayman & Saayman 2009:248-270; Saayman & Saayman 2005:211-222; Van Zyl & Botha 2004:213-222; Viviers, Botha & Perl 2013:211-229).

To date, various studies have also determined the motives of attendees to music festivals and performances [see Bracalente, Chirieleison, Cossignani, Ferrucci, Gigliotti and Ranalli (2011:1235-1255), Brown, Var and Lee (2002:273-279), Kruger and Saayman (2014:1-13), Kubacki (2008:303-313), Li, Huang and Cai (2009:585-598), Leenders (2010:291-301), Manners, Kruger and Saayman (2015:61-82), Oakes (2010:110-119), Pegg and Patterson (2010:85-99), Pretorius, Viviers and Botha (2014:159-182) as well as Thrane (2002:281-286)]. Many of the motivational items that were included in Section B of the questionnaire, especially about escape, socialisation and festival attributes, were adapted from the abovementioned studies for this study context.

In Section C, respondents also had to evaluate the festival on a five-point Likert scale of agreement, and 16 statements were measured. The items included in Section C of the questionnaire were based on, and adapted from the works of Botha, Viviers and Slabbert (2012:32, 33), Leenders (2010:269), Manners *et al.* (2015:61-82), Van Niekerk and Coetzee (2011:357), and Williams and Saayman (2011:70, 72).

Based on the findings from these studies, the aspects that were included related to hospitality, value, and quality, the quality of the venue, information dissemination, marketing and sales, the quality and variety of artists included in the line-up, safety, the effectiveness of ticket sales and the festival experience. It is important to note that respondents were asked to indicate to what extent they agreed with the various aspects of the festivals i.e. to evaluate their experience in these aspects.

### **3.2 Survey and sampling method**

The survey was done at the Langleg Resort on Sunday, 5 April 2015. Led by a moderator, eight fieldworkers (including the researcher) distributed the questionnaire. A stratified sampling method was applied and, to limit bias, a simple random sampling method was

utilised within the stratified sample. In the case of the present research, the trained fieldworkers followed specific guidelines.

Questionnaires were distributed to different non-homogeneous age groups, gender groups and ticket holders (general admission and VIP). The survey process was eased as the VIP ticket holders were separate from the general admission ticket holders. Every second attendee was asked to complete the questionnaire as all attendees were seated (in picnic style).

Respondents were briefed about the purpose of the research beforehand to ensure that they participated willingly. Consistent with statistics, 6850 attendees (TREES 2016:36), attended the festival in 2015. Based on Krejcie and Morgan's (1970:608) formula, the recommended sample size is 361. During the festival, 400 questionnaires were distributed, and 367 were completed in full and included in the analysis. A valid sample was therefore obtained during the survey.

### **3.3 Research limitations**

One of the most important aspects evident from the spending analysis is respondents' lack to indicate for how many people they paid. For this reason, spending per person could not be calculated. The results showed that respondents travelled in a group size of seven people and were financially responsible for four of those people.

Unfortunately, only 36 respondents (10%) indicated the number of people they were paying for, making calculations based on spending per person impossible. Ideally, spending per person should be used since festival organisers want to influence individual spending at the festival. While the total spending analyses provided useful information on how to increase attendee spending at the festival, respondents nevertheless, should be encouraged completing all sections of the questionnaire and fieldworkers need to explain the importance to complete questionnaires accurately. Future researchers should, therefore, pay attention to this important aspect.

## **4. STATISTICAL ANALYSES AND RESULTS**

The data was captured in Microsoft Excel© and analysed by using SPSS Version 23 (2016). The analysis was done in two stages: firstly descriptive statistics to profile the respondents

followed by the results of the two exploratory factor analyses (motives and festival evaluation factors, expenditure-based segmentation and lastly an analysis of significant differences between the identified expenditure segments. The results are subsequently discussed.

#### 4.1 Profile of the respondents

Respondents were mostly female (56%) with an average age of 32 years, English speaking (55%) and were earning < R20 000 per annum (38%). The majority of the respondents (82%) were from the Northern Cape and travelled in an average group size of seven persons, paying for an average of four people and spent an average of three nights in Kimberley indicating that respondents were not necessarily local residents of Kimberley. The respondents bought four tickets on average, and the majority of those tickets (94%) were general access tickets.

On average, the respondents spent R3033.77 per group at the festival, and the majority of the respondents were repeat attendees (70%), and they previously attended the festival an average of four times. Some respondents (25%) decided more than a month in advance of the festival to attend Diamonds and Dorings, and they were initiators of the attendance themselves (43%).

The respondents heard about the festival on the radio (42%), preferred jazz music (51%) and they indicated that they would visit tourist attractions during the festival (74%). This profile is similar to the findings by Kruger and Saayman (2014:8) on the African ethnic market to live music performances in South Africa.

#### 4.2 Results of the factor analyses

Two exploratory principal component factor analyses, using an Oblimin rotation with Kaiser Normalisation identified respectively five motivational factors (Table 1) and three festival evaluation factors (Table 2).

**TABLE 1: Results of the factor analysis on the motives to attend the festival**

Motives to attend Diamonds and Dorings	Factor loading	Mean value	Reliability coefficient	Average inter-item correlation
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Motives to attend Diamonds and Dorings	Factor loading	Mean value	Reliability coefficient	Average inter-item correlation
<b>Factor 1: Festival attractiveness</b>		<b>3.44</b>	<b>0.89</b>	<b>0.52</b>
The festivals' line-up with a good combination of national and international artists	0.84			
This festival is entertainment at its best	0.77			
Attending festivals such as these contribute towards my overall well-being	0.74			
Because of advertisements in the media	0.74			
It is a well-organised music festival	0.73			
The location of the festival (near my city/town) gives me the opportunity to attend	0.61			
Attending events like these is part of my lifestyle	0.59			
The event is a good value for money experience	0.58			
<b>Factor 2: Entertainment and socialisation</b>		<b>3.83</b>	<b>0.90</b>	<b>0.57</b>
To have fun	0.81			
To spend time with family/friends	0.79			
To socialise	0.75			
To listen to/support my favourite artists	0.74			
To be part of this unique and exciting event	0.73			
To meet people with similar interests	0.59			
It is an annual commitment	0.54			
<b>Factor 3: Prestige</b>		<b>3.31</b>	<b>0.74</b>	<b>0.48</b>
Out of curiosity	0.74			
Because of social status in terms of being seen by others	0.70			
Because of positive word-of-mouth recommendations by friends and family	0.66			

Motives to attend Diamonds and Dorings	Factor loading	Mean value	Reliability coefficient	Average inter-item correlation
<b>Factor 4: Escape</b>		<b>3.50</b>	<b>0.77</b>	<b>0.54</b>
To do exciting things	0.83			
To relax and escape from my daily tension	0.75			
Attending the festival contributes towards my overall well-being	0.63			
<b>Factor 5: Travel opportunity</b>		<b>3.44</b>	<b>N/A</b>	<b>N/A</b>
It is an opportunity to visit Kimberley	0.64			

Source: Calculated from survey results in SPSS Version 23 (2016)

The five motivational factors accounted for 78% of the total variance. All factors had relatively high coefficients ranging from 0.74 (the lowest) to 0.90 (the highest). The average inter-item correlation coefficients with values of 0.48 to 0.57 also implied internal consistency for all factors. The Kaiser-Meyer Olkin measure of sampling adequacy of 0.87 also indicated that patterns of correlation are relatively compact and yield distinct and reliable factors (Field 2009:640). Bartlett's Test of Sphericity also reached statistical significance ( $p > 0.05$ ).

As shown in Table 1, *entertainment and socialisation* was rated as the most important motive (3.83) followed by *escape* (3.50). *Festival attractiveness* and *travel opportunity* both obtained a mean value of 3.44 while *prestige* was rated as the least important motive.

Regarding the festival evaluation factors (Table 2), the pattern matrix of the principal component factor analysis using an Oblimin rotation with Kaiser Normalisation identified three factors that accounted for 76% of the total variance.

All factors had relatively high reliability coefficients ranging from 0.83 (the lowest) to 0.93 (the highest) while average inter-item correlation coefficients had values between 0.55 to 0.66 and implied internal consistency for all factors.

**TABLE 2: Results of the factor analysis on the evaluation of the festival**

Festival evaluation	Factor loading	Mean value	Reliability coefficient	Average inter-item correlation
<b>Factor 1: General management and affordability</b>		<b>3.43</b>	<b>0.93</b>	<b>0.66</b>
Variety of artists (national and international) is good	0.81			
Price of accommodation is reasonable (if applicable)	0.80			
The festival is well-organised	0.76			
Service/prices of restaurants/food are good	0.70			
The quality of shows is excellent	0.68			
Ticket prices are reasonable	0.68			
Service at various stages is good	0.60			
<b>Factor 2: Venue and technical aspects</b>		<b>3.74</b>	<b>0.90</b>	<b>0.64</b>
The sound and lighting are professional	0.81			
There is enough space for audiences	0.75			
The festival staff is friendly, informed and willing to help	0.72			
Adequate and visible security at the festival	0.64			
Information about the festival is readily available	0.61			
<b>Factor 3: Accessibility and convenience</b>		<b>3.56</b>	<b>0.83</b>	<b>0.55</b>
Ticket sales are easily accessible	0.75			
Parking is well organised	0.67			
The venue is comfortable	0.66			
Signage is visible at the festival	0.57			

Source: Calculated from survey results in SPSS Version 23 (2016)

All factor loaded on a factor loading with a loading greater than 0.4 and relatively high factor loading indicate a reasonably high correlation between the delineated factors and their individual items.

The Kaiser-Meyer-Olkin measure of sampling adequacy of 0.94 also indicated that patterns of correlation are relatively compact and yield distinct and reliable factors (Field 2009:640). Bartlett's Test of Sphericity also reached statistical significance ( $p = 0.001$ ), supporting the factorability of the correlation matrix (Pallant 2016:197). *Venue and technical aspects* were rated the highest (3.74). This was followed by *accessibility and convenience* (3.56) and finally *general management and affordability* (3.43).

In their research, Kruger and Saayman (2014:9) identified five motives namely *artist affiliation and unique experience, entertainment value, nostalgia, event attractiveness* and *socialisation* and five key management factors proved to be important for a memorable experience (*general management, catering and amenities, marketing, accessibility and parking* and *souvenirs and auxiliary services*).

Compared to the findings, the combination of motives and evaluation factors supports the notion that these factors are greatly influenced by the type and nature of the festival/event. These factors were determined to explore whether the different spending segments at the festival differ based on their motives to attend Diamonds and Dorings and their evaluation of the festival. Knowledge of these differences can help to manage higher spending at the festival.

### **4.3 Expenditure-based segmentation of attendees at Diamonds and Dorings**

Following previous research (see Carneiro *et al.* 2011; Craggs & Schofield 2009; Dixon *et al.* 2012; Jang *et al.* 2001; Kruger *et al.* 2009; Kruger *et al.* 2012; Kruger & Saayman 2016; Mok & Iverson 2000; Saayman *et al.* 2009; Shani *et al.* 2010; Spencer 2010; Spotts & Mahoney 1991; Woodside *et al.* 1987), three expenditure segments were identified namely high, medium and low spending segments. To create the high, medium, and low expenditure groups, the usable responses were divided into three equal groups.



Spending per person, unfortunately, could not be used, since the majority of respondents did not indicate the number of persons they were paying for (including themselves) during the festival. Total expenditure was therefore used.

Total spending was calculated through the sum of respondents' total spending on the various components in the questionnaire. Only respondents who indicated that they paid for themselves were included in the analysis (N = 367). The variable derived from the data was used to create the three expenditure groups as shown in Table 3.

The first group (high spenders) reflects the top 33% of the sample; the middle group reflects the middle third (33.3% to 67.7% of the total spending) and the low expenditure group reflects the bottom 33.3%.

**TABLE 3: Expenditure-based segments of attendees to Diamonds and Dorings**

Segmentation variable	Expenditure segments			F-ratio	Sig. level	Effect sizes (d)		
	High spenders (N = 205)	Medium spenders (N = 37)	Low spenders (N = 125)			1 & 2	1 & 3	2 & 3
	Total spending (ZAR)	4023.00 <sup>a</sup>	994.05 <sup>b</sup>			154.24 <sup>c</sup>	139.893	.001*

\* Statistically significant difference:  $p \leq 0.05$ ; effect sizes: \*\* small effect:  $d=0.2$ ; \*\*\*medium effect:  $d=0.5$ , \*\*\*\*large effect:  $d=0.8$  (Cohen 1992:158)

<sup>a</sup> Group differs significantly from type (in row) where <sup>b</sup> or <sup>c</sup> is indicated

Source: Calculated from survey results in SPSS Version 23 (2016)

Table 3 indicates that the majority of respondents were in the high-spending category (205 respondents), followed by 125 respondents in the low-spending category. Only 37 respondents fell into the medium-spending category. All three segments showed statistically significant differences ( $p < 0.05$ ) from each other based on their total spending, with large effect size differences ( $d > 0.08$ ). The high spenders spent an average of R4023.00 at the festival while the medium spenders spent an average of R994.05 and the low spenders, R154.24.

#### 4.4 Results from the ANOVAs

An analysis of variance (ANOVAs) was performed to show how the three expenditure-segments differ from each other based on their socio-demographics, spending behaviour, motives to attend the festival and how respondents evaluated the festival. Effect sizes (*d*) were also calculated as it provides an indication of the magnitude of the differences between groups (Pallant 2016:250). Cohen's guidelines for interpreting effect sizes are a 0.2=small effect, 0.5=medium effect and 0.8=large effect (Cohen 1992:158).

As shown in Table 4, there is no evidence of statistically significant differences ( $p > 0.05$ ) between the three expenditure segments regarding socio-demographics. In all cases, the effect size differences were also small ( $d \leq 0.20$ ). All three segments were in their early 30's, travelled in groups of six to eight people, were paying for three to four people, purchased four to five tickets, attended the festival three to four times previously and stayed overnight for three to four nights in the area of the festival.

All three segments first attended festivals such as Diamonds and Dorings when they were in their twenties. Unsurprisingly, the biggest differences between the three segments were based on their average spending. Statistically significant differences were based on the spending categories tickets, accommodation, food, drinks, retail, transport, and purchasing of CDs ( $p < 0.05$ ) with medium to large effect size differences. Spending per person also showed a statistically significant difference ( $p = 0.05$ ), although Tukey's post-hoc multiple comparisons indicated no differences (large effect size differences).

**TABLE 4: Results of ANOVAs, Tukey's post hoc multiple comparisons and effect sizes for the expenditure-based segments at Diamonds and Dorings**

Variables	Expenditure segments			F-ratio	Sig. level	Effect sizes ( <i>d</i> )		
	High spenders ( <i>N</i> = 205)	Medium spenders ( <i>N</i> = 37)	Low spenders ( <i>N</i> = 125)			1 & 2	1 & 3	2 & 3
	<b>Socio-demographics</b>							
Average age	31.52	33.83	32.02	1.15	0.32	0.22**	0.06	0.17

Variables	Expenditure segments			F-ratio	Sig. level	Effect sizes (d)		
	High spenders (N = 205)	Medium spenders (N = 37)	Low spenders (N = 125)			1 & 2	1 & 3	2 & 3
	Average group size	7.77	6.00			5.96	2.79	0.06
Average number of people paying for	3.36	3.00	4.22	0.35	0.71	0.13	0.28**	0.40**
Average number of tickets purchased	4.87	3.97	3.88	2.28	0.10	0.22**	0.24**	0.02
Average number of years previously attended the festival	3.61	4.25	3.40	0.95	0.39	0.18	0.07	0.24**
Average age of first concert attendance	20.99	22.54	21.22	0.60	0.55	0.23**	0.03	0.17
Average number of nights (overnight in the area)	2.95	3.75	2.76	0.79	0.46	0.20	0.09	0.25**
<b>Spending categories (ZAR)</b>								
Tickets	720.05 <sup>b</sup>	245.68 <sup>a</sup>	185.19 <sup>a</sup>	13.93	<0.05*	0.53***	0.59***	0.25**
Accommodation	484.12 <sup>b</sup>	48.65 <sup>ab</sup>	10.38 <sup>a</sup>	5.93	<0.05*	0.35**	0.38**	0.28**
Food	738.39 <sup>b</sup>	144.86 <sup>a</sup>	64.81 <sup>a</sup>	22.67	<0.05*	0.66***	0.75***	0.50***
Drinks	1227.50 <sup>b</sup>	276.39 <sup>a</sup>	65.85 <sup>a</sup>	21.92	<0.05*	0.62***	0.76***	0.90 ****
Retail	459.72 <sup>b</sup>	80.54 <sup>a</sup>	13.96 <sup>a</sup>	10.84	<0.05*	0.45**	0.52***	0.39**
Transport	397.64 <sup>b</sup>	172.43 <sup>a</sup>	22.63 <sup>a</sup>	13.85	<0.05*	0.39**	0.65***	0.66***
CDs	29.38 <sup>a</sup>	17.30 <sup>a</sup>	0.00 <sup>a</sup>	3.12	0.05*	0.13	0.32**	0.40**
Souvenirs	11.77	3.89	0.00	1.77	0.17	0.15	0.23**	0.22**

Variables	Expenditure segments			F-ratio	Sig. level	Effect sizes (d)		
	High spenders (N = 205)	Medium spenders (N = 37)	Low spenders (N = 125)			1 & 2	1 & 3	2 & 3
	Parking	8.03	0.81			1.89	1.89	0.15
Marathon fee	7.57	7.03	1.89	0.55	0.58	0.01	0.14	0.15
Comedy show	13.78	4.17	1.89	1.67	0.19	0.17	0.21**	0.09
Other	6.17	0.00	0.00	0.51	0.60	0.11	0.11	0.00
Spending per person	1355.21	337.50	130.66	3.43	0.05*	0.70***	0.84*** *	0.80*** *
<b>Motives to attend festival</b>								
Festival attractiveness	3.53 <sup>b</sup>	3.01 <sup>a</sup>	3.42 <sup>ab</sup>	2.75	0.07	0.43**	0.10	0.34**
Entertainment and socialisation	3.96 <sup>b</sup>	3.43 <sup>a</sup>	3.71 <sup>ab</sup>	3.79	0.02*	0.35**	0.21**	0.18
Prestige	3.38	3.02	3.26	0.98	0.38	0.26**	0.09	0.17
Escape	3.59	3.59	3.30	1.70	0.18	0.00	0.23**	0.21**
Travel opportunity	3.46	2.88	3.55	1.56	0.21	0.35**	0.07	0.41**
<b>Festival evaluation factors</b>								
General management and affordability	3.50	3.03	3.38	1.61	0.20	0.39**	0.11	0.29**
Venue and technical aspects	3.84	3.39	3.64	2.03	0.13	0.34**	0.18	0.19
Accessibility and convenience	3.64	3.27	3.50	1.165	0.31	0.26**	0.12	0.16

\* Statistically significant difference:  $p \leq 0.05$ ; effect sizes; \*\* small effect:  $d=0.2$ ; \*\*\*medium effect:  $d=0.5$ , \*\*\*\*large effect:  $d=0.8$  (Cohen 1992:158)

<sup>a</sup> Group differs significantly from type (in row) where <sup>b</sup> or <sup>c</sup> is indicated

Source: Calculated from survey results in SPSS Version 23 (2016)

The high spenders had significantly higher average spending on all the spending categories compared to the medium and low spenders. Their highest spending was on drinks followed by food, tickets, accommodation and retail. The high spending on food and drinks could be ascribed to the fact that the Langleg Resort, where the festival is held, is located outside Kimberley.

Although food and drinks are available to purchase at the festival, attendees are allowed to bring their own food and drinks, which they can enjoy in picnic style. Consequently, high spenders had the highest average spending per person. Medium spenders spent their money mainly on drinks and accommodation while the low spenders' highest spending was for tickets.

Regarding motives, the only statistically significant difference between the three spending segments was based on the motive *entertainment and socialisation* ( $p = 0.02$ ; small effect size differences).

Higher spenders rated this motive significantly higher (mean value of 3.96) compared to the medium spenders, who rated this motive the lowest of the three segments (mean value of 3.43). Although not statistically significant ( $p = 0.07$ ), Tukey's post-hoc multiple comparisons also indicated differences based on the motive *festival attractiveness*. Again, the higher spenders rated this motive as more important (mean value of 3.53) than the medium spenders (mean value of 3.01). Interestingly, the high and low spenders rated the motives similarly, with the exception of the motive, *escape*, which low spenders rated lower.

Medium spenders had the lowest mean values across all five motives. Also unexpectedly, the low spenders rated the motive *travel opportunity* the highest of the three segments, indicating that this segment has the potential to travel for similar events. The challenge now is to increase their associated expenditure. There were no statistically significant differences between the three expenditure segments based on the festival evaluation factors ( $p > 0.05$ ). There were also only small effect size differences.

Similar to the motives, the high and low spenders rated the factors similarly and higher compared to the medium spenders. The three segments indicated that *venue and technical aspects* was the most important factor followed by *accessibility and convenience*.

#### 4.5 Results from the Chi-squared tests

Chi-Squared Tests were employed to show whether the three expenditure segments differ based on the additional characteristics asked as categorical questions in the questionnaire. Phi-values ( $\phi$ ) were also calculated to identify any further significant differences between the segments. The phi-value can indicate the size of difference among the groups; therefore, it can also be interpreted as an effect size. Cohen (1992:158) provides the following criteria for interpreting phi-values: 0.1 for a small effect, 0.3 for a medium effect and 0.5 for a large effect.

There were statistically significant differences between the three expenditure segments based on province of residence ( $p = 0.04$ ; small  $\phi$ -value = 0.29), guesthouse or Bed and Breakfast (B&B) as type of accommodation used during the festival ( $p < 0.05$ ; small  $\phi$ -value = 0.24). In addition, marketing mediums where respondents heard about the festival, it is evident that television ( $p = 0.04$ ; small  $\phi$ -value = 0.14) and Twitter ( $p = 0.04$ ; small  $\phi$ -value = 0.14) show statistical significant differences between the three expenditure segments, based on province of residence.

Regarding province of residence, all three segments originated from the Northern Cape (77%, 89% and 88% respectively). Fewer high and low spenders originated from Gauteng (8% respectively) while a small percentage of high spenders travelled from the Free State (7%) and North-West (6%). It is clear that the festival does not attract many attendees from the other provinces in South Africa.

More high spenders made use of paid accommodation in the form of hotels or guesthouses and B&B's (24%) compared to the medium (0%) and low spenders (8%). More medium (66%) and low (55%) spenders were local residents or preferred to stay with family or friends (25% and 32% respectively). Considering the marketing mediums where attendees became aware of the festival, more low spenders saw advertisements of the festival on television (21% compared to 12% and 7% respectively) whereas more high spenders heard about the festival from the social media platform Twitter (11% compared to 0% and 5%).

There were no statistically significant differences between the segments based on other characteristics ( $p > 0.05$ ). All three segments had more female respondents, had a low annual income (< R20 000 – R140 000), made the decision to attend the festival when the announcement was made or a month before the festival. A large percentage of respondents

in all three segments (respectively 23%, 20% and 24%) made a spontaneous decision to attend Diamonds and Dorings in 2015.

The majority of respondents in all three segments indicated that they would attend the festival again (76%, 87% and 86% respectively). All three segments also indicated that they visited other tourist attractions in the area during the festival (74%, 72% and 75% respectively). Regarding the media sources, radio was the most popular marketing medium for all three segments (43%, 41% and 40% respectively). Newspapers, word-of-mouth recommendations, Facebook, posters and street boards, as well as pamphlets, were also popular media sources. Jazz (54%, 55% and 45% respectively) and House (50%, 35% and 48% respectively) music were the most preferred music genres, which is also the main genres showcased at the festival. However, all three segments indicated a preference for a variety of genres.

## **5. FINDINGS AND IMPLICATIONS**

The results from the research profiled for the first time African ethnic attendees to a music festival in South Africa. Compared to the findings by Kruger and Saayman (2014:1-13), African ethnic music festival attendees appear to have a similar profile. However, there are differences based on their motives to attend which could be ascribed to type and nature of the festival. Based on the total spending, this market shows the potential of a lucrative festival market to be pursued.

However, since attendees travel in large groups, the spending per person is low. The next section expands on recommendations regarding ways to increase attendee spending. The profile nevertheless provides useful insights into the characteristics and preferences of this under-researched market in South Africa. Still, organisers and marketers of Diamonds and Dorings as well as those of other events and festivals wanting to attract this lucrative market should consider this market's needs.

Based on the results from expenditure-based segmentation, higher spenders at Diamonds and Dorings could be distinguished from medium and low spenders based on the following characteristics: having a higher average spending, their motives to attend the festival, being local residents, making use of paid accommodation and media sources. Implications of the findings are also made to increase and retain higher spending at the festival.

### 5.1 Higher average spending on the spending components

Corresponding with the findings by Shani *et al.* (2010:337) that higher spenders exhibit clear spending patterns, higher spending on the spending components were significant variables (determinants) influencing higher spending in the present study. These include spending on tickets, food, and drinks, retail and transport. It is, therefore, crucial that attendees in all three expenditure segments be encouraged to spend more on these components.

The following are recommendations that organisers should consider: Tickets should firstly be affordable. The majority of respondents purchased general access tickets. Since affordability was furthermore an important festival evaluation aspect, attendees need to feel they receive value for their money. Here the line-up and combination of performing artists can play a significant role.

Since attendees are allowed to bring food and drinks to the festival grounds, organisers should revise this strategy. Rather, attendees should be encouraged to spend more at the festival and support the various vendors. However, this will also imply a greater variety of food and drinks on offer at affordable prices. Local vendors and entrepreneurs should be encouraged to form part of the festival as they can benefit financially from attendee spending. This will also ensure long-term support for the festival.

### 5.2 Entertainment and socialisation and festival attractiveness motivate higher spenders more

The relationship between visitor motivation and higher spending remains inconclusive in the literature. As mentioned, this could be explained by the distinct nature of the festival or event under investigation. In the case of visitors to Diamonds and Dorings, the motive *entertainment and socialisation* played a major role in motivating attendees to attend the festival and had a significant influence on higher spending. Marketers and organisers of the festival should, therefore, focus on entertaining the attendees with their favourite artists and making sure that attendees can socialise with fellow festival attendees. The entertaining nature of the festival regarding its line-up should be highlighted in the marketing campaigns along with an emphasis that the festival is the ideal past time activity and an opportunity to be with family and friends.



Particular attention should also be paid to the combination of local, national and international artists performing at the festival. It is important that the festival programme include up and coming jazz artists but also mainstream artists to attract attendees amidst increasing competition. *Festival attractiveness* was also considered as an important factor for, especially for higher spenders. This means that attendees are attracted by the distinct nature of the festival. Hence, there is a significant number of returning attendees. Organisers can keep on doing a great job and attracting their target market as this can lead to more attendee spending in the coming years.

### **5.3 Local residents from Northern Cape spend more**

Contradicting the findings by Kruger (2009:30), Kruger and Saayman (2016:98), Saayman and Saayman (2008:91), Saayman *et al.* (2009:122) as well as Streicher and Saayman (2009:128) that higher spenders tend to originate from richer provinces such as Gauteng and the Western Cape, the results revealed that residents of the Northern Cape were higher spenders.

However, this could be since the majority of the current attendees are local residents. Therefore, marketers should continue to encourage and retain local residents from the Northern Cape to attend the festival, as this is their main market. Nonetheless, more should be done to attract attendees from surrounding provinces as these attendees have the potential to be higher spenders as they need to travel further and make use of paid accommodation. It is important to expand the festivals' current target market, especially if the organisers want to effectively use the festival as an attraction to the area.

### **5.4 Higher spenders made use of paid accommodation (hotels, guesthouses and B&Bs)**

Corresponding with the knowledge that higher spenders tend to make use of paid accommodation (Aguiló *et al.* 2017:15; Alegre *et al.* 2011:828; Botha *et al.* 2011:145; Kruger 2009:30; Marcussen 2011:850; Svensson *et al.* 2011:1683), the results confirmed that staying in paid accommodation such as guest houses and B&Bs lead to higher spending.

It is, therefore, vital that the various accommodation offerings available in the Kimberley be intensively marketed. Festival organisers should opt to introduce all-inclusive festival

packages that include accommodation along with access to the festival. The festival organisation committee should form a partnership with all the tourism and hospitality businesses in Kimberley. The area should come to an agreement and gain support for the packages above. This can be a way to encourage more attendees to travel further from surrounding areas and provinces. Moreover, it will provide much-needed support to the local hospitality industry.

Compared to the findings from previous research, the fact that higher spenders are mostly local residents from the Northern Cape contradicts the general notion that higher spenders are prepared to travel longer distances (Cannon & Ford 2002:263; Lee 2001:659; Pouta *et al.* 2006:132). However, since higher spenders at Diamonds and Dorings made use of paid accommodation, it can be assumed that these attendees travelled from other cities and towns in the province. It appears that higher spenders are not local residents from Kimberley but rather from surrounding areas, which supports the notion.

### **5.5 Higher spenders heard about the festival from the social media platform Twitter**

To the authors' knowledge, the social media platforms, Twitter played, for the first time in research of this nature, a major role in attendees' higher spending. While the influence of social media on higher spending has not previously been confirmed, the positive result of the platform, Twitter, corresponds with Marcussen (2011:850) and Svensson *et al.* (2011:1683) who found that the use of the Internet positively influences higher spending. However, a contradiction emerged with research of Svensson *et al.* (2011:1683) who revealed word-of-mouth has a negative influence on spending which could not be confirmed in the present research.

The results also showed that lower spenders heard about the festival from television, which supports Kruger *et al.*'s (2015:349) results implicating the negative influence of television on spending. Since higher spenders actively engage on Twitter, this social media platform should, therefore, be used intensively to promote the festival especially during the weeks leading up to the festival.

This implies that the Festival's Twitter page should be updated on a regular basis. If possible, there should be a countdown to get the target market excited, look forward to the

festival, and be eager to spend money at the festival. The 'hashtag' function should furthermore be used to make Diamonds and Dorings a popular topic on the platform before and during the festival. This can be a cost-effective marketing medium that can reach a larger audience.

It is evident that a different combination of characteristics distinguishes higher spenders at Diamonds and Dorings when compared to previous research. Whereas the majority of previous research identified socio-economic characteristics such as longer length of stay, larger travel groups and repeat visits, to the researchers' knowledge, the influence of motivation and for the first time, social media platforms were identified as distinct characteristics of higher spenders.

Again, this shows that each festival or event's market is unique and that the type of festival plays a role in the determinants of spending. Higher spenders at festivals, therefore, cannot be regarded as homogenous and hence the need to research festivals independently.

## **6. CONCLUSION**

This study was to the authors' knowledge, one of the first to analyse the spending behaviour of the African ethnic music festival market in South Africa. The findings, therefore, fill the gaps in the current literature on this undervalued market in South Africa by providing a developing country perspective on their needs.

The results clearly showed the characteristics that distinguish higher spenders from medium and low spenders at Diamonds and Dorings as well as the significant determinants that drive this spending. Based on the findings, clear and practical recommendations could be presented to not only the organisers and marketers of the particular festival but also to other similar festivals and events wanting to attract this market.

More research should be done on the characteristics of the African ethnic market at other music festivals and events to gain comprehensive insights into the needs and spending behaviour of this niche market. Compared to previous research findings, it is clear that the type and nature of the festival influence the market and their associated expenditure. There is, therefore, no universal set of determinants or characteristics that distinguish higher spenders at festivals and events. Ongoing research is, therefore, essential as it can help spread the hosting of music festivals geographically in all nine provinces.

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