

Measuring the economic value and social viability of a cultural festival as a tourism prototype

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Cities with an important historical cultural heritage are aiming to strengthen their appeal to tourists by organizing numerous complementary activities, such as music festivals, in an attempt to consolidate and enhance their image as cultural sites and diversify the flow of tourism demand. This paper estimates the willingness to pay for a music festival in the city of Santiago de Compostela, Spain, and analyses the results according to the socio-demographic and behavioural characteristics of audiences and tourists. The authors use the contingent valuation method, an appropriate technique for valuing non-market public goods, yet one that has scarcely been employed in the case of cultural goods of a temporary nature, such as a music festival. The findings to emerge may prove useful in understanding the demand for these goods, as well as in measuring the social viability of these tourist projects if willingness to pay is taken as an estimate of derived social benefit. This outcome may prove suitable input for a cost–benefit analysis.

Keywords: cultural tourism; tourism demand; contingent valuation; stated preferences; valuation of tourism projects; festivals

JEL classification: L83; C14; D12; Z11; H43

Cities that boast an important historical heritage are striving to enhance their appeal to tourists by organizing an array of complementary activities such as cultural festivals. By doing so they are seeking to strengthen their image as cultural sites, broaden the range of local facilities available and diversify tourist demand flow. Moreover, institutions charged with restoring and maintaining historical heritage have, in recent years, widened the scope of areas in which they are involved to embrace activities which promote culture, such as supporting music and the performing arts or sponsoring cultural events and tourist projects. This new area of involvement has arisen as a result of the gradual reduction in the amount of restoration work that remains to be done after 20 years of a booming economy in which resources devoted to cultural heritage have been relatively abundant. This has been the situation in many developed countries and particularly in Spain, where political decentralization has led to responsibility for culture and tourism being placed mainly in the hands of regional and local administration.

A typical example of this new situation is to be found in the historical city of Santiago de Compostela (Spain), one of the leading cultural sites in Europe, declared a World Heritage Site by UNESCO in 1985. Added to the beauty of its historical centre and the monumental fullness of its urban ensemble is what is probably the most striking feature of the city, namely its enormous spiritual prominence as a focal point of the most important religious movement in the Middle Ages, pilgrimage on the *Camino de Santiago* (Road to Santiago). Today, the city and the Camino de Santiago provide an emblematic cultural and tourist attraction, preserving the air of spirituality when interest has gone far beyond the purely religious. The Camino de Santiago was declared the first European Cultural Itinerary by the Council of Europe in 1987 and a World Heritage Site by UNESCO in 1993. Its spiritual as well as cultural significance to a large extent determine the interest of most visitors who come to Santiago de Compostela.

The authorities have striven to maintain the cultural potential of the city by restoring historical heritage and endowing the area with new cultural facilities, as well as by promoting new attractions for tourists so as to widen and diversify visitor flow and not have to depend solely on pilgrim tourists. One of the key institutions involved in reshaping and promoting the Jacobean site in recent years is the *Consortio de la Ciudad de Santiago de Compostela* (City of Santiago de Compostela Consortium), a municipally run yet at the same time inter-administrative public entity, combining the involvement and funding of three levels of public administration, central, regional and local, in the shape of the National Government, the Regional Government (*Xunta de Galicia*) and the Santiago de Compostela City Council. It was set up in 1991, originally with the intention of coordinating action aimed at preserving and revitalizing the historical heritage of the city of Santiago, as well as ensuring that activities would continue in the intervening periods between Jacobean Year celebrations. Over the years, however, the Consortium has spearheaded the creation of the city's most important cultural infrastructure, and more recently has been involved in promoting cultural and tourist activities such as the organization of cultural festivals, major exhibitions and managing shows. Involvement in this kind of activity seeks to ensure cooperation in a strategy aimed at broadening and enhancing the city's cultural facilities as

well as diversifying tourism, which tends to be based exclusively on heritage, is largely passive ('coming and seeing') and has less financial impact. This change in tasks highlights the institutional transformation referred to earlier, namely a shift from responsibilities dealing exclusively with restoring historical heritage to an involvement in action focusing on the promotion of culture, tourism and, in sum, designing specific cultural and tourist policies for the city.

One such action, the Contemplative Musical Festival, forms the subject of the present research. This festival, run by the Santiago de Compostela Consortium, has been held each Holy Week since 2006 and rivals the leading religious music festivals in Spain in terms of quality, in addition to boasting an ever-increasing international repercussion. The festival is designed to offer a season of high-quality music and provide a complementary cultural attraction during the Holy Week celebrations, generally coinciding with a holiday period in Spain which witnesses an increase in the number of tourists. The festival is held in various churches and areas which have been the subject of some kind of architectural intervention or restoration by the Consortium, such that they also act as a backdrop to evidence the work carried out and thereby justify institutional activities.

The analytical approach adopted in this work is thus the following. Since an event like the Contemplative Music Festival consumes resources which may be put to other uses and aims to satisfy certain individual preferences in terms of cultural consumption, it provides a suitable case study for economic analysis. The goal of the present work is therefore to value this good, taken as a tourism prototype, by estimating the willingness to pay of those individuals who consume it, even though initially it is conceived as a free public good. Our aim is not to analyse the financial impact of the festival, as that would require considering only tourists whose sole purpose is to attend the festival. Rather, we seek to estimate the intensity of individuals' preferences with regard to this cultural good and to assess the sensitivity of the findings in terms of a range of socio-demographic and behavioural features of the public who attend; that is, tourists and locals. We use the contingent valuation method, an appropriate technique for valuing non-market public goods, yet one which has scarcely been used for cultural goods of a transient nature, such as a music festival. The findings may prove useful in understanding tourism demand for these goods and in measuring the social viability of these projects if we take the willingness to pay results as an estimate of the social benefit to emerge from this cultural tourist project. This may prove interesting for institutions that need to justify their cultural and tourism policies.

Based on these arguments, this work is structured in five sections. The initial introduction is followed by a section dealing with the methodology and review of the literature related to the valuation of cultural goods. We then explain the characteristics of the empirical application to the case in hand. The subsequent section details and discusses the main findings, both in terms of the estimation of willingness to pay as well as an analysis of segmentation of demand and a basic evaluation of social viability. Finally, the work addresses the main conclusions to emerge.

Economic valuation of cultural and tourist goods: methodology and background

The contingent valuation method (Mitchell and Carson, 1989; Bateman and Willis, 1999) is a method for directly estimating declared preferences for a good which is not traded on the market. Individuals are asked for their willingness to pay (WTP) for the benefits received from a change in the supply of this good or, alternatively, for their willingness to accept (WTA) compensation due to possible losses in to what extent it may be used. In theoretical terms, the contingent valuation method is based on the economy of welfare, since it assumes that WTP values are linked directly to the function of individual preferences. WTP may be obtained in a variety of ways, ranging from simple open questions (Davis, 1963; Ridker, 1967), to more or less complicated bidding games (Hanemann, 1985; Carson *et al*, 1996; León *et al*, 2003), all of which seek to pinpoint the true WTP, which only the respondent and not the researcher knows for certain.¹ Once the declared values have been obtained, and after minimizing any biases which are bound to arise in a survey of this nature, WTP may be estimated by using econometric tools. Parametric regression models have been widely used for this purpose (Paulrud, 2006; Dall'Aste Brandolini, 2009; Snyder and Smail, 2009) on the assumption that WTP is linked closely to individuals' demographic and socio-economic traits, as well as prior experiences in the consumption of the good in question and the availability of alternatives. However, over-restrictiveness in specific functional forms when attempting to account for consumer behaviour has led to the introduction of WTP estimation using non-parametric methods (Cuccia and Signorello, 2002; Sanz *et al*, 2003; Bedate *et al*, 2009). The basic idea is that there is no evidence *a priori* to suggest that consumer preferences should follow any particular distribution and that non-parametric estimations may maximize flexibility and minimize, while not removing, cases required to estimate the survival function.

The contingent valuation method has been used to estimate benefit in a wide variety of areas, such as enhanced air and water quality, recreational and tourist use of natural spaces, environmental protection and endangered species, improvements in education, drinking water supplies and so on. Since the 1990s, this method has been applied on an increasingly wide scale, its use having become particularly important to value cultural and tourist goods and services, given the enormous similarities and parallels with environmental economics, a field in which traditionally this approach has been used.

The first applications of the contingent valuation method in the field of cultural goods date back to the early 1980s (Thompson *et al*, 1983; Throsby and Withers, 1983). The method was first applied on a wide scale in the 1990s, particularly in the area of historical buildings and ensembles (Carson *et al*, 2002; Báez *et al*, 2009), archaeological sites (Riganti and Scarpa, 1998; Boxall *et al*, 2002) and, above all, museums (Bravi *et al*, 2002; Sanz *et al*, 2003; Bedate *et al*, 2009). In the field of tourism economics, numerous exercises have been conducted valuing natural resources used for tourism purposes (Tisdell and Wilson, 2001; Santhakumar, 2009) or to study pricing mechanisms for the management of tourism resources (Greiner and Rolfe, 2004). The contingent valuation method has also been merged with other techniques, such as the travel

cost method for comparative valuation exercises (Chavez-Comparan and Fischer, 2001; Herath and Kennedy, 2004), and has been incorporated into models exploring economic impact (Keske and Loomis, 2008; Orens and Seidl, 2009) or the cost–benefit analysis of cultural projects (Báez and Herrero, 2008). It should also be pointed out that most applications in the area of cultural goods are always based on tourism in some way, at least in estimation of the use value. In any case, most of these exercises involved applications of the method to numerous cultural fields related to the area of tangible historical heritage goods, yet in few cases was it applied to temporary cultural goods such as a music festival, the subject of our study.²

Generally speaking, the contingent valuation method has for some time been the target of much criticism (Kahneman and Knetsch, 1992; Diamond and Hausman, 1994), while other authors have defended the method constructively (Hanemann, 1985; Carson, 1999). Anyway, we are forced to recognize the enormous predicament facing current contingent valuation exercises in the field of public goods valuation, and particularly cultural heritage goods taken, moreover, as tourism prototypes. The efficiency of the approach and the usefulness of the outcomes depend to a large extent on procedural rigour. Nevertheless, they are able to offer consistent classifications of individual and social preferences if, for example, funding is based on voluntary contributions for the provision of a public good or on the concept of bids similar to the idea of market prices. From this standpoint, the contingent valuation method may prove an extremely useful tool for public administration charged with the care of cultural heritage, since the findings to emerge may provide a coherent guideline to establish criteria for funding or for appraising regulatory action.

Empirical application

As pointed out in the introduction, our case study deals with the Santiago de Compostela Contemplative Music Festival (henceforth, CMF), taken as a prototype of a cultural good which seeks to boost and diversify the city's tourist appeal. The contingent valuation method was applied to this case study to provide an economic valuation thereof by estimating the WTP declared by tourists or residents of the city attending the season of concerts. Organized by the Santiago de Compostela Consortium, the festival is relatively young as it is currently only in its fourth year, despite which it is already seeking to gain a place among the most reputed religious music festivals in Spain thanks to its quality. It is always held during Holy Week. The 2007 festival, our case study in this work, comprised eight concerts, held in the different churches and venues shown in Table 1. It is therefore a cultural good with a tourist objective, which is basically a live music show, but which also merges historical heritage due to the artistic importance of the sites at which it takes place. These sites have also been subject to architectural or restoration work of some kind, carried out under the auspices of the Consortium, such that the CMF also serves to justify the institution's activities to society.

Having described the CMF as a prototype of a cultural good, let us now look at it from the standpoint of its position as an object of economic analysis. It may well be considered a *public good*, as it is provided free of charge. Despite

Table 1. Santiago de Compostela Contemplative Music Festival: 2007 concert programme.

Concert number	Performers	Site
1	Gabrieli Consort and Players	Church of San Martin Pinario
2	Ikhwan Al-Hadra	Church of the Universidad
3	Cuarteto da Real Filharmonia de Galicia	Church of the Orfas
4	La Grande Chapelle	Church of the Ánimas
5	Ensemble Organum	Church of San Fiz De Solovio
6	Ex Cathedra Consort and Continuo	Church of the Mercedarias
7	Choir and Studio for Spiritual Music Melódi	Church of the Orden Tercera De San Francisco
8	Hesperion XXI	Church of San Agustín

the festival's huge popularity, most of the concerts do not suffer from problems of overcrowding. As a result, it displays the features of a public good in the sense that it is non-exclusive and non-rival, and in this particular case is provided by an authority which draws on public funds. It is also an *experience good*, as it cannot be valued *a priori* but only through direct consumption thereof, also offering certain intangible characteristics such as the aesthetic pleasure, the symbolic value or the usefulness of enjoyment. In these cases, information signals (advertising, reputation, criticism, etc) play a central role in determining consumption. Likewise, and as with other cultural goods, the individual variables of human capital and accumulated experience of cultural consumption prove crucial (Ateca-Amestoy, 2009; Devesa *et al*, 2009). Finally, the CMF, as a consumer product which forms part of the available cultural supply in the city of Santiago, might also be perceived as a capital asset for the city itself, capable of generating important external repercussions, either as an intangible investment in the city's cultural image or as having a specific economic impact linked to tourism and the organization of the music festival itself.

Based on these premises, we specify the goal of our research as the economic valuation of the CMF, not as a calculation of the cost of organizing and producing the festival but rather as an estimation of the intensity of individual preferences when consuming it, even when it is offered free by the sponsoring institution. As pointed out in the previous section, the contingent valuation method thus proves one of the most appropriate techniques for estimating the value of public goods of this kind, as it involves the creation of a circumstantial market in which consumers are encouraged to make valuation bids in line with their preferences and budget restrictions. The ultimate goal is to estimate an individual demand curve and the value of consumer surplus, in this case the intrinsic valuation of the good analysed (Mitchell and Carson, 1989). Even though distinguishing between the WTP declared by tourists and residents is interesting in terms of typifying their differences, in order to estimate the collective benefit of the project as a whole we need ultimately to take the overall valuation of those attending the festival if we are to assess the social viability thereof. Although this product pursues a tourist objective, analysis of its social usefulness entails taking into account the value declared by all those attending.

In our research, we specifically posed the hypothetical situation of commercializing the festival by establishing admission tickets for the concerts in addition to a season ticket valid for all the concerts. The vehicle of payment to estimate the value of the whole festival would be the amounts that spectators stated they were willing to pay to purchase the season ticket. We have therefore established a vehicle of payment to value the whole of the festival, taken as a single overall good made up of a series of various goods of a similar nature.³ We used the double-bounded dichotomous choice format in the valuation exercise, with a final open question, as pointed out previously.

Initial bids were offered to interviewees through a closed question and were different in each case, having been allocated randomly so as to avoid any possibility of anchoring bias in the estimations. The amounts proposed in the first question were based on a previous comparison of season ticket costs at the main music festivals in Spain, particular consideration being given to festivals of a religious nature. The initial bids were €15, €30, €45, €60, €80, €120 and €250. Depending on the first response given by the interviewee, the second closed question was subsequently posed, amounts immediately below being offered if a negative answer was given initially, or immediately above if the answer was affirmative. The aim of this bidding game was to find the best fit for the individual's valuation, although all those interviewed were posed a final open question in which they were asked to express their maximum WTP.

The method used was for respondents themselves to fill in the surveys which had been handed out previously at each of the eight concerts in the festival, the surveys then being collected at the end by four research grant holders. Obviously, the survey results were filtered to remove valuations made by minors, outliers and so-called protest zeros, in other words, interviewees who responded with a null WTP due to a rejection of the valuation exercise. The filter comprised a question addressing the reason for the null response. We retained as part of the study only those interviewees who expressed a zero valuation, saying they would like to contribute at another point in time or felt that they were involved already in funding a cultural good through the taxes they paid. We were thus left with a total of 825 valid surveys, the operative sample for the contingent valuation exercise eventually coming down to 738. These figures, taken in relation to the total capacity of the festival, 2,650, obtained by adding up the capacity of the various venues, provide a sampling error of $\pm 2.83\%$ with a 95% confidence level.⁴

Results

To calculate consumer WTP with regard to the CMF, we applied non-parametric estimation methods since they avoided the rigidity of assuming specific functional forms when accounting for consumer behaviour.⁵ Specifically, we applied the An and Ayala non-parametric algorithm (1996), which involved using an iterative process until a convergent and optimal solution for the survival function was found.⁶

This application requires a prior calculation of the number of individuals located in each valuation interval, dependent on the various initial second bids. This figure is represented by $n_{j,i}$ and can be seen in Table 2. The results obtained

Table 2. Summary of data on spectators.

Bid	$n_{j,1}$	$n_{j,2}$	$n_{j,3}$	$n_{j,4}$	$n_{j,5}$	$n_{j,6}$	$n_{j,7}$	$n_{j,8}$	$n_{j,9}$	$n_{j,10}$	$n_{j,11}$
0	19	16	36	38	47	55	63	75	0	0	0
8		24	0	0	0	0	0	0	0	0	0
15			66	0	0	0	0	0	0	0	0
30				45	0	0	0	0	0	0	25
45					35	0	0	0	0	0	21
60						44	0	0	0	0	17
80							48	0	0	0	8
120								19	0	0	6
180									26	0	3
250										2	0
320											0

Table 3. Distribution of spectator WTP for the CMF.

Bid	$S(x)$	$f(x)$	WTP
0	1.0000	0.0890	7.29
8	0.9110	0.1122	5.59
15	0.7988	0.2249	8.61
30	0.5738	0.1346	6.59
45	0.4392	0.0988	5.11
60	0.3404	0.1172	4.46
80	0.2232	0.1170	4.25
120	0.1062	0.0448	3.69
180	0.0615	0.0571	0.30
250	0.0044	0.0044	0.00
320	0.0000	0.0000	–
			45.89

after applying the algorithm are shown in Table 3. The first column is the value of the lower extreme of the intervals in which respondents' WTP is situated. The second shows the value of the empirical survival function resulting from the application of the algorithm. The next shows the value of the probability of each of the interval extremes and the fourth column reflects an approximation of the WTP.

From the microeconomic standpoint, the survival function (Figure 1) is the demand curve of direct users of the CMF in Santiago de Compostela, as it indicates the probability of existing consumer intensity for the various valuation bids. In this way, by calculating consumer surplus as the area enclosed between said curve and the axes of the coordinates, the total economic value stated by each of the festival spectators can be determined, yielding a value of €45.89 (Table 4). This represents the mean WTP of all those attending the festival,

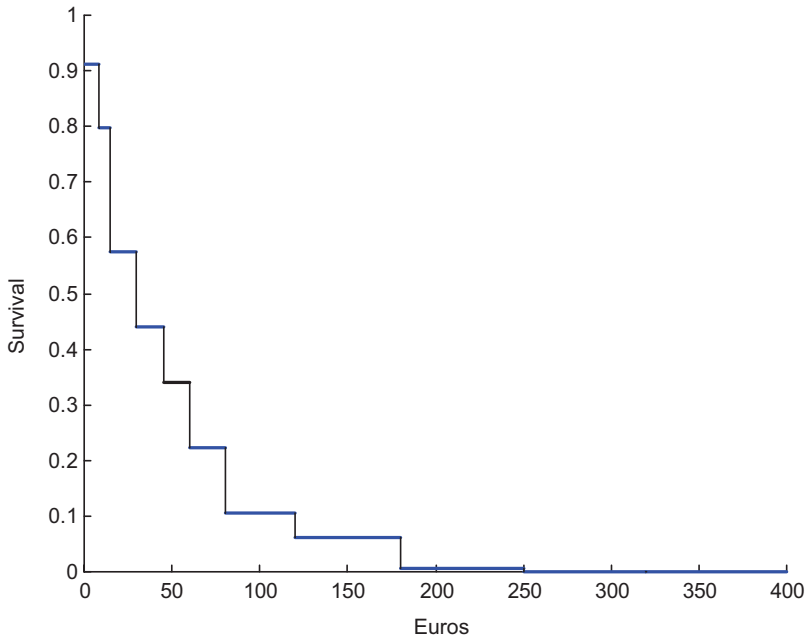


Figure 1. WTP survival function: CMF demand curve.

considering a complete market; in other words, including those who express a zero WTP even when they are consumers, either because they feel that they pay already through taxes or because they opt to consume simply because it is free. This is therefore a cautious estimate, yet still proves a relevant and appreciable figure if compared to the market price of other cultural goods of a similar nature.

Applying the same procedure, we also calculated the WTP for two segments of consumers whom we might consider as being closest to a possible commercialization of the festival (Table 4). The first were a group of spectators who expressed a positive WTP in all cases and who, in fact, represented the majority of consumers, 84% of the sample. We refer to this group as ‘consumers of club goods’, since these people are willing to cover a part of the cost of providing this public good by purchasing a ticket for the festival. The mean price for the season ticket expressed by this consumer club is €51.15, barely five units above the price estimated for the complete market.

Table 4. WTP results: market segmentation.

Results	WTP	<i>n</i>	%
Complete market (WTP mean)	45.89	738	100
Club good (WTP > 0)	51.15	621	84
Superclub good (WTP > 0 and certainty ≥ 7)	61.66	272	37

Secondly, we calculated the WTP of a specific group, those who clearly stated a WTP. We suspected that a section of those interviewed might have lapsed into hypothetical bias, since it was easy to give an affirmative answer when questioned about making contributions to cultural activities, particularly when there was no actual commitment to pay. As a result, we opted to include a certainty question in the survey so as to measure on a scale of 1–10 the certainty with which subjects would make payment.⁷ Based on this surmise, we chose a very specific group in our research, a group we referred to as ‘*superclub* consumers’, namely those who stated a positive WTP with a degree of certainty equal to or above 7, such that they constituted a group who definitely would purchase the music season ticket if it were sold. The size of this section of spectators is obviously smaller (37% of the sample), yet they come closest to a possible commercialization of the festival and, needless to say, express a relatively higher mean WTP for the season ticket, €61.66, fifteen units more than the complete market.

The other group of results to emerge from this research relate to the analysis of WTP segmentation depending on different types of criteria for typifying demand. The first of these is socio-demographic and appears in Table 5. Compared to the mean WTP of the complete market, these findings would seem to indicate that females, people who are older, those on a higher income and those without a university education would pay relatively more. Some of these results may prove somewhat contradictory when compared with the usual findings to emerge from other studies, particularly regarding age and human capital. This is probably due to the specific nature of a religious music festival such as the CMF. Nor should it seem strange to note that tourists, who account for 42% of those attending the festival, manifest a greater WTP than residents of Santiago de Compostela, undoubtedly because many of them (25%) come to the city specifically for the festival. These findings reflect the success of the project’s objective which, while essentially providing a new cultural attraction for the city, enhances the city’s overall appeal to tourists and has a considerable impact on the flow of visitors. Furthermore, the latter evidence a much higher WTP than local residents.

The findings to emerge from WTP segmentation prove more interesting when compared to various behavioural demand characteristics (Table 6). Firstly, and as we suspected, those who travelled with the specific intention of attending the festival displayed a greater WTP, as indeed did those who attended a greater number of concerts, those who had attended previous festivals, those who were keen on classical music and those who stated they were satisfied with the concert. Spectators who were also used to purchasing this kind of product expressed a higher valuation of the season ticket, as did those who attached great importance to the CMF as a tourist attraction in Santiago de Compostela. All of these findings highlight the particular nature of demand for cultural goods, and especially the performing arts, as reflected in other studies (Seaman, 2006). This is indicative of the addictive nature of cultural consumption, the determining value of accumulated experiences related to this specific use, as well as the fidelity to a particular form of entertainment or leisure activity. These are the variables which determine not so much the intensity of cultural consumption but indicate a reliable willingness to take part in the market.

The usefulness of findings like these lies in the interest for cultural managers

Table 5. WTP results: socio-economic segmentation of demand.

Variable	WTP	<i>n</i>
General	45.89	738
Male	45.14	312
Female	46.35	413
Young	42.70	59
Middle-aged	42.64	509
Elderly	64.47	94
Non-university	46.32	138
University	45.45	578
No income	36.41	59
Below €1,800	34.09	218
Above €1,800	51.35	405
Not resident in Santiago	48.94	298
Resident in Santiago	43.65	438

Table 6. WTP results: behavioural segmentation of demand.

Variable	Value	WTP	<i>n</i>
Travel with specific intention	No	46.43	218
	Yes	57.05	68
Consumption (number of concerts ≥ 4)	No	41.33	511
	Yes	65.93	135
Consumption (number of concerts ≥ 3)	No	42.80	361
	Yes	50.60	285
Fidelity CMF (attended 2006)	No	44.23	553
	Yes	49.56	169
Addiction (interest in classical music ≥ 4)	No	31.91	233
	Yes	51.18	480
Addiction (interest in classical music = 5)	No	36.52	430
	Yes	57.87	283
Experience (other season ticket)	No	37.64	400
	Yes	64.67	119
Satisfaction concert today = 5	No	43.37	247
	Yes	51.57	304
Importance CMF = 5	No	38.40	311
	Yes	56.13	256

vis-à-vis an understanding of the demand for cultural goods, characterization thereof and their impact on tourist flow, as we have just seen. Moreover, estimations of value assigned by subjects may also be used as an approach to the social viability of this service, provided in the form of a public good. Consequently, the findings may constitute key input for evaluating cultural policies and tourism projects.

Table 7. Estimation of the social benefits of the CMF.

Segmentation	WTP	Percentage of sample	Hypothetical spectators	Social value
Complete market (WTP mean)	45.89	100	2,650	121,608
Club good (WTP > 0)	51.15	84	2,230	114,064
Superclub good (WTP > 0 and certainty ≥ 7)	61.66	35	927	57,159

Table 8. CMF costs.

Items	Cost (€)	%
Appearance fees	143,439	60.9
Travel and accommodation	26,604	11.3
Production	35,441	15.1
Advertising	30,000	12.7
<i>Total</i>	<i>235,484</i>	<i>100.0</i>

In this vein, and while recognizing that the CMF does not represent an investment which may be subject to a long-term cost–benefit analysis but merely a promotional expense incurred by the sponsors of the event, we posit a rudimentary social viability assessment. To do so, we suppose the following hypothesis: since all the surveys are different and representative of the valuation spectators allocate to the festival as a whole, we may conduct a generalized extension of the estimated mean price of the season ticket over the maximum capacity of the festival, in other words as if a concert were to be held at a venue holding 2,650 spectators. Table 7 shows the estimated social benefit given by spectators in terms of the level of participation in each segment analysed. Thus, taking ‘club good consumers’ as a prototype, namely those who merely manifest a positive WTP, the sum of the social benefit of the CMF comes to €114,064, 48% of the total cost of the festival (Table 8). Taking into account the distribution of CMF expenses, we may conclude that the estimated social benefit of this cultural product covers the general cost of organizing the festival, plus a part of performers’ appearance fees, what we might call their efficiency salary. The festival administration has to bear the cost of the rest of the appearance money, the cost which reflects the outstanding merit of the performers hired. Seen from this standpoint, public involvement in providing this good is, in part, justified in social terms, for instance as regards securing the presence of highly rated performers, although arguments related to culture as a merit good or the intangible viability of this project for the city and the institution also need to be found.

Conclusions

Cities boasting a rich historical heritage are seeking increasingly to expand the range of cultural attractions they offer by branching out into the field of cultural entertainment and festivals so as to enhance the image of the area and appeal to a wider cross section of tourists, beyond those who are solely interested in sightseeing. Likewise, institutions charged with the task of restoring and preserving historical heritage have extended the range of activities in which they are involved by also promoting culture and tourism not only as a result of the gradual decline of conservation needs, but also as a means of providing social justification for their activities.

This is the context in which we have framed our research, a classical music festival, provided in the shape of a free public good which forms part of the cultural activities available in the emblematic city of Santiago de Compostela. The fact that this cultural good is provided free of charge does not mean it is not valued by the public; hence our efforts to estimate consumer WTP (from locals and tourists) and our construction of a demand curve for this festival. In this sense, the findings have proved significant, since the WTP values expressed by spectators are appreciable and consistent, approaching market values for this kind of cultural product. Many of those attending (42%) are tourists, of whom a quarter come expressly due to an interest in the festival and who state a higher than average WTP. This highlights the success of the cultural offer posited as a tourism prototype. Likewise, analysis of WTP segmentation with regard to various demand characteristics evidences the particular features of cultural consumption, such as its addictive nature and the central role played by related experiences and accumulated interest.

The usefulness of the findings to emerge are related, on the one hand, to those who manage or run this kind of institution and need to be familiar with the characterization and type of demand for this kind of cultural good as well as similar sorts of tourism. On the other hand, the findings may also prove to be of use in studying pricing mechanisms for charging admission to the musical festival as a whole, which in our study would be maintained by 84% of the market for those displaying a positive WTP, or 37% for those who declared a high degree of certainty. Nevertheless, the first option would cover almost half the cost of the festival, whereas the second alternative only a quarter. In any case, and provided there is no desire to charge for tickets, the findings may also provide the springboard for a social viability study for projects of this nature by offering, for example, cost–benefit analysis techniques where the estimated value of accumulated WTP may be used as an approximation of the project's social utility. These findings may also interest managers formulating policies aimed at capturing sponsors. Finally, with regard to the issue of methodology, the present research makes an innovative contribution to contingent valuation applications in the field of culture and, more specifically, the area of entertainment and cultural goods of a transitory nature, where such applications have proved to be scarcer.

Endnotes

1. In the present research we opted to use the double-bounded dichotomous choice format, subsequently posing an open question requesting maximum WTP (Cameron and Quiggin, 1994;

- Sanz *et al.*, 2003). Including an open question is designed to identify individuals who display a null valuation and then ask them whether they are willing or not to participate in the proposed market.
2. Similar studies include Morrison and West (1986), on the valuation of subsidies for the performing arts, and Thompson *et al.* (2002), on household expenditure in the arts in general.
 3. We assume that, even though the concerts are different, they are all high quality and are similar in style.
 4. Since the research is basically of an empirical nature, the authors put to availability the used database.
 5. In this case, as shown by Sanz and Herrero (2006), outcomes of parametric, non-parametric and semi-parametric estimations tend to converge towards similar figures. They are applied to the valuation of a museum of fine arts.
 6. Estimations were carried out using Matlab. The program may be found in Sanz (2004).
 7. Treatment of hypothetical bias in contingent valuation exercises is one of the most innovative lines of research, and is one which has scarcely been applied in the field of culture; see Bedate *et al.* (2009).

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