



Strategic SWOT analysis of public, private and not-for-profit festival organisations

SWOT analysis
of festival
organisations

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Jack Carlsen

Curtin Business School, Curtin University, Perth, Australia, and

Tommy D. Andersson

*Gothenburg Business School, University of Gothenburg,
Gothenburg, Sweden*

Abstract

Purpose – This analysis relates to the strategic orientation of public, private and not-for-profit festivals and the adoption of stakeholder, financial, marketing and management strategies that enable them to achieve their organisational objectives. The paper aims to address these issues.

Design/methodology/approach – In order to test the effectiveness of this new strategic SWOT approach, data from the four-country study of festivals were employed to investigate how a strategic approach can be adopted by festival managers in the public, private and not-for-profit sector. The strategic issues that confront all festivals, including, financial management and related issues of costs, revenue, sponsorship and support are the subject of analysis.

Findings – The findings indicate that among festival managers there are some interesting and significant differences between the three ownership types in terms of their strengths, weaknesses, opportunities and threats. Private and non-profit festivals are comparatively more strategic in responding to financial opportunities, threats and weaknesses and public festivals are more dependent on a single stakeholder and source of revenue. Other significant differences exist in terms of stakeholder management and sponsorship strategies, which can be explained with reference to resource dependency theory.

Research limitations/implications – Strategic SWOT analysis can provide a more rigorous and structured approach to researching the multiple challenges that festival managers face and the strategies they adopt. This paper demonstrates that it has some utility in identifying strategies in response to financial, stakeholder and sponsorship imperatives.

Practical implications – Strategic SWOT analysis provides event and festival managers with a new tool for understanding the range of challenges and opportunities that they can address through adopting a more strategic response.

Originality/value – The field of festival and event management studies is largely devoid of any literature with reference to analysis of strategies that different festivals adopt in response to identified weaknesses, opportunities and threats. This paper provides new insights into the strategic management of public, private and not-for-profit festival organisations using an original approach and an extensive four-country dataset.

Keywords SWOT analysis, Strategic management, , Financial management, Stakeholder analysis, Festivals

Paper type Research paper



1. Introduction

Despite their prominence and importance in virtually all communities, and the consequent need for sound management if they are to remain viable, festivals have rarely been managed strategically. Furthermore, the field of festival and event studies

is largely devoid of any literature with reference to management strategies or detailed analysis of the management challenges that festivals face. These are myriad in both number and detail and range from financial and economic imperatives, to social concerns and responses. The extensive literature on festival impacts is further evidence of the multiple dimensions of festival management and festival studies (Getz *et al.*, 2010), and yet, there remains a dearth of strategic knowledge which would inform the development of the strategic festival management field both in theory and practice.

There is also a limited understanding of the challenges and strategies confronting different types of festival management organisations in the public, private and not-for-profit sector. Past research has tended to aggregate festivals into one homogenous grouping, despite the obvious variation in management processes, resources and capacity that is evident across a range of festival types and locations. This paper will make a contribution to the development of a strategic approach to festival management, according to whether they are owned and managed by public agencies (local, municipal or national governments), private companies or not-for-profit associations.

This paper will also make a contribution to the development of methods for researching and adopting a strategic approach to festival management. It involves the development of a strategic strengths, weaknesses, opportunities and threats (SWOT) analysis of festival management organisations and the subsequent development of strategies based on SWOT analysis. This is the first time that SWOT analysis has been adapted in a strategic sense to festival management and seeks to make a contribution to festival management research methodology.

The key research question addressed in this analysis relates to the strategic orientation of festival organisations and the success of strategies that enable them to achieve their strategic goals. In order to test the effectiveness of the strategic SWOT approach, data from the four-country study of festivals will be employed to demonstrate, how a strategic approach has been adopted by festival managers in the public, private and not-for-profit sector. These strategic issues that confront all festivals, including, financial management and related issues of costs, revenue, sponsorship and support are the subject of analysis. The other key challenges that have been identified in the research will also be described and recommendations for a more strategic response to the opportunities, weaknesses and threats to festivals will be discussed. Finally, the strategic actions of festivals will be related to the theoretical foundations of stakeholder theory, resource dependency and institutional theory to gain deeper insights.

2. Literature review

Whilst festivals can take many forms and focus on cultural, commercial, sporting or community themes (or indeed multiple themes), they all require sound management if they are to remain economically viable, retain community support and continue to occupy a space in the tourism and leisure landscape. The future of festivals depends not only on current resources, but also the future capacity to respond to multiple challenges that have been identified in the extant literature (Getz *et al.*, 2010).

The relevant management literature describes strategic management as “a collection of decisions and actions taken by the business management” (Houben *et al.*, 1999) that relate to the long-term objectives of the company. Strategic management should include strategy formulation, implementation and evaluation of the strategy, which should be informed by a SWOT analysis of the internal and external environment. Kotler (2000)

developed a checklist for evaluating strengths and weaknesses in relation to market share, but this approach yields only a description of the existing characteristics of the company, without providing insights into the critical issues and challenges they confront (Valentin, 2001). Strategic SWOT analysis moves beyond simple situation analysis to focus on causal actions that provide for a more dynamic set of responses by management to the multiple challenges and opportunities they meet with.

A descriptive approach to the strategic management of festivals and events is evident in the literature. The strategic management of stakeholders and sponsors has been the subject of several case studies (Andersson and Getz, 2007; Rowley and Williams, 2008). Stokes (2004, 2008) has developed a framework for examining inter-organisational networks and development of event tourism strategies using a case study approach and found a diversity of strategies and strategy-making processes, variant stakeholder orientations and a range of network and relationship characteristics. Mules (2004) employed a case study approach to describe the development of a management strategy for the wintersun festival on the gold coast of Australia. Wanhill (2006) has used the case study approach, to examine the economics of festivals and developed a revenue management model, in order to facilitate strategic decision-making regarding pricing strategies.

However, despite some evidence that events and festivals do adopt a strategic orientation according to their short- or long-term objectives, there has been no empirical analysis of the effectiveness of their strategic management. Furthermore, even less is known about the quantum and range of strategies that are pursued by different festival ownership types. Descriptive analysis and case studies of events and festivals with a singular focus tend to disregard the reality that festivals can have multiple challenges, particularly in relation to financial management, stakeholder relations and the status and positioning of festivals. Andersson and Getz (2008) found that attaining institutional status, occupying a unique niche in the community, maintaining committed stakeholders and practicing constant innovation were significant multiple areas of strategic focus for festival managers in Sweden.

In terms of theoretical approaches, there has only been one study of festival management strategies which addressed the key challenges of stakeholder relations and financial management using a theoretical and analytical framework (Andersson and Getz, 2007). Stakeholder relations were analysed according to resource dependency theory (Pfeffer and Salanick, 1978) in terms of:

- market concentration (i.e. number of alternative suppliers);
- degree of substitutability of the resource; and
- how important the resource is to the festival outcomes.

This resource-based view of firms as having bundles of resources that determine the extent to which they can respond to opportunities and threats is highly relevant to festivals (Valentin, 2001). Festivals operate in highly competitive environments and there are many alternative choices for potential customers, hence, revenue and costs become critical issues for festival management. Festivals could be considered as highly imitable (Carlsen *et al.*, 2009), leaving them vulnerable to substitution and increasing competition. Success and survival will depend on access to tangible and intangible resources provided by customers, stakeholders and suppliers, making stakeholder relations another critical issue that should be considered in festival management.

The stakeholder relations of a festival can be categorised as strong or weak according to Andersson and Getz (2007). They found that if the festival is strong in relation to its suppliers (i.e. a low degree of resource dependency), it is able to keep a much tighter control of cost compared to a festival that was highly resource dependent. The same effect of resource dependency was found in relations with customers. These results generated a number of strategic directions (Andersson and Getz, 2007) related to stakeholder management and the issues mentioned above, in relation to:

- the number of alternative suppliers;
- availability of acceptable substitute resources; and
- reduction of dependency on a specific resource.

Getz *et al.* (2010) have suggested that publicly owned festivals are more likely to have a long-term strategic focus, privately owned festivals more likely concerned with short-term profit motives and not-for-profit festivals more likely to have a service orientation. However, the extent to which strategies have been effectively implemented and a framework for assessing and comparing festivals' of different ownership type are yet to be developed. Thus, the following key research questions emerge from the literature review and are then addressed in the remainder of this paper:

RQ1. What are the perceived strengths and weaknesses of public, private and not-for-profit festivals?

RQ2. What are the perceived opportunities and threats for public, private and not-for-profit festivals?

RQ3. What strategies are adopted by public, private and not-for-profit festival managers in response to their relative strengths, weaknesses, opportunities and threats?

3. Strategic SWOT analytical approach

The strengths and weaknesses identified in the SWOT analysis should all be within the ambit and control of the festival organisation. Strategies for converting weaknesses to strengths should be the first to be developed and implemented. They could be considered as the "low-hanging fruit" within the organisation, that is, things that it is not doing well, but could do with the right strategies, resources and effort.

Once these strategies for creating a stronger organisation by converting weaknesses are implemented, festival organisations will then be in a position to develop strategies to exploit opportunities and respond to threats. A stronger organisation that has exploited all available opportunities will have the structure, ability and resources to be better able to anticipate and respond to the identified threats that will continue to emerge over time.

Hence, the final strategic steps in strategic SWOT analysis are to:

- develop and implement strategies for converting weaknesses to strengths;
- develop and implement strategies to exploit opportunities; and
- prepare strategies to respond to threats to the organization.

Note that the process of exploitation of opportunities can also result in creation of strengths. Likewise, every threat can also be considered as an opportunity, which could

then, if exploited, create another strength. Figure 1 shows the strategic SWOT approach and the processes for converting, exploiting and responding identified weaknesses, opportunities and threats with a view to building stronger festival organisations in the future.

Sampling and data collections

Research locations and samples were based on convenience sampling by researchers in each location, commencing with the Swedish research (Andersson and Getz, 2007). Subsequently, three other research teams in Western Australia, the UK and Norway offered to replicate the survey of festivals managers in their respective locations. The sampling methods and profiles of the 193 festivals in the four-country comparative study have been previously reported (Getz *et al.*, 2010).

Given that the term “festival” is applied to a wide range of event formats (some of which do not meet Getz, 2005 definition of “themed, public celebration”), no attempt was made “a priori” to seek a uniform sample and diversity of opinion was embraced in this exploratory research phase. Indeed, one of the advantages of inclusiveness is to reveal diversity. Additionally however, in exploratory research of this nature, which seeks to identify new issues and examine untested ideas, there is always a sacrifice of potential generalisability.

In Sweden, the 16 members of a live-music festival organisation were covered, yielding 14 responses, a response rate of 87.5 percent. These are relatively large festivals scattered across the country, both in large cities and small towns. Analysis of this sample in isolation has been reported elsewhere (Andersson and Getz, 2007). In Norway, a complete census of all self-described “festivals” in the northernmost region of Finnmark was undertaken, resulting in 58 responses, a 100 percent response rate. This is a more diverse group of festivals than in Sweden, and they are

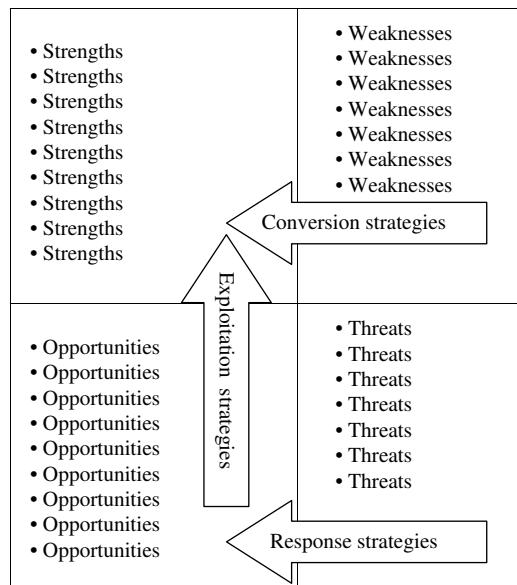


Figure 1.
Strategic SWOT analysis
framework

mostly small, community-based events. A complete census is usually the best way to analyse any population, but in this case the location of Finnmark, being a remote and sparsely populated region, provided for limited generalisability to the whole population of festivals in Norway.

The UK sample was gathered from the response to a database of organisations who were members of the British Arts Festivals Association (BAFA). BAFA is a membership organisation covering the widest span of arts festivals in the UK. These include some of the large international cultural events such as the Edinburgh International Festival and Brighton Festival through to small dynamic festivals such as the Winchester Hat Fair and the Corsham Festival in Wiltshire. As the research team also had strong links with the organization, it was thought to be a highly relevant sample to use for the research. The response was a total of 43 useable questionnaires. Although, the sample was only a small indicator of total festivals in the UK it covered a diverse range of events in terms of form, size, funding and geographical location and could therefore be reflective of art festivals within the UK.

The Australian sample was gathered from a database of festivals compiled from public domain web sites in Western Australia. The response was a total of 78 useable questionnaires. Western Australia is a large state with very sparse northern population; however, the majority of the respondents were from the city and rural urban areas in the east and south of the state providing a diverse range of festivals, staging contexts and programs. However, due to the rural nature of many of these events, the findings could be applicable to many rural festivals in Australia.

The survey instrument was in large part an extension of previous festival stakeholder research, and was first developed and applied to the Swedish sample (in Swedish). It was then translated into Norwegian and English for use in the other countries. Respondents were asked to assess their festival's level of dependence on stakeholders, then to respond to a series of opinion statements which asked them to indicate their level of agreement or disagreement with each; these pertained to types of stakeholders, dependency, and other strategic management issues. Respondents were also asked to respond to statements regarding challenges and threats to their festival and organisation. Responses were measured on a seven-point Likert scale with "1" being "completely disagree" to "7" being "completely agree". For the purposes of analysis, these responses were collapsed into a dichotomy, with scores 1-3 being "no", 5-7 being "yes" and "4" being neutral.

The opinion statements regarding stakeholders, dependency, challenges and threats were re-coded in terms of them representing either strengths, weaknesses, opportunities or threats to the festival organisations. The level of agreement with these opinion statements was then used as an indicator of the prevalence of each as well as a basis for assessing the use of conversion, exploitation and response strategies.

Although, the sample size of 193 festivals was only a small proportion of total number festivals in the four countries studied, it included a diverse range of events in terms of ownership (public, private and not-for-profit), strategic orientation (community development or profit orientation), funding (self-funding or externally funded) and geographical location (urban and rural festivals) and could therefore be reflective of many festivals in developed countries.

4. Findings

The findings below are presented within the framework of the strategic SWOT analysis and indicate levels of agreement with the opinion statements regarding the strengths, weaknesses, opportunities and threats re-coded from the original survey data. The second stage strategic analysis is also based on levels of adoption of specific strategies by respondents. Again, these strategies were re-coded from the original list of generic strategies as either conversion, exploitation or response strategies.

4.1 Strengths

Regarding strengths, all festivals agree that they have complete control over their festival brands, with private festivals with the highest level of agreement (94 percent). All festivals agree that they are permanent institutions in their community. Interestingly, about one-third of privately owned festivals have a community service rather than profit orientation. It is important to note that the three festival ownership types may have a singular focus, with respect to their profit-seeking intentions and community orientation. Hence, it is possible for a proportion of non-profit festival organisations to have profit orientation, making the term not-for-profit somewhat of a misnomer. Similarly, some privately owned festival organisations may have a strong community service orientation. Festivals owned and operated by the public sector are less likely to have a profit orientation, but some degree of profit (or financial surplus) seeking could be expected, especially in situations where limited public funds are available to support festivals.

All festival ownership types consider innovative programming to be one of their strengths. Private festivals are more likely to use innovative programming (79 percent) with non-profit and publically owned festivals marginally less likely to be innovative. Finally, 65 percent of private festivals agree that surviving a crisis has made them a stronger festival organisation compared with 58 percent of not-for-profit and 30 percent of public festivals. These differences were significant ($df = 3$, $sig. = 0.05$). Public festivals are less exposed to crises due to their institutional nature, although over-reliance on a single source of funding and dependence on one or a few powerful stakeholders can also pose a weakness, as the next section reveals.

A summary analysis of strengths of the three festival ownership types is provided in Table I.

	Public % Yes	Private % Yes	Not-for-profit % Yes	Overall % Yes
Completely in control the festival's brand	91	94	81	85
A permanent institution in our community	79	81	74	76
Oriented towards community service rather than profit	84	37	75	72
Constant innovation in the festival's programming	68	79	59	67
Survived crises that made the festival stronger	30	65	58	53**

Notes: Significance at: *0.01 and **0.05 levels

Table I.
Strengths

4.2 Weaknesses

Only 35 percent of private festivals are dependent on a few powerful stakeholders compared with 43 percent of not-for-profit and 53 percent of publically owned festivals. Private festivals are more likely to be dependent on revenue from ticket sales rather than sponsorship revenue, making them more vulnerable to market conditions rather than stakeholder support.

Inadequate marketing or promotion is a perceived weakness of 42 percent of public festivals and about one-third of not-for-profit festivals. Fewer private festivals perceive inadequate marketing or promotion as a weakness.

The majority of public festivals do not have enough staff to complete the necessary work. However, fewer not-for-profit and private festivals in the sample are in this situation, and the differences are statistically significant (df = 3, sig. = 0.05).

Finally, about half of the public festivals have an over-reliance on one source of money, whereas fewer private and not-for-profit festivals have this weakness. Furthermore, the differences were significant (df = 3, sig. = 0.01), as Table II indicates.

4.3 Opportunities

All festival ownership types believe that they occupy an important niche in the community, with privately owned festivals almost unanimously believing this to be the case. These differences were significant (df = 3, sig. = 0.05).

All festivals are attempting to grow their audience, with 77 percent of private festivals more likely to be pursuing this strategy, ahead of non-profit (67 percent) and publically owned (57 percent) least likely to have an audience growth strategy.

The minority of all three festival types have recognised the need to become more tourism oriented, with only about one-third of each festival type agreeing that they are yet to do so. Hence, the strategy to become more oriented towards tourism remains an opportunity for all three festival types in the sample.

One quarter of not-for-profit festivals agree with the statement that they have little chance of financial failure, and one-third of private festivals also recognise that they are at low risk of financial failure. Publically owned festivals are most likely to agree that they have small risk of financial failure, and are thus presented with an opportunity to take financial risks.

Private festivals are less likely to have major stakeholders committed to the festival, compared with non-profit and publicly owned festivals that enjoy higher levels of stakeholder commitment. However, it is important to note that major stakeholder total commitment is an opportunity for only about half of all festivals surveyed (Table III).

	Public % Yes	Private % Yes	Not-for-profit %Yes	Overall %Yes
Dependent on one or a few powerful stakeholders	53	35	43	45
Inadequate marketing or promotion	42	27	32	35
Not enough paid staff to get the necessary work done	51	23	29	32**
Over-reliance on one source of money	48	28	19	27*

Notes: Significance at: *0.01 and **0.05 levels

Table II.
Weaknesses

	Public % Yes	Private % Yes	Not-for-profit % Yes	Overall % Yes
Occupy an important niche in the community	77	95	81	82**
We are pursuing a growth strategy in terms of our audience	57	77	67	66
We need to become more tourism oriented	26	33	34	32
Only a small risk now of financial failure	42	32	25	30*
Major stakeholders are totally committed to the festival	46	40	44	44

Notes: Significance at: *0.01 and **0.05 levels

Table III.
Opportunities

4.4 Threats

Amongst the major threats to festival organisations, the only threat perceived by the majority of all festival types is bad weather, with almost two-thirds of private festivals perceiving this as a major threat. In terms of other threats, the absence of secure, long-term funding is evident in about half of all festival types, with 55 percent private festivals in this situation. Rising costs in general and the high cost of performers is also perceived as a threat by between 40 and 50 percent of festivals, with half of private festivals paying high costs for entertainment. Surprisingly, 43 percent of not-for-profit festivals face a shortage of volunteers, or difficulty in keeping them, whilst fewer public and private festivals have difficulty recruiting and retaining volunteers. Only one-third of festivals consider competition from other events as a threat, with fewer public festivals least likely to consider competition as a threat (Table IV).

4.5 Conversion strategies

In terms of conversion strategies (Table V), formal marketing partnerships are established by about one-third of all types of festival organisations in order to address inadequate marketing or promotion. Privately owned festivals (43 percent) are almost twice more likely to bring sponsors together for mutual benefit than non-profit festivals (23 per cent), but it is not a strategy that is common in any festival type. Given that dependence on one or a few powerful stakeholders is a major weakness, public and not-for-profit festivals would do well to consider this strategy in order to offer more benefits to their stakeholders. About half of the private festivals and publically owned festivals and a third of non-profit festivals have addressed their weak marketing and promotion through convincing the media to become official sponsors. An infrequently used conversion strategy, yet one that could address the lack of paid staff is to appoint

	Public % Yes	Private % Yes	Not-for-profit % Yes	Overall % Yes
Bad weather	59	64	51	54
The absence of secure, long-term funding	44	55	48	48
Rising costs in general	49	41	43	43
The high cost of entertainment or performers	38	50	41	40
Lack of volunteers, or difficulty in keeping them	26	18	43	36
Competition from other events for our audience	23	32	33	30

Table IV.
Threats

Table V.
Conversion strategies

	Public % Yes	Private % Yes	Not-for-profit % Yes	Overall % Yes
Developed a formal marketing partnership with another organisation?	41	38	33	37
Brought your sponsors together for their mutual benefit?	26	43	23	27
Convinced the media to become official sponsors?	46	48	37	40
Brought major sponsors onto your board of directors?	5	5	8	7
Developed a set of core values to be the basis of your branding?	47	52	38	43
Used your program and marketing together to create a strong brand identity or image?	76	76	63	69

major sponsors to the board of directors of the festival. Sponsoring organisations often have staff with highly relevant expertise in human resource management, marketing and promotion and financial management that they could bring to the festival organisation. Finally, developing a set of core values for branding and using the program to create a strong brand or image will also be useful strategies to convert the weakness of inadequate marketing and promotion.

4.6 Exploitation strategies

In terms of exploitation strategies (Table VI), few festivals share financial risks with stakeholders, despite the opportunity presented to almost half of the festivals through having major sponsors totally committed to the festival. Likewise, less than one-third of festivals adopt a strategy to initiate outreach programs in the community, despite the majority occupying an important niche in the community. Some 95 percent of private festivals agree that they are important to parts of their community, as do 77 and 81 per cent of public and not-for-profit festivals, respectively (cf. Table III), yet few appear to be exploiting the opportunities that this presents. Becoming more tourism oriented is another opportunity that is only recognised by about one-third of festivals, consequently, a small proportion of festivals (but significantly more private than public

Table VI.
Exploitation strategies

	Public % Yes	Private % Yes	Not-for- profit % Yes	Overall % Yes
Convinced a stakeholder to assume the financial risks for all or part of your festival?	13	19	10	13
Initiated an outreach program to provide community service?	16	29	30	27
Licensed other companies to use your festival name or logo?	18	29	6	13*
Promoted creativity in order to invent new product within the festival?	62	67	58	62
Imitated other festivals/events in order to keep up with market trends?	34	33	37	36

Note: *Significant differences at the 1 percent level

and not-for-profit festivals) license other companies to use their name and logo. Clearly, the majority of festivals are yet to recognise the benefits of packaging and distribution through travel wholesale and retail companies. Promoting creativity in terms of products is a strategy that is used by the majority of festivals, with about two-thirds doing so. This will exploit the opportunity to grow the festival audience, as will the imitation of other festivals in order to keep up with market trends (although this strategy is employed to a lesser extent).

4.7 Response strategies

As previously stated, the only threat perceived by the majority of all festival types is bad weather, with almost two-thirds of private festivals perceiving this as a major threat. However, the responses from the three festival ownership types could not be more diverse, with slightly less than half of the private and slightly more than half of the not-for-profit festivals setting up a reserve fund but virtually none of the public festivals doing so. Furthermore, these differences were statistically significant ($df = 3$, $Sig. = 0.01$). Similarly, about one quarter of private festivals borrow money to cover financial losses, but none of the public festivals do so and the differences are also significant ($df = 3$, $sig = 0.01$).

In response to the dual threats of the absence of secure, long-term funding and rising costs in general, the majority of all festival types lobby government for funding or other benefits with non-profit and publically owned festivals (61 percent) more inclined to employ this response strategy. Additionally, about half of the festivals convert suppliers into sponsors to reduce costs. Paying a company to find new sponsors is not a common response to absence of funding and rising cost. Nor do they share tangible resources with other festivals, a response strategy that would not only help to address rising costs, but also amortise the high cost of entertainment and difficulty in recruiting and retaining volunteers. Finally, despite the threat of competition from other events for their audience, very few festivals respond by taking legal action to protect their brand of logo (Table VII).

5. Discussion

SWOT analysis has revealed that there are some significant differences between public, private and not-for-profit festival organisations and the conversion, exploitation and response strategies that they employ. Whilst the majority of private and not-for-profit

	Public % Yes	Private % Yes	Not-for-profit % Yes	Overall % Yes
Lobbied government for money or other benefits?	61	52	59	58
Put aside money for a rainy day (a reserve fund)?	8	43	58	42*
Paid a company to find us new sources of funding or new sponsors?	13	14	16	15
Borrowed money to cover a financial loss?	0	24	10	10*
Shared tangible resources with other festivals?	29	24	26	27
Converted a supplier into a sponsor (to reduce your costs)?	46	48	47	48

Note: *Significant differences at the 1 percent level

Table VII.
Response strategies

festivals in the sample have grown stronger by surviving a crisis, only about one-third of public festivals have been through this strengthening process.

Whilst it is never desirable to have to confront a crisis, it would be advisable for public festival organisations to consider the options and strategies available to them in the event of crisis. This is particularly relevant in the current global financial situation, when government cutbacks and austerity are common-place in all European countries, including those in the sample. Previous analysis of festival management data from the four countries (three European and one non-European) did reveal significant differences with respect to revenue sources and dependency (Getz *et al.*, 2010).

About one-half of public festivals are reliant on a single source of funding, obviously public funding, whereas less than one-quarter of not-for-profit and one-third of private festivals are over-reliant on a single revenue source. On the other hand, about half of the public festivals agree that they do not have enough paid staff to get the work done, revealing a weakness that less than one-quarter of private and one-third of not-for-profit festivals suffer from. Again, the current global financial crisis will only exacerbate this situation for publically owned festival organisations, indicating that some may be facing shortages of funding and human resources in the future, if they are not already.

In terms of stakeholder relations and resource dependency, it appears from the results regarding strengths and weaknesses that public festivals are more highly dependent on powerful stakeholders and have less resources with which to achieve their strategic objectives, than either private or not-for-profit festivals. Public festivals are critically dependent on government, whereas not-for-profits and private festivals depend on paying customers. This confirms the findings of Andersson and Getz (2007) and suggests that public festivals should seek alternative sources of funding and resources and develop plans to reduce resource dependency.

One strategy for converting over-reliance on one or a few stakeholders for private festival organisations is the bringing together of stakeholders for mutual benefit. Public and not-for-profit festivals could well emulate this strategy by seeking stakeholders that would benefit from working more closely with the public agencies and organisations that support their festivals.

Significant opportunities exist for festivals that occupy an important niche in the community, and once again it is the private festivals that almost unanimously recognise this. However, few festivals take the next strategic step of exploiting their opportunity by initiating community outreach programs to secure their position in the community. Small risk of financial failure also represents an opportunity for the majority of all festival types, but those that do not perceive that risk are not exploiting strategies such as sharing financial risks with stakeholders. In fact, the only strategy that the majority of all festival types exploit is to promote creativity in order to create new products within the festival. This is perhaps indicative that some festivals tend to focus on production rather than sound financial management and may not be exploiting all available opportunities to avoid financial problems.

Festivals face many threats, but principle among these is the threat of bad weather. Bearing in mind that the majority of the sample was drawn from Sweden, Norway and the UK this is not a surprising finding. However, significant differences exist between the three festival types as to their response to this threat, with not-for-profit and private festivals much more commonly having reserve funds set aside "for a rainy day", than public festivals. In response to the financial threat posed by the absence of secure,

long-term funding, all festival types lobby government for money and other benefits, with the majority of public and not-for-profit festivals adopting this response strategy. This strategy is much more prevalent than paying a company to find new sources of funding or sponsors. Rising costs in general and entertainment in particular pose the threat of financial losses, but borrowing money to cover financial losses is not a response used by public festivals at all, and by only 10 percent of not-for-profit festivals. Significantly, about one-quarter of private festivals borrow money to cover financial losses. A more common response to rising costs is to convert a supplier into a sponsor and about half of all festivals adopted this strategy. Sharing tangible resources is also a means of reducing costs, but is only used by about one-quarter of all festivals types.

6. Conclusion

The findings indicate that festival managers are more cognisant of the virtues of branding and maintaining a strong image than they are about financial issues. This may be an effect of fashionable management ideas at the time of the study and also supports the importance for festival managers of “occupying a unique niche in the community” as pointed out in previous research (Andersson and Getz, 2008).

There are, however, interesting and significant differences related to ownership regarding these issues where private and non-profit festivals are comparatively more concerned about financial issues whereas, public festivals are more concerned about branding. This might be explained by the issue of legitimacy (Suchman, 1995) which is crucial for the survival of public festivals. A strong brand positively affects the legitimacy of a public festival and is also likely to canvass more political support and helps a public festival to attain institutional status. This is particularly, the case when festivals seek legitimacy in a tourism context by linking their objectives to economic development and place marketing, a process termed “festivalisation” (Richards, 2007).

Strategies that relate to stakeholder theory and the interaction of power, legitimacy and urgency do not appear to be either implemented or successful for festivals. Informal collaboration with other festival organisations (such as sharing resources) is not a common strategy, nor is formalised engagement with stakeholders (appointing sponsors to the board of directors, bringing sponsors together for mutual benefit).

The only strategy that bears some relevance to stakeholder theory involves adopting a media organisation as a sponsor. Given the power of the media to influence the image and awareness of festivals and the ability to affect the legitimacy of festivals in the community, it is surprising that festivals do not embrace media organisations with more urgency than is indicated in this study. Paradoxically, creating a strong brand or image was the most common strategy, but engaging a media organisation to project that image and manage the festival brand was not considered.

Resource dependency theory has some relevance to the strategies of festivals as lobbying government was a common response strategy to the threat of limited funding and rising costs (Andersson and Getz, 2007; Valentin, 2001). The majority of public and not-for-profit festivals rely on government resources for their funding and support, but are forced to compete with other organisations for tangible (funding, venues) and intangible (trust, reputation) resources. Failure to gain community support will be reflected in a lack of government support and may arise from an inability to manage community and stakeholder relations effectively. Hence, stakeholder relations is a critical strategic management area for festivals (Andersson and Getz, 2007). In an era where public funds

are becoming scarcer and political sensitivities to cultural differences and community concerns are more acute, resource constraints result. Few festivals take advantage of the opportunities to occupy an important niche in the community by initiating outreach programs as a strategy. This may constrain them from achieving a high level of public visibility that would then enable them to negotiate with funding bodies effectively.

Festivals have been employed as part of broader economic, social and tourism strategies, but there has been very limited application of strategy to the festivals themselves. There seems to have been an assumption that festivals will continue to exist in their own right and that resources, particularly financial resources, will always materialise. Surveys of festival managers indicate that they believe that each festival is unique and deserving of public funding because of the role that they play in the community. They believe that continued government funding supplemented by entry fees combined with controlling of costs through using volunteers to manage and operate festivals will ensure that they avoid failure (Carlsen *et al.*, 2009).

Strategic SWOT analysis can provide a more rigorous and structured approach to the multiple challenges that festival managers face and this paper demonstrates that it has some utility in identifying strategies in response to financial, stakeholder and sponsorship imperatives.

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Further reading

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Corresponding author

Jack Carlsen can be contacted at: j.carlsen@curtin.edu.au