

## **IMPLICATIONS OF FESTIVAL CULTURE IN TOURISM DEVELOPMENT IN THE CITY OF SIBIU**

**NICULA Virgil<sup>1</sup>, CHINDRIȘ Cosmin<sup>2</sup>**

*Lucian Blaga University of Sibiu*

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### **Abstract**

*The paper presents how the International Theater Festival in Sibiu (FITS) contributes to the development of the city of Sibiu and its surroundings. The aim of the paper is to analyze the extent to which large, established cultural events converge to the tourism development of an entire area. The object of the research is to provide an economic and social analysis of the Sibiu tourism industry during the festival, compared to the average of the tourist season, i.e. the period from May to September. The aim of the paper does not consist in a mere display of economic results, which is well above average; it explores the correlations and ways in which the development of festival culture inevitably leads to organic tourism development. Hence, the final part of the paper offers a good practice model, one which can be successfully "franchised" to other cities of Romania.*

**Keywords** *tourism, development, culture, festival*

**JEL classification:** *L83, Q01*

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### **1. Introduction**

Events and festivals are a dynamic and rapidly growing sector that shows obvious synergies in the tourism industry. The festival is a corpus that transcends cultures, histories and political doctrines. It is a construct often instrumentalised either for political interests or for image and prestige. The true *raison d'être* of the festival is the community. In comparison to around 400 fifty years ago, Europe currently counts around 30,000 festivals, developing around and into a real industry over the last twenty years. Romania is in line with this rising European trend. The festival market has grown,

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<sup>1</sup> Associate professor, "Lucian Blaga" University of Sibiu, [niculavirgil@yahoo.com](mailto:niculavirgil@yahoo.com)

<sup>2</sup> Ph.D. student, "Lucian Blaga" University of Sibiu, [chindriscosmin@me.com](mailto:chindriscosmin@me.com)

diversified, decentralized in the post-communist period, it has become a field with effects on the public sphere, a reality that justifies an analysis of the impact they have on the community and the local economy.

## **2. Festivals and big events, a means to develop cultural tourism**

In the last ten years, Romania has witnessed an increase in the number of festivals of any kind. For the most part, the involvement of the public sector and non-profit organizations in the development of this phenomenon has been noted, in an attempt to implement national and local cultural policies, get local prestige and accelerate the process of place branding and destination marketing (see the city of Sibiu as an example).

Events offer a unique form of tourist attraction, ranging from small community festivals to international fairs or large-scale cultural festivals with international attendance. Events are temporary by definition, often lasting only one or two days, whereas some larger events may take several weeks. Events or festivals represent an increasingly important reason for tourism, positioning themselves prominently in the development and marketing of most destinations and playing an increasingly important role in the destination's competitiveness.

Such events have the potential to act as a catalyst for local development and provide a range of economic, socio-cultural and other benefits associated with image, branding and local economic development. For an event to generate a turnover in tourism, three criteria must be met:

- Consumption must come from participants;
- Participants must be outside their usual environment;
- Participants must live in the host area mainly as a result of the event.

If these events are effectively managed and hosted, they can generate economic growth, exposure in the media, lead to local development and stimulate infrastructure upgrading and the emergence of new partnerships to finance cultural and leisure facilities. Hence, hosting major events or festivals is an opportunity to boost a destination, but also an opportunity for economic growth, job creation and urban regeneration.

From a tourism perspective, many cities now allocate considerable resources to develop, attract and support major events as part of a strategy to increase visitors. When organizing these events, it is very important to correctly address challenges such as financing and accurately assessing the economic and social value alongside the environmental implications of the event.

This paper's objective is to highlight the capacity of the Sibiu International Theatre Festival in generating a substantial legacy for the Sibiu community. This legacy takes the form of recognizing and developing the destination brand on the tourist markets as well as creating the premise of economic development during the festival. The success of this event encourages participants to return to Sibiu for a renewed stay, which is not necessarily connected to the theatre festival.

We need to stress that the Sibiu Theatre Festival plays an outstanding role in enhancing the competitiveness of the city of Sibiu as a tourist destination, by adding a combination of cultural attractions to the tourist offer. However, this is possible thanks to a supporting infrastructure as well as through an efficient promotion.



Fig. 1. Culture budget of the Sibiu City

Moreover, it is worth mentioning that the city's annual budget allocation for culture represents a total of 12% of the total city budget. According to official data, the ROI represents 16% of the city's annual consolidated budget. It is one of the best examples to prove that culture impacts the life of the community, can become cost-effective and lead to economic growth. In addition to this, a festival like the Sibiu International Theatre Festival adds up to the community's spiritual health, enhances the

image of the city in the world, forges good practices and helps the long-term development of the community.

A foreign tourist attending the Sibiu Festival spends an average of 700 to 1,000 Euros during the festival. Thus, hotels, restaurants, shops and festival organizers collect over 10 million Euros, according to estimations made by the Romanian financial publication "Ziarul Financiar" according to data provided by Constantin Chiriac, the president of the Sibiu International Theatre Festival. ZF took into account an average of 12 to 15 thousand foreign tourists per festival edition taking into account that one person can buy one ticket or more.

According to Mr. Chiriac, 45,000 tickets are sold at each festival edition, out of which 75% are bought by people outside of Sibiu, while 42% of these tickets go to people from outside the country. The price of a ticket varies between 15 and 45 lei, which makes it accessible to everyone. "This price policy has helped us enormously in attracting festivalgoers. I conceived prices so that Romanians could also afford attending the festival. As soon as tickets are on sale, we're sold out immediately."

"Specialists have rated the festival as the world's third most important, after Edinburgh and Avignon. A classification based on number of spectators, venues, number of performances and number of participating countries", says Constantin Chiriac, president of the Sibiu International Theatre Festival and general manager of the "Radu Stanca" National Theatre in Sibiu. He is also an actor and holds several positions in local and international cultural bodies. In plain data, the Sibiu International Theatre Festival reached the following milestones:

- 452 shows
- 70 participating countries
- 2,850 artists
- 67 venues
- 65,000 viewers per day
- 9 million euros budget
- 400-500 volunteers

We cannot say whether the festival's recipe for success can be "exported" to another location. It is difficult to propose a single or standard methodology to maximize the impact of a major event.



Fig. 2 Festival's statistics at a glance

### 3. Conclusions

The conclusion of this paper represents a set of rules or good practices to be taken into account by cities that wish to develop their tourism activities by including big events in their offer.

Hence, it is important to:

- Adopt an integrated approach to align major events and tourism strategies;
- Provide a strategic and proactive framework that allows hosting of important events;
- Develop a big event strategy and align it with a long-term tourism strategy. Also, the creation of an agency dedicated to implementing big events could lead to the concentration of resources and ensure public institutions collaboration;
- Ensure a transparent decision-making process in identifying, bidding and hosting specific major events that will help establish and maintain public

support, and will also allow performance measurement to be measured against clearly articulated goals;

- Secure funding from the local budget for big events. However, this should be weighted proportionally to events that have the greatest potential to achieve social and economic returns. For low-yield events, self-financing should be created.
- Adopt a long-term strategy as a key lever to maximize the profitability of Event organizers, key partners and investors;
- The allocation of post-event resources. These resources should be considered when adopting the local budget.
- Measure and report social and cultural economic effects of major events. This is essential to the success of any cultural development strategy and it also enables competent institutions to make informed decisions about cultural events if the expected benefits outweigh the forecasted cost.
- Impact assessment throughout the event's lifecycle. Pre-event analysis is required to establish a baseline against which to measure eventual results while post-event analysis should include measuring for medium-term impact;
- Measure the full economic impact of the event. It is important to also include elements that are hard to measure, such as increasing brand location values, marketing effects, pride and local support.

Festivals and big events have proven effects in the long run, which include economic growth, the development of social and cultural capital, prestige and the attainment of symbolic value. We are positive that by employing the set of rules and good practices presented above, any community gets the chance to find its way towards implementing successful events and attaining tangible economic, social and cultural impacts.

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