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Stakeholder Management Strategies of Festivals

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ABSTRACT. The extent to which festivals can function as sustainable attractions, while fulfilling their social and cultural roles at the community level, is an issue of considerable importance. In this context, sustainability will often depend upon the political and tangible support of key stakeholders. Accordingly, this article addresses festival stakeholder issues and related management strategies, with the dual aims of contributing to event management theory and improving festival viability. A questionnaire survey of 14 live-music festivals in Sweden yielded data on stakeholder types, dependency issues, and stakeholder management strategies. With regard to their long-term sustainability, festival managers indicated the importance of attaining ‘institutional status,’ occupying a unique ‘niche’ in the community, sustaining committed stakeholders, and practicing constant innovation.

KEYWORDS. Festivals, stakeholders, dependency, strategy, institutions, Sweden

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INTRODUCTION

Festivals are universally important for their social and cultural roles, and increasingly they have been promoted and created as tourist attractions. They are also viewed as tools in place marketing and destination image making, and are valued for their ability to animate cities, resorts, and attractions. The extent to which they can endure as attractions, while fulfilling their social and cultural roles at the community level, is therefore an issue of some importance to social and cultural policy makers and to place marketing and tourism agencies.

Festival viability, effectiveness, and long-term sustainability is often questioned in light of the observation that many festivals have stagnated or failed (Getz, 2002), while others have achieved longevity and appear to have become permanent institutions and hallmark tourist events in their community. It has also been demonstrated that many festivals do not adopt a marketing orientation (Mayfield & Crompton, 1995; Lade & Jackson, 2004; Mehmetoglu & Ellingsen, 2005), presumably because the majority are in the not-for-profit and public sectors and are therefore based on a philosophy of service.

This article reports on exploratory research from Sweden with the aim of building upon previous studies of festival organization and management, including the themes of how festivals evolve (Frisby & Getz, 1989; Getz & Frisby, 1988; Walle, 1994; Sofield & Li, 1998; Sofield & Sivan, 2003; Richards & Ryan, 2004; Quinn, 2006), interactions among festival stakeholders (Larson, 2000, 2002; Larson & Wikstrom, 2001), why festivals fail (Getz, 2002), festival stakeholder identification and roles (Reid & Arcodia, 2002; Getz, Andersson, & Larson, 2007), and stakeholder management strategies practiced by festival managers (Andersson & Getz, 2007).

An overview of core theoretical foundations to this line of research is provided in the ensuing section, namely stakeholder theory (encompassing collaboration), resource dependency, and institutional theory. The literature concerning festivals and stakeholder management is also provided, including references to their marketing orientation.

Methods and analysis are then presented from a questionnaire study of 14 live-music festivals in Sweden. The festivals are profiled with regard to ownership and revenue sources, then analyzed with regard to identification of, and dependence on, key stakeholders, the managers' self evaluations, and finally stakeholder management strategies employed. Discussion and conclusions begin with a summary of identified strengths and weaknesses

or threats. Methodological, then theoretical conclusions are presented. Implications are drawn for festival managers, and suggestions are made for future research.

THEORETICAL FOUNDATIONS

Stakeholder Theory

In contrast to the traditional emphasis on shareholders in management theory (i.e., the investors who own companies), stakeholder theory relates to a wider environment of people or entities that can affect, or be affected by, an organization's actions. Freeman (1984: 25) advocated a broad definition of a stakeholder as ". . . any group or individual who can affect or is affected by the achievement of the firm's objectives." Stakeholder theory stresses the interactions of power, legitimacy and urgency (Mitchell, Agle, & Wood, 1997).

Batt and Purchase (2004) mentioned four strategies to use by a firm when relating to its key stakeholders—grow, develop, maintain, or abandon—which are choices related to investing in the relationship. Other strategic choices are defend, monitor, collaborate, or involve, which are the classic strategic stakeholder management choices (Savage, Nix, Whitehead, & Blair, 1991). These relate to management's perceptions of the stakeholders' ability to threaten the organization, support or collaborate with it. Pertaining to human service organizations, Kramer (2000) noted that they engage in a variety of political strategies to cope with the forces influencing their resource acquisition and service delivery systems. Nonprofits are increasingly choosing some form of collaboration strategy (Reilly, 2001). To maintain their autonomy they learn to shift from competition to co-optation and collaboration (Kramer, 2000).

Nonprofit and service organizations also try to sustain their core beliefs and identities, although in the festival sector their mandates are likely to be self-defined and their membership or governance might be flexible when it comes to making changes. In terms of collaborations and other inter-organizational relationships, co-operation is the most informal and carries the least risk regarding sustainability of core values, whereas joint ventures, partnerships, and mergers are more formal and carry more risk—to the point where a separate identity can be lost altogether. Moreover, co-operative behavior is often encouraged by those providing resources (Snaveley & Tracy, 2000). Erickson and Kushner (1999) studied

two public events and argued that a firm's value as a network partner is based on its network identity—a combination of its core competencies, other connections, and ability to gain further network-specific knowledge.

Stakeholder theorists have also considered the evolutionary perspective. Clarkson (1995) argued that success and survival depends on an organization's ability to provide wealth, value, or satisfaction for all its primary stakeholders. Jawahar and McLaughlin (2001) proposed that at certain stages in an organization's life cycle ("formation, growth, maturity, and decline or revival") different stakeholders will be more important, based on their ability to meet organizational needs. Some stakeholders may be favored, especially in the formation or decline/revival stages because of resource dependency. Accordingly, different strategies might be required for stakeholders at one point of time and over time.

Resource Dependency

In addressing the question of why festivals fail, Getz (2002) concludes that event managers need to understand resource dependency theory as it affects their organizations. The basic premise, as articulated by Donaldson (1996), is that organizations compete for resources and those that survive do so by finding an appropriate niche that assures them of continued resources. A clear implication of this theory is that managers must become skilled at managing the relationships that can generate support and resources.

Failures might arise from a poor "fit" with the environment, as in the case where a festival is not able to attract interest and support from its host community because of cultural differences, a lack of key contacts, or internal management deficiencies. According to Donaldson (1996), "fit" stems from how an organization adapts to accommodate environmental contingencies.

Dependence occurs in an inter-organizational relationship when one party has a high need and another has control over the resources that satisfy the other's need (Pfeffer & Salancik, 1978). Resources can be either material (e.g., money, land) or intangible, including knowledge, reputation, and trust (Hellgren & Stjernberg, 1995). Additional considerations relate to the scarcity of resources (what are the alternative sources?), the nature of the festival's operational environment (competition or symbiotic relationships among resource users), certainty versus fluctuations in resource availability (is long-term support guaranteed?), and variability in resource needs (are the same resources needed every year?).

The resource dependency approach to organizational theory posits that firms facing uncertain environments will establish joint ventures as a means of reducing uncertainty and sharing the risk (Pfeffer & Nowak, 1976). As festivals mature they begin to behave more and more like institutions, which, in this context, is a process of remaining united for a specific purpose and in turn often leads to becoming a permanent, legitimate, and valued part of society. Institutional status should ensure sustained support and resources. It might also be expressed in branding terms, as the organization will possess a highly visible, positive brand that inspires confidence. To become an institution, or to find and sustain a permanent niche in the community, the event organization must be expert in developing a supportive network and in managing its many diverse stakeholder relationships. This is achieved by using strategies to gain, maintain, and repair the legitimacy of the festival from multiple stakeholder perspectives (Suchman, 1995).

Institutional Theory

Selznick (1957) distinguished between institutions as tools to accomplish specific tasks and institutions to which people formed commitments. Emile Durkheim (1978) argued that sociological analysis should discover the causes, mechanisms, and effects of institutions on societal life. Essentially, institutions regularize social life, and may foster co-operation and increase efficiency. Applicable to many festivals, it can also be said that institutions are like public goods in that all members of society may benefit from them, whether or not they contribute to their establishment and upkeep. Coleman (1990) believed that institutions are part of what is often called “social capital.” Taking an anthropological perspective, Sahlins (1976) suggested that cultural institutions mainly serve symbolic purposes.

One meaning of ‘institution’ is that of “. . . constraints or rules that induce stability in human interaction” (Voss, 2004: 7561). These arise because societies face recurrent problems, so that when we call an organization an “institution” we are saying that it exists to deal with a fundamental social, cultural, or economic need. Since not all people can be directly involved in creating institutions, a set of actors or stakeholders has to decide—or establish through repeated interactions or interdependencies—the rules or the organizations to deal with major social problems. Stability in these institutions has direct benefit to the stakeholders, or society as a whole, and should ideally generate increased efficiency in resource use. A central focus of the classical study of institutions is the evolving relationship between an organization and its environment, which of course

includes all its stakeholder interactions. “New institutionalism,” according to Heimer (2004), is an outcome of organizational sociology. It focuses on the process (symbolic reasons are emphasized) by which a practice or structure is diffused, becomes a prerequisite for legitimacy (among key stakeholders), is taken for granted and expected. This approach has different applications to the study of festivals, such as through the examination of how festivals have globally become preferred tools in tourism development and place marketing, which Richards (2007) and others have called “festivalization.”

Also from institutional theory is the notion that an organization’s chances of sustainability are significantly improved by demonstrations of conformity to the norms and expectations of the institutional environment (Meyer & Rowan, 1977; Meyer & Scott, 1992). Legal and regulator compliance is one necessity, but collaborations and network linkages will also tend to impose conformity among festivals. A particularly important agent in this process is likely to be that of government granting agencies and corporate sponsors who impose conditions (or expectations of compliance) on their support and resource allocations.

Pertinent Research on Festivals

Reid and Arcodia (2002) believe that implementing a framework to assess stakeholder satisfaction, and incorporating stakeholders throughout the planning process, will lead to increased community satisfaction and support, thereby helping to prevent failure. They proposed a conceptual model showing how events are linked to primary and secondary stakeholders. “Primary” stakeholders were defined as those on whom the festival is dependent (namely, employees, volunteers, sponsors, suppliers, spectators, attendees, and participants) while “secondary” stakeholders include the host community, government, essential services, media, tourist organizations, and businesses.

Larson (2002) identified specific festival stakeholders in terms of those producing and marketing a festival, and determined that identity building is a strategy used by festival organizations when selecting partners and in managing relationships. Collaboration partners having similar identities to the festival are preferred. Based on comparative case studies in Canada and Sweden, Getz, Andersson, and Larson (2007) classified external festival stakeholders as: “facilitator” (provides resources and support); “regulator” (usually government agencies); “co-producer” (other organizations and persons who participate in the event); “allies and

collaborators” (such as professional associations and tourism agencies); and those impacted (mainly the audience and the community). A number of stakeholder management strategies being used by festivals were also identified through cross-case analysis, including: internalizing powerful regulators (e.g., getting local authority councillors onto the board of directors); getting suppliers to become sponsors (thereby making them partners); developing longer-term sponsorships; and working closely with independent organizations who became co-producers.

A number of studies have taken a broader stakeholder management perspective on festivals. The collective works of Larson (2000), Larson and Wikstrom (2001), and Larson (2002) applied the notion of a “political market square” to festival and event management. In this inter-organizational approach, stakeholders involved in event production politically interact to achieve their aims.

Little research on festivals has been undertaken using the resource dependency construct. Richards and Ryan (2004: 115) concluded that a Maori festival “. . . illustrates that cultural festivals mirror many different dynamics and are places of discourse between different paradigms of traditional and evolving culture, between minority and majority groupings, between a need for independence and a dependency, usually on public authorities that might in other circumstances be seen as part of the majority-dominated structures.” Andersson and Getz (2007) used a single festival case study to correlate stakeholder power with cost and revenue trends.

Quinn’s (2006) study of two well-established arts festivals in Ireland sheds light on stakeholder issues and the institutionalization process. Quinn conceptualized festivals as socially sustaining practices, with important contributions to cultural infrastructure and place identity. The Wexford Festival Opera and Galway Arts Festival both achieved success as tourism attractions and thereby “. . . enhanced their standing as organizations worthy of state support and made them more attractive to corporate sponsors” (p. 299). A related issue is that taking an external orientation might threaten community links and support. Her evaluation led to a list of indicators of the relationship between festivals’ external orientation and their contribution to sustainable development at the local level, and these indicators can be seen in terms of institutionalization as constituting the social problem that an institution must solve. The indicators include the broad headings of providing cultural infrastructure, fostering appreciation and participation in the arts, creating community animation and pride, and acting as place marketers and visitor attractions to generate economic benefits.

Festivals are most frequently in the public and nonprofit sectors, but for-profit companies also produce them. While a community-service orientation (typical of public and nonprofit festival organization) does not preclude taking a marketing orientation, it is logical to expect that for-profit festivals *must* be customer and marketing oriented. In this context a marketing orientation is primarily a philosophy or value set, which has to be manifested in various marketing and management strategies. Research on festivals and their marketing orientation and strategies has been limited. Mayfield and Crompton (1995) studied the marketing orientation of festivals in Texas, revealing substantial differences. Interestingly, older events tended to have less of a marketing orientation, perhaps reflecting complacency or lack of professionalism compared to younger organizations.

Lade and Jackson (2004) tried to identify key success factors for festivals, with particular emphasis on their marketing orientation. They identified specific marketing strategies being used by two Australian festivals, and several strategies related to stakeholders and collaboration. Mehmetoglu and Ellingsen (2005) examined a group of small Norwegian festivals, finding them to not be marketing oriented. They hypothesized that marketing orientation would increase with, among other things, the adopting of more tourism goals and increasing size.

While this literature review demonstrates that research on festival management has been progressing, it can also be concluded that there has been insufficient attention paid to festival-tourism interdependencies. Tourism agencies are sometimes recognized as important stakeholders, yet many tourism marketing agencies seem to neglect the festival sector in favor of other event types, perhaps because of the complexity of dealing with so many community-oriented, not-for-profit organizations. As revealed in the Calgary, Canada case studies (Getz, Andersson, & Larson, 2007), several festival managers wanted more support from their destination marketing organization, and had tried to establish legitimacy within a tourism context, yet they felt ignored.

RESEARCH METHOD AND DATA

The survey targeted major festivals in Sweden and had support from a nation-wide festival organization, FHP, which is a lobby organization comprised of the 16 largest live-music festivals in the country. Researchers mailed the questionnaire (in Swedish) to members using the list provided by FHP, and the organization's manager independently requested members

TABLE 1. Sources of Revenues

Ticket sales (audience) %	47.08%
Local government grants (municipality)	21.54%
Rent or fees from concessions	18.77%
Corporate sponsorship	10.00%
Merchandise sales (own)	1.38%
Other (please specify)	0.91%
Senior government grants (state/national)	0.46%

to complete the survey. Research was initiated in 2005 and completed in 2006. The response rate to the questionnaire was 87.5% ($n = 14$), and while this sample size does not lend itself to sophisticated statistical analysis of the data, it does provide a high-quality portrait of one major festival type in one country. Input from the FHP manager suggested that festivals in this organization do not always succeed, as there had been recent crises and failures among the membership. Overall, the Swedish festival sector is more diverse than this sample, and probably similar to many other countries in that it is constantly changing as new ones enter while others fail or change in fundamental ways.

Festival profiles were obtained from all respondents, including statements on their mandates and vision. Regarding sources of revenue (see Table 1), previous case study research had revealed major sources in both Canada and Sweden. Perceived dependence was examined by providing a list of 15 possible stakeholders (see Table 2) and asking respondents to indicate their level of dependence on a seven-point scale that was anchored with 1 = “you can do without them” and 7 = “you have no alternative but to work with them.” Specific types of festival stakeholders had been revealed through case studies and the research cited earlier.

A list of 16 “statements about our festival” (see Table 3) were provided and respondents were asked to indicate their level of agreement with each of them on a seven-point scale anchored with 1 = “completely disagree” and 7 = “completely agree.” These statements pertained to several themes: stakeholder relationships and perceived dependence; crises experienced; strategies employed and needed; and the current state and position of the festival within the community. Together the responses constitute an evaluation of the festival and the organization by their managers/owners.

Stakeholder strategies were examined more specifically (see Table 4) by asking which strategies (from a list of 18) had been employed over the past ten years, and the perceived degree of success on a scale of seven—with

TABLE 2. Perceived Dependence on Stakeholders

Stakeholders	Mean (out of 7)	Std. Dev.
Paying customers (as opposed to the general public).	5.92	2.25
Our local authority (municipality)	5.71	1.97
The police and other public services	5.57	1.95
Other artists or performers (not international) that we pay for	5.07	1.68
The venues (or facilities) we use	4.84	1.95
The media	4.28	1.54
International artists or performers that we pay for	3.85	1.99
Artist booking agency	3.85	1.83
Our major corporate sponsors	3.71	2.19
Independent organizations that help us produce the festival	3.53	1.71
Our small corporate sponsors	3.07	2.01
Suppliers of light and sound equipment	2.92	0.82
Government agencies that give us grants	2.85	2.44
The providers of food and beverages at our event	2.78	1.47
Salespeople of products at the festival	2.42	1.69

Notes. 1 = "You can do without them." 7 = "You have no alternative but to work with them."

TABLE 3. Respondents' Evaluation of Their Festivals

Statements about Our Festival	Mean	Std. Dev.
We occupy a unique and important niche in our community.	6.36	1.01
We have become a permanent institution in our community.	6.00	1.88
We are completely in control of our festival's brand and branding efforts.	5.93	1.44
We have few conflicts with our stakeholders.	5.86	1.10
We have survived one or more difficult crises that made us stronger.	5.07	1.27
We are mostly oriented toward community service, not profit.	4.93	1.98
We are dependent on one market segment for our audience.	4.77	1.64
We constantly innovate in our programming.	4.69	1.38
Our major stakeholders have become totally committed to the festival.	4.43	1.16
We are very dependent on one or a few powerful stakeholders.	4.36	2.71
We work with the same stakeholders every year.	4.14	1.41
We are pursuing a growth strategy in terms of our audience.	4.00	1.36
There is little chance now that the festival could fail financially.	3.71	1.77
We are worried about competition from other events.	3.36	1.74
In the past the festival was forced to completely change, or re-invent itself.	3.00	1.75
We need to become more tourism oriented.	2.50	1.87

TABLE 4. Stakeholder Strategies Employed and Perceived Degree of Success

Stakeholder Strategies	Total	Mean	S.D.
Developed a set of core values to be the basis of your branding?	14	5.57	1.34
Lobbied government for money or other benefits?	13	4.92	2.02
Used your program and marketing together to create a strong brand identity or image?	12	5.58	1.16
Promoted creativity in order to invent new product within the festival?	10	5.30	0.67
Converted a supplier into a sponsor (to reduce your costs)?	9	6.33	0.71
Shared tangible resources with other festivals?	7	4.29	2.14
Developed a formal marketing partnership with another organization?	7	5.43	1.40
Put aside money for a rainy day (a reserve fund)?	7	3.71	1.70
Initiated an outreach program to provide community service?	6	5.67	1.03
Convinced the media to become official sponsors?	6	6.83	0.41
Licensed other companies to use your festival name or logo?	6	4.67	1.97
Paid a company to find us new sources of funding or new sponsors?	6	3.17	1.72
Brought your sponsors together for their mutual benefit?	6	5.17	1.72
Imitated other festivals/events in order to keep up with market trends?	5	4.40	0.89
Borrowed money to cover a financial loss?	4	6.25	0.50
Taken legal action to protect your brand or logo?	2	4.00	4.24
Brought major sponsors onto your board of directors?	1	4.00	—
Convinced a stakeholder to assume the financial risks for all or part of your festival?	0	—	—

seven meaning “completely successful” and 1 meaning “not at all.” In part, this drew upon the resource management strategies suggested by Emery and Trist (1965), all of which require active stakeholder management. Other strategies suggested in this list were derived from previous case study research.

Possible problems or threats were examined by presenting respondents with a list of 28 “hypothetical threats” and asking them to indicate if “this has already been a serious problem” and “how serious a threat is it right now?” (with 1 meaning “no threat at all” and 7 meaning “a very serious threat.” This approach requires respondents to consider their immediate situation. Most of the listed threats had been examined by Getz (2002) in the context of exploring festival failure.

All respondents but one (an owner) were festival managers, with an average experience of 4.5 years as a manager (range 1–11 years). Seven of them were run as not-for-profit organizations, while four were projects

of (and owned by) local governments. Three were private companies, of which one was owned 50% by a private company and 50% by a not-for-profit organization. The average festival age was 14 years (range 2–38) and only two festivals had not produced the festival continuously—they had missed one year each.

Sources of Revenue (Table 1)

Two of the festivals predominantly financed by public money provided all their entertainment free of charge. These two were exceptional in terms of large attendance as well as total budget, but they had no volunteers. A third festival without entrance fees was one of the private companies. Six festivals in the sample had both an open, free program (for the benefit of residents) and a ‘commercial’ program with entrance fees that generated most of the income for the festival. Five festivals were of a more traditional type and charged all visitors an entrance fee. Regarding sponsorships, none of the 14 had a “title sponsor” but 7 had a “presenting sponsor” and 12 had a number of sponsors. The composition of sponsors varied from year to year.

Overall, as an average percentage of all revenues received by the 14 festivals, ticket revenues (at 47.08%) were most important. They represented more than half of the total revenue for the majority of festivals, but the publicly owned festivals were much less dependent on ticket sales. The second largest source of revenues, overall, was that of local government grants (21.54%). Three of the festivals were financed mainly by public money—mostly from local authorities, as it can be seen that grants received from the central government or the provinces were negligible (0.46%), whereas public money from local municipalities was important for many festivals.

The third most important revenue source was that of rents or fees from concessions (18.77%), so vendors are important stakeholders. Corporate sponsorship was not well developed as a revenue source (only 10%). The festivals did not make much money from direct merchandise sales (1.38%) or other sources (0.91%).

Stakeholders and Dependence (Table 2)

To assess the dependency levels of festivals on powerful stakeholders, respondents were provided with a list of 15 possible stakeholders. They were asked to use a scale of 1–7, with 1 meaning “you can do without them,” and 7 meaning “you have no alternative but to work with them.” Answers reveal that the audience is the most important stakeholder overall (mean: 5.9 out of 7), followed by the local municipality (5.7), then police

and other governmental services (5.6), artists other than international (5.1), and the owners of venues used by the events (4.8).

Low importance was assigned to “government agencies that give us grants” (mean = 2.85). This is undoubtedly a reflection of the low level of support from senior levels, and does not diminish the significance of local authorities. Suppliers, vendors, and salespeople were accorded little significance, but these are distinct from artists and booking agencies.

Respondents’ Evaluation of Their Festivals (Table 3)

A set of 16 statements was provided, to which levels of agreement were requested on a 7-point scale. Together these constitute a self-evaluation of the festivals, covering a range of strategic issues but stressing stakeholder relationships and marketing. We interpret scores of over 6 to be very high, and scores of 5 to 6 to be high levels of agreement. Low levels of agreement are indicated by scores of 3 and less, while 4 is mid-range.

Respondents generally saw themselves as occupying “a unique and important niche in our community,” and being a “permanent institution in our community.” These two statements generated the highest levels of agreement (means of 6.36 and 6.00, respectively), which was a very surprising result. The sample was not selected on the basis of the age or success of festivals, nor on their size or significance for tourism, so it was not anticipated that they would uniformly believe themselves to hold such a profound position in their communities. On the other hand, given that the FHP manager had indicated there had been festival failures, it is possible that any survey of operational festivals will be biased towards the older and better-connected ones.

A related explanation is that there is only a small population of live-music festivals in Sweden (certainly this is true within specific communities), and they have all become dominant events within their immediate environment. There was not a high degree of worry among respondents about competition from other events (“We are worried about competition from other events”: mean = 3.36), nor was there a high level of concern about financial failure (“There is little chance now that the festival could fail financially”: 3.71). Self-perceived institutional status might also come from having survived one or more crises. The level of agreement was fairly high with the statement: “We have survived one or more difficult crises that made us stronger” (5.07).

To be permanent institutions and feel secure about their future, the festivals must have committed stakeholders. The respondents certainly believed

this to be the case, given the high level of agreement with the statement: "We have few conflicts with our stakeholders" (5.86). However, there was only a moderate level of agreement with two related stakeholder statements, namely: "Our major stakeholders have become totally committed to the festival" (4.43) and "We are dependent on one or a few powerful stakeholders" (4.36). Note the high standard deviation on the latter statement ($SD = 2.71$), as it does indicate a polarized response.

Marketing-related issues were also explored in this self-evaluation of the festivals. A high level of agreement was given to the statement: "We are completely in control of our festival's brand and branding efforts" (mean = 5.93). The lowest mean (2.50) was generated by the statement: "We need to become more tourism oriented," which presumably indicates that many respondents either felt their festivals were already successful as tourist attractions and/or that they did not need to market more to tourists because of their community-service orientation.

Stakeholder Strategies and Perceived Success (Table 4)

Eighteen statements were provided in this question, each indicating a possible strategy with the emphasis on stakeholder management. Many of these strategies had been revealed in previous case study research. They covered lobbying, collaboration, conflict avoidance, contractual relationships, marketing, and financial arrangements. Strategies for dealing with resource dependency were included (i.e., changing the environment, saving, collaborating, cost reduction). Key festival stakeholders were specifically mentioned, including government, the community, sponsors, other festivals, the media, suppliers, and private companies. Some of the marketing strategies involve internal rather than external stakeholders, such as innovation and branding.

The "Total" column in Table 4 indicates how many of the 14 festivals had employed the specified strategy, while the means pertain to their assessment of its success. For example, of the 13 respondents who indicated they had "Lobbied government for money or other benefits," the resultant mean of 4.92 out of 7 indicates that they had been only moderately successful in their lobbying efforts.

Looking at the Total column, the most frequently practiced strategies (f) and their means were: "Developed a core set of values to be the basis of your branding" ($f = 14$, mean = 5.57); "Lobbied government for money or other benefits" (13, 4.92); "Used your programming and marketing together to create a strong brand identity or image" (12, 5.58);

and “Promoted creativity in order to invent new product within the festival” (10, 5.30). Apparently lobbying was less successful than their marketing strategies.

The most successful strategies were: “Convinced the media to become official sponsors (6, 6.83); “Converted a supplier into a sponsor to reduce your costs” (9, 6.33); and “Borrowed money to cover a financial loss” (4, 6.25). Borrowing money appears to be one of those crises that help some festivals get stronger. Converting media and suppliers into sponsors is potentially a good way to save money and build support, so it might be surprising that only a minority of the festivals had tried it.

None of the respondents had convinced a stakeholder to assume any or all of the festival’s financial risks. However, in the case of publicly owned festivals this is a moot point since government holds full responsibility. In some countries, governments have outsourced festivals and events to nonprofit organizations and for-profit companies in order to shed their risk, or at least diffuse it. Only one festival had brought sponsors onto their board of directors, and that apparently contrasts with North American practice where corporate sponsors provide a much higher level of revenue and therefore are more powerful.

Two strategies had been employed by half the responding festivals ($f = 7$), and in both cases the neutral means suggest that results were mixed or neutral. The first, “Put aside money for a rainy day (a reserve fund)” (mean = 3.71) is a good strategy that many event managers would like to follow, but often they do not generate enough surplus revenue to pursue it. The other was “Shared tangible resources with other festivals” (4.29). While cost-saving collaborations make a lot of sense theoretically, especially in the context of resource dependency, there will usually be practical and political barriers or problems arising. It might be a strategy resorted to in times of crisis, and perhaps forced upon an organization by a powerful stakeholder. In contrast, a fairly high level of success was indicated for the strategy “Developed a formal marketing partnership with another organization” ($f = 7$, mean = 5.43). Marketing alliances should be expected between marketing-oriented festivals and tourism agencies.

Two other strategies are worth noting, as they were each attempted by 6 festivals and had some success: “Initiated an outreach program to provide community service” (5.67) and “Brought your sponsors together for their mutual benefit” (5.17). Outreach programs can garner public support and perhaps lead to political commitment, while bringing together sponsors for their benefit adds value to the sponsorship package and can foster longer-term commitment. Six festivals also “Paid a company to find us

new sources of funding or new sponsors,” but the mean of 3.17 suggests less success or at least mixed results.

Past Problems and Current Threats

Respondents were provided with a list of possible problems or threats and asked to indicate whether “this has already been a serious problem”. Items were derived from previous research on why festivals fail, case studies reported in the literature, and previously mentioned theory. Respondents were also asked in the same table “How serious a threat this is right now” (1 = “no threat at all”; 7 = “a very serious threat”). Unfortunately all but one festival misunderstood the second part of the question and answered it only if they had indicated it had already been a serious problem. Thus the mean values were based on only a few answers.

The top problem or threat in terms of both how many festivals had experienced it and its current severity was “bad weather” ($f = 9$, mean = 5.78). This is a universal issue for outdoor festivals, and undoubtedly accounts for many financial difficulties when ticket sales are adversely affected. The other major problems or threats were: “The high cost of entertainment or performers” (7, 5.14) and “Over-reliance on one source of money” (6, 5.17).

DISCUSSION AND CONCLUSIONS

Figure 1 is a compilation of strengths and threats or weaknesses revealed by the various answers discussed above. Unlike a SWOT analysis, opportunities were not questioned. Most of the respondents believed they had already achieved the status of “institutions” that occupied an important and unique niche in their communities. It is suggested in the replies that this status is accompanied by committed stakeholders and a strong brand, independence (which appears to really mean being able to effectively manage dependencies, getting suppliers to become sponsors, and control of branding), constant innovation, and emerging stronger from one or more crises.

Threats or weaknesses include a set of potential dependencies: on one market segment, one source of money, the weather, and major suppliers including performing artists. In addition, rising costs, debt, and cash-flow problems were identified. Strategy is required to sustain strengths (indeed, to achieve them in the first place), and to combat threats and

FIGURE 1. Revealed Strengths and Threats/Weaknesses.

Strengths	Threats or Weaknesses
Possessing institutional status in the community, which relates to:	Dependence:
Occupying a unique and important niche	On one market segment
Having committed stakeholders	On one source of money
Developing a strong brand	On the weather
Independence, which relates to:	On major suppliers (e.g., artists)
Effective management of dependencies	Rising costs
Getting suppliers to become sponsors	Debt
Control of branding	Cash-flow problems
Constant innovation, including:	
Fostering creativity	
Having survived one or more crises and emerged stronger	

eliminate perceived weaknesses. Many of the strategies of necessity involve key stakeholders, especially those pertaining to financial health and marketing.

Methodological Conclusions

Results of this exploratory survey of 14 Swedish live-music festivals contribute to our understanding of how festivals organize and survive within a stakeholder network, especially the issue of dependency, and strategies they employ. An obvious limitation is the absence of failed or otherwise terminated events, which would provide many insights. A larger sample with greater age disparity would also be preferable, while international and inter-cultural comparisons would also present more opportunities for revealing fundamental stakeholder issues and evaluating widespread or divergent management strategies.

The Swedish festivals sampled in this research appeared to occupy fairly secure niches in their environment. Indeed, respondents thought they had become permanent institutions. Yet it is possible that they were enjoying a lower level of direct competition from other festivals and events than would exist in large cities or in other countries. Accordingly, there is a real need for comparative and cross-cultural studies, including systematic sampling from large populations of festivals that reflect diversity in age, size, market appeal, and ownership.

Theoretical Conclusions

Respondents reported that their festivals were dependent on powerful stakeholders for resources, but there existed a split between those dependent mostly on paying customers and those dependent upon, and in some cases, owned by local authorities, which are mostly community-service oriented. The network of stakeholders was not greatly affected by ownership, nor by taking either a service or market orientation, as they all had to deal with local authorities (and were dependent on police and other local authority services). But the relative power of stakeholders was dramatically different. This fact obviously has to shape stakeholder and other management strategies.

Although the sample is too small for meaningful statistical tests, there was a hint in the data that the older festivals were more dependent on local authorities. Overall, the newer festivals perceived lower levels of dependency on most of the stakeholders, so this is a hypothesis to test in larger samples. It fits theoretically, in the sense that those festivals that survive longer have found a secure resource niche, which requires sacrificing some degree of independence for local authority support. Another possibility is that, in the Swedish context, festival organizers over time seek more support from local authorities and other partners based on the belief that they have become important to the community and should be supported. Institutionalization in this context is therefore at least partly a matter of choice.

Of the generic stakeholder management strategies suggested by Savage et al. (1991), a permanent combination of collaboration and involvement is evidently the *sine qua non* of institutionalized festivals. Festivals in the public sector, and nonprofits with strong funding and support from local authorities, involve the government as a matter of legal or political necessity. All have to effectively collaborate with local authorities because of the need for essential services and regulatory approvals. However, this sample of Swedish festivals differed from the previously reported case studies of festivals in Calgary in that corporate sponsors were not being brought onto festival boards (Getz, Andersson, & Larson, 2007). Hence there are cultural and political differences affecting stakeholder management strategies.

Regarding strategies to deal with resource dependency (Emery & Trist, 1965), it is clear that festivals in the public sector, and some others dependent on local authority revenue, do not really need to worry about their dependency. As institutions, highly service oriented, they count on permanent support. A strong marketing orientation is only required by the

festivals that are most dependent on ticket sales, and they will also have to implement strategies to avoid the high risks (such as weather) associated with sales variability.

Unfortunately, the data suggest that strategies implemented to save money, share resources, and find new monetary sources did not always work well, resulting in debt and the necessity to borrow. Financial crises are probably inevitable in the festival sector, as are failures, so that over time the most effective strategy (for the survivors in Sweden) might very well be to seek institutional status through partnering with the local authority.

Becoming a permanent institution in the festival's host community is at least, in part, a matter of choice. Festivals that pursue this strategy, aimed at securing committed and powerful stakeholders, will probably have to sacrifice a degree of autonomy. However, the Swedish festival managers also believed they were managing dependency well, had achieved a strong brand, constantly innovated, and were stronger for having survived one or more crises. Accordingly, there is apparently a permanent tension in the management of festivals, probably regardless of their ownership, between the desire for autonomy and the necessity of accommodating powerful stakeholders.

Managerial Implications

There is no doubt that festivals have to be adept at stakeholder relationship management, especially with the powerful groups that provide resources. Those within the public sector, or otherwise dependent on local government revenue, are generally community-service oriented. Part of the service they provide is for residents and part for tourists. Those festivals dependent on generating ticket sales have no choice but to adopt a marketing orientation. Given the evidence provided previously by Mehmetoglu and Ellingsen (2005), it seems likely that a tourism orientation increases marketing efforts and sophistication.

To increase the viability and sustainability of their festivals, managers have to identify stakeholder salience, especially by considering how dependent they are for resources, and by developing specific relationship management strategies. This explains one important trend identified in the Calgary case studies (Getz, Andersson, & Larson, 2007), that of not-for-profit festivals hiring professional development managers to secure money from both corporations and governments, and to manage the accounts and stakeholder relationships that arise.

Some successful stakeholder management strategies have been identified, although not all of the festivals had pursued them. One involved the media and suppliers by getting them to become sponsors, and another was to engage in community outreach. Branding strategies appeared to be successful, and the value of branding probably applies to all festivals. On the other hand, given the low level of reported success, the Swedish festivals will have to learn more about sharing, developing sponsorship, and finding alternative sources of funding.

Future research on festival management should evaluate the long-term efficacy of specific marketing and stakeholder strategies in different cultural and political contexts. Findings of this Swedish research and results of previous case studies suggest that festival management has to fit into specific environments, which shape dependency and institutionalization.

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