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How to value a cultural festival? The case of Petronio Álvarez Pacific Music Festival in Colombia

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ABSTRACT

The article identifies factors related to the local context that influence the valuation of a local, traditional and internationally recognized music festival. Analyzing the case of Petronio Álvarez Pacific Music Festival held in Cali (Colombia), a valuation equation of the festival is estimated via an ordered probit model based upon microdata provided by a face-to-face survey ($N = 1257$). Results show that there are two key factors shaping the valuation of the festival: (i) previous experience of attending the festival, (ii) perceptions and expectations individuals have over the implications of the festival celebration (even if not participating), that is, the territory's externalities (the creation of income and employment for the city) and personal benefits (cultural enrichment and enjoyment of a well-executed festival's plan). Finally, our work provides policymakers with an instrument that reduces uncertainty about the characteristics of the festival, which can also be used as a managerial decision instrument based on empirical evidence about individuals' perceptions.

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KEYWORDS

Music festivals; cultural value; valuation; ordered probit models; Petronio Álvarez Pacific Music Festival

1. Introduction

Festivals constitute events that play an important role in the social and economic development of a community, representing ways in which its intangible cultural heritage is expressed (UNESCO 2015). A music festival is defined as 'a musical event with a large attendance and a certain duration that consists of performances of several bands and

understood within the framework of consumer choice models with rational expectations (Lévy-Garboua and Montmarquette 1996; Stigler and Becker 1977). Additionally, the empirical literature on tourism has analyzed how motivation influences the individual decision to attend cultural festivals (Ercolano, Gaeta, and Parenti 2017; Maeng, Jang, and Li 2016), and how among the participants to a festival the most satisfied attendees show a