



South African Cultural Observatory

Monitoring & Evaluation:

Key Development Indicator Report on DAC Interventions

Intervention: Royal Heritage Festival in Vhembe

Submitted to the Department of Arts and Culture



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Summary

The Royal Heritage Festival (RHF) in Vhembe is described by organisers as Limpopo's biggest music festival, now in its 5th year. The event took place over three days (8 – 10 September 2016), made up of a career day, the **King Mphephu Fun Walk**, followed by *Musangwe*, a traditional form of bare-knuckle "traditional royal boxing", and an all-night **Music Concert**, which formed the main part of the Festival.

A large proportion of the participants were residents of Thohoyandou and other parts of Limpopo Province. In addition to valuing the impact of the Royal Heritage Festival (RHF), one of the aims of this research was to test the Framework for the Monitoring and Evaluation of Publically Funded Arts, Culture and Heritage. Face-to-face interviews were conducted at the events, using a structured questionnaire, in order to draw conclusions. It was possible only to estimate the economic impact (between R7.78m and R10.51m) since the data required was not made available by the due date for the submission of the report.

Participants rated the Festival highly for increasing understanding of African cultural heritage, as an opportunity to talk and meet with others, and for increasing an understanding and enjoyment of music.

Ninety-one percent of the visitors said that they came specifically to attend the RHF, which implies that, if the festival had not taken place, they would not have come. Nearly a quarter (23%) of the participants said that they were extending their trip to visit other tourist places nearby, which speaks to the RHF's aim of marketing the province as a tourist destination.

Key Findings



- Attendance was estimated to be between 8 000 and 12 000 people.
- Most participants were between the ages of 18 and 50; women and men were roughly equally represented, but fewer women (36%) than men acceded to being interviewed.
- Well over eighty percent of attendees at the two events agreed that the Festival is important for increasing an understanding of African cultural heritage.
- Ninety-six percent said the Festival increased their understanding of music and culture.
- The economic impact of the Festival on Thohoyandou was estimated at between R7.78m and R10.51m.
- The lack of required data requested from organisers significantly hampered the ability to produce accurate estimates.

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1. Background and Context

The Royal Heritage Festival (RHF) in Vhembe is described by its organisers as Limpopo's biggest music festival. The Festival began in 2012 and is now in its 5th year. The full name of the event is the Phalaphala FM Royal Heritage Festival. Phalaphala FM is a Tshivenda language radio station owned by the SABC, which can be received primarily in the Gauteng and Limpopo provinces. Other sponsors include the Department of Arts and Culture (under the Mzansi Golden Economy Flagship events category); the Khoroni Hotel (that provided the venue for the pre-party); VOS Mutual Bank (that sponsored T-shirts for the Heritage Walk); Coca Cola; Executive Management Services (SBS); Events and Marketing Solutions (SBS) and NVT Communications.

The main purpose of the Festival, according to the organisers, is to provide the Limpopo province with an opportunity to unify its citizens and their neighbouring countries to celebrate their rich cultural heritage and promote tourism in the province. Key contributions highlighted on the RHF website are: social cohesion, economic growth, tourism and destination marketing. There are also strong cultural heritage themes.

According to media reports, in 2015, the festival was attended by 8 000 – 12 000 people from all over South Africa and neighbouring countries. According to the Festival organisers, the expected 2016 turn-out was 15 000 – 21 000 people. The Festival took place over three days (8 – 10 September 2016) and was had a number of components:

Arts, Culture and Music Workshops, as per the website (8th of September), are aimed at “young and upcoming” cultural sector workers (musicians, writers and poets). The workshops seek to provide an opportunity for networking between young cultural sector stakeholders and “experienced icons in the industry”. In 2016, the workshops were replaced by a career day held at the SABC offices in Thohoyandou, due to a lack of funding.

The second day (9th of September) focused on traditional sports. The **King Mphephu Fun Walk** is a 10km walk hosted by King Mphephu Ramabulana. According to the organisers, the objectives of the walk are to promote a healthy lifestyle and social cohesion. The walk is followed by **Musangwe**, a traditional form of bare-knuckle fighting, also referred to as “traditional royal boxing” by Festival organisers. One of the aims of the Festival is to improve

the image of this traditional form of competition, which has been “wrongly labelled as barbaric”.

The walk began in Thohoyandou at about 7am and finished at the Royal Gardens at the Nandoni Dam. The very hot weather was a challenge, with temperatures of approximately 36 degrees centigrade. The event was well organised with a significant number of helpers providing water and directions, and security personnel. Medical assistance was also available. Tents had been erected in the Gardens and chairs were provided.

Participants were from a range of age groups, but the majority appeared to be between 20 and 59 years of age. About half of the participants were women. After lunch, more teenagers of a school-going age arrived, and one of the suggestions put forward by participants was that the event be held on a weekend, so that more scholars could attend. Organisers estimated that 4 000 people took part. The event was free, and participants were provided with caps, T-shirts and a meal. The first round of boxing started at about 10:30am and continued for an hour, when a break for serving food was announced. The food was cooked by 33 women and consisted of various kinds of meat, pap, vegetables and salads. There was also a VIP section where a sit-down meal was provided for the king, sponsors and other invited guests. A few local sellers were also selling ice-cream in the grounds and at the gate.

After lunch, the boxing resumed, but a significant proportion of people began to leave. The crowd reacted very strongly to the boxing, cheering the fighters on with great enthusiasm. The event ended with a prize-giving ceremony at 4:30pm. Some participants walked back to their homes, but busses were available at a cost of R10 per person, for a trip back to Thohoyandou (10km away).

The final day of the Festival (10th of September) was heavily marketed as the “main” part of the Festival, and focused on a **Music Festival**, which takes place near the Nandoni Dam on the Luvuvhu River. Mainly South African musicians performed (see Appedix 3 for a list of performers). Along with musicians from Limpopo, the Festival promotes local talent as well as top performers in South Africa. Some of the performers at the 2016 Festival include: Thandiswa Mazwai, Nathi, Shwi no Mtekhala and Alick Macheso.

Musicians are selected from the top ten most played artists on Phalaphala FM, via a public SMS vote and taking into account recent South African Music Award (SAMA) winners. There is also a competition in which the person to guess the names of a group of five artists, but not necessarily in order of performance, would win a double VIP ticket. The way the artists are selected is both a very effective marketing technique as well as a mechanism for including local artists and giving them exposure and experience. The Festival director estimated that the music festival audience is made up of 60% of people who are Thohoyandou residents, 20% who come from the surrounding villages, and 20% from other places, especially Gauteng. Tickets were available via Computicket, at a cost of R150 in August, R180 in advance of the event in September, or R200 at the gate. VIP tickets cost R950 each and included a special access road and parking area, R250 drinks vouchers, access to restricted viewing areas and tents, and a meal.

Although there were some minor problems with crowd control, the event was generally well organised. There were designated food and drink vendors, as well as sellers of party favours, present; although many people brought their own food and drinks. The event officially runs from 6pm on Saturday night to 6am on Sunday morning, but people began entering the gates from 3pm on Saturday afternoon. In an interview with the Festival director, he explained that the 12-hour duration was partly set to avoid a situation in which people drank and then drove back to their accommodation in the dark.



Figure 1: Royal Heritage Festival marketing poster 2016

In addition to the technical crews who built the stage and erected the VIP tents, and those used by the performers, a large number of helpers were involved. This included those who directed traffic, checked tickets, cooked and served the food, ran the various bars, and waited on the patrons. There were also private security officials, police, members of the media and emergency medical teams at the scene.

As well as providing funding for the event, the DAC facilitated mentoring between festivals that are funded under the Mzansi's Golden Economy initiative. For example, some of the innovations of the 2016 RHF, such as separate access roads for VIP guests and artists, are the result of advice from the Johannesburg based Joy of Jazz festival. The facilitation of such networks is an extremely important part of the successful production of cultural events; it not only improves event quality and organisation, but may help to create more continuous work for artists, whose employment is generally characterised by short-term contracts.

2. Research Design

In addition to valuing the impact of the Royal Heritage Festival (RHF), one of the aims of this research was to test the Framework for the Monitoring and Evaluation of Publically Funded Arts, Culture and Heritage (SACO, 2016). The research design was thus based on the Framework.

The values associated with arts, culture and heritage can be divided into three broad categories: economic (financial) impacts, social impacts and the intrinsic value of art itself. Economic, or financial, impacts come about as a result of the inflow of new money into an economic system as a result of visitors from outside the region. Visitors spend money on accommodation, transport, food, shopping, tickets, etc. This spending then recirculates in the host economy, thus increasing sales and employment in local businesses. Social values relate to the benefits to society, such as education, creativity and innovation, social cohesion and identity formation (Bohm & Land, 2008). Intrinsic values are related to the symbolic and artistic nature of the product itself, and to feelings invoked in individual participants (such as joy, sadness, anger, delight, questioning, etc.)

Based on these three broad categories of value, the Framework for the Monitoring and Evaluation of Publically Funded Arts, Culture and Heritage (SACO, 2016) outlines the development of five cultural value indicators or themes (Figure 2): Audience development and education; Human capital and professional capacity building; Inclusive economic growth; Social cohesion and community development; and Reflective and Engaged citizens.

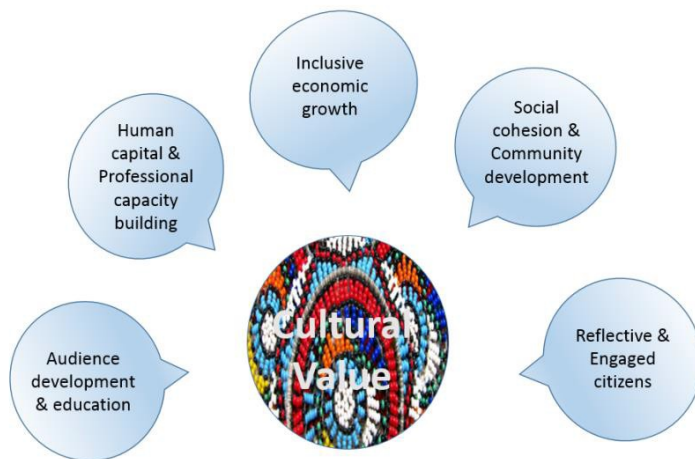


Figure 2: The 5 Cultural Value Themes

Source: SACO (2016)

The broad themes for cultural value were based on:

- ☐ A review of local and international literature on cultural value;
- ☐ Key goals and areas of concern gathered from the relevant parts of national policies, such as the National Development Plan (NDP), the Industrial Policy Action Plan (IPAP) and the New Growth Plan (NGP); and
- Specific areas of importance identified by DAC in their Strategic Plan, and the Mzansi Golden Economy (MGE) Guidelines: Criteria, Eligibility, Processes & Systems 2015/2016 – 2016/2017 version 1.0.

The Monitoring and Evaluation Framework links these broad themes to specific indicators and to the methods for collecting data on the indicators. However, each cultural event is different, and any useful valuation study needs to take the following into account:

- ☐ The stated aims of the project/event/organisation;

- ☐ What the expected impacts are; and
- ☐ Who is expected to benefit.

The monitoring and evaluation tool would have to be designed based on the answers to these questions. Based on the contextual information about the RHF and the M&E Framework, the following values, indicators and data gathering methods were identified, as shown in Table 1 below.

Table 1: Cultural Value Themes, Indicators and Research Methods for the RHF

Theme	Indicators	Research Methods
Audience Development & Education	Demographics (Age groups, Cultural/Race groups, Gender)	Audience Survey (Interviews) at events on all 3 Festival Days
	Origins (Local/Visitor, Rural/Urban, Province, Nationality)	
	Education Groups	
	Participation and time-use	
	Ticket sales/participation (numbers)	Computicket data to be obtained via Festival organisers
	Workshops and arts appreciation	Day 1 career guidance participation rates
	Appreciation of Arts, Culture and Heritage	Audience Survey on days 2 and 3
Human Capital/Professional capacity building	Development of artistic quality	Career guidance workshop on Day 1; Information from DAC on mentoring; Information from organisers on selection of performers. Information from Festival organisers on the number, type and origin of music festival (Day 3) performers
	Showcasing South African art and artists	
Inclusive Economic Growth	Organiser spending	Organiser data
	Earned income/Turnover	
	Sponsorship (and sources)	
	Audience spending	Audience survey data obtained during interviews on all 3 days (especially day 3)
	Length of stay (bed nights)	
	Tourist leverage (extended trips)	
	Contribution to Gross Geographic Product/Gross value added	Analysis based on data collected
Social Cohesion & Community Development	Artist/Producer demographics (diversity)	Data from Festival organisers
	Artist/Producer origins (diversity)	
	Audience diversity	Audience survey data
	Cultural offerings (Local arts/heritage/languages)	Data from Festival organisers
Reflective & Engaged Citizens	Appreciation of diversity	Audience survey (all)
	Community engagement	Audience survey (especially local residents)

Valuation research is not costless, but costs can be reduced by using existing data collected by organisers and ticket sellers. This research makes use of two main data sources:

1. An audience survey – this was conducted using a questionnaire administered by trained enumerators over the two days of the Festival. The questionnaire (see Appendix 1) includes both quantitative data (e.g. on spending, visitor origins and visitor demographics) and qualitative data on opinions and experiences.
2. Data that can be obtained from Festival organisers – for example, the RHF uses Computicket as their ticket vendor. Computicket can provide information not only on the number of tickets sold, but also on where and when they were sold; this can be very useful in determining, for example, the origins of Festival-goers. In order to conduct an Economic Impact Study, information on financial matters, such as sponsorship, turnover and organiser spending is also required from the organisers. An outline of the requested information is available in Appendix 2; this, however, was not forthcoming by the due date for the completion of the report.

3. Research Methods and Data Collection

The data was collected by a team of trained enumerators from SACO. It consisted of:

- ☐ A review of existing sources of data (such as media reports and the RHF website),
- ☐ Audience surveys at both the fun walk event and the music festival,
- ☐ An interview with the RHF director one day before the festival,
- ☐ Data provided by Festival organisers after the event,
- ☐ An interview with the DAC official in charge of the MGE Flagship projects.

A challenge faced by the research team was that it was not possible to contact the organisers during the research planning stages, which would have allowed better questionnaire design and more efficient planning. A further challenge faced by the interview team was the language barrier, in that some participants refused the interview on the grounds that enumerators did not speak Tshivenda. A suggestion for future research is that at least some of the interviewers should be sourced locally.

4. Results and Discussion

A total of 64 interviews were conducted at the Fun Walk (38%), and 105 interviews at the Music Festival (62%).

Table 2: Royal Heritage Festival Interviews

Royal Heritage Event	Frequency	Percent
Fun Walk	64	37.9
Music Festival	105	62.1
Total	169	100.0

Of the interviews conducted, 28% were visitors and 72% were Thohoyandou residents.

Table 3: Attendees by origin

	Frequency	Percent
Visitors	47	28.1
Local	120	71.9
Total	167	100.0

Of the respondents, the majority were male (60%), which is an overestimate of the actual proportion, since more women than men were reluctant to be interviewed.

Table 4: Interviewee Demographics

Gender	Percent
Female	39.7
Male	60.3
Total	100

The vast majority of festinos were black (88%), with a very small percentage of coloured people.

85% of festinos identified their home language as Tshivenda. The next largest group were Xitsonga speakers (5%), followed by Sepedi (4%). Other languages represented (making up the remaining 4% of the sample) were English, Afrikaans, Northern Sotho, Portuguese, Sotho, Swati, Tswana, Xhosa, Zulu and Shona.

Table 5: Language Groups

Language	Percent
Tshivenda	85
Xitsonga	5
Sepedi	4
Other/Missing	6
Total	100

In terms of age groups, the majority of festival-goers were younger than 36 (69%).

Table 6: Ages of Festival-goers, by Fun Walk and Music Festival

Age Categories	Percent	Fun Walk	Music Festival	Total
18-25	31.4	13	40	53
26-35	37.3	20	43	63
36-50	24.9	20	22	42
51-64	5.3	9	0	9
65+	1.2	2	0	2
Total	100.0	65	105	169

A quarter of the respondents were in the 36-50 age group, with 6.5% being older than 50. However, there were significant differences between the Fun Walk, where 52% of those interviewed were younger than 36, and the music festival, where 79% were younger than 36. This suggests that the fun walk was much more diverse in terms of age groups than the music festival, which seems to have appealed largely to younger people. Since one of the objectives of the festival organisers was to promote a healthy lifestyle, the diversity of people who took part (in terms of age groups), speaks to the success of the event in attracting both younger and older participants.

In 2012, Business and Arts South Africa produced a report on music consumption in South Africa, which consisted of interviews with more than 2000 South Africans from all walk of life. Their findings show that younger people are most interested in contemporary, dance, rave, rock and kwaito music genres, while older people are more interested in jazz, gospel, classical and folk music genres. In terms of attendance at live music events, the BASA survey found that: “Younger people visit live music events significantly more often than the older people. While 31% of those aged younger than 25 go reasonably to very often, only 17% of those aged 50 or older, go that often”. It is thus not surprising

that a live music event that featured mainly contemporary modern music genres attracted a mostly younger crowd.

More than half of the festival-goers who were interviewed had a degree or diploma as their highest level of education, with only a tiny percentage who had only completed primary school.

Table 7: Education of Festival-goers

	Percent
Primary	1.8
High	31.4
Short course/apprenticeship	11.8
Degree/diploma	55.0
Total	100.0

Table 8: Origin of Festival-goers

Province	Percentage
Locals	72
Gauteng	7
Mpumalanga	2
Limpopo	17
Northern Cape	1
North West	1
Total	100

72% of those interviewed identified themselves as local residents, and a further 17% were from other places within Limpopo Province. People from Gauteng were the largest group from outside of Limpopo (7%), followed by those from Mpumalanga (2).

The average length of stay for visitors was 2.16 days (median = 2) and 1.75 nights (median = 1).

Table 9: Visitor Group size and average length of stay

Measure	Group	Days	Nights
Mean	1.69	2.17	1.70
Median	2.00	2.00	1.00

For the vast majority of visitors (91%), their main reason for visiting the area was to attend the Royal Heritage Festival.

Of the visitors, 23% said that they were extending their trip to visit other tourist places nearby, which speaks to the RHF's aim of marketing the province as a tourist destination.

Considering the proportion of visitors and locals attending the Fun Walk and the Music Concert, as contained in Table 10, attendance at both events was quite small for visitors at 9%, with one-third attending only the Fun Walk and the majority (57%) attending only the Music Concert. It is interesting to note that about the same proportion of locals attended only the Music Concert (56%), but nearly one-in-five attended both the Fun Walk and the Music Concert.

Table 10: Attendance at the Fun Walk and Music Concert

Attendance	Visitors %	Locals %
Both Fun Walk & Music	9	19
Fun Walk only	34	25
Music only	57	56
TOTAL	100	100

Attendance at each of the two events, as shown in Table 11 below, indicates that the locals made up a little over 70% of both the Fun Walk and the Music Concert.

Table 11: Composition of respondents at the Fun Walk and at the Music Festival

Visitor/Local	Fun Walk (%)	Music Festival (%)
Visitors	29	28
Locals	71	72
Total	100	100

The make-up of the audience, in terms of local residents versus visitors, was very similar across the two events: 71% of those interviewed at the Fun Walk, and 72% of those interviewed at the Music Festival were local residents. All the people interviewed were South Africans.

All those interviewed were asked which events at the RHF they planned to attend. While only 9% of the visitors from outside Thohoyandou reported that they would be attending both the Fun Walk and the Music Festival, nearly a fifth (19%) of the local residents attended both events. More than half of those interviewed attended only the Music Concert (57% of visitors and 56% of local residents). A quarter (25%) of the locals and a third (34%) of the visitors attended only the Fun Walk.

Both visitors and local residents were asked to report their spending at the RHF. For visitors, this included spending on accommodation, tickets, food and drinks, shopping, transport and anything else directly connected to their visit to the Festival, which amounted to an average of R 2 458. The median

expenditure was nearly 30% less at R 1 800. These figures account for expenditure by groups attending.

Table 12: Spending by Visitors and Locals attending Royal Heritage events

		Accommodation	Tickets	Food and Drinks	Shopping	Transport	Other	ALL Spend
Visitor	Mean (R)	690	301	670	197	650	6	2 459
	Std. Deviation	1 505	344	705	565	709	32	2 745
	Median	0	180	450	0	500	0	1 800
Local	Mean (R)		306	498	95	149	0	1 048
	Std. Deviation		460	991	260	278	0	1 420
	Median		180	300	0	50	0	705
Total	Mean (R)	689	305	546	124	281	2	1 445
	Std. Deviation	1 505	430	921	373	486	17	1 984
	Median	0	180	320	0	80	0	790

For local residents, it was requested that only additional spending that occurred as a direct result of the festival be included, not normal monthly expenses. The total average expenditure amounted to R1 048 – 43% of visitor spending – with the median amount of R705, most of which was on food and drinks followed by the price of the ticket for the Music event.

For visitors, accommodation is one of the largest spending categories. However, not all visitors paid for their accommodation; this is probably because they stayed with friends or family, or because they were day visitors who lived nearby and returned home at night. For those attending the music festival, which lasted from 6pm to 6am, accommodation was not necessary if they were planning to attend the whole event. For those visitors who paid for accommodation, the average cost was R2 458 per group. Given that the average group size for visitors was 1.69 (median = 2), and that each group stayed for an average of 1.7 nights, this works out to an average accommodation cost of R868 per person per night, for those who paid for accommodation.

Visitors spent an average of R301 on tickets; this includes those who did not pay for tickets, either because they were given complimentary tickets, or because they only attended the free Fun Walk day. Visitors spent a further R670 on food and drinks, R197 on shopping, R650 on transport and R6 on other

things (like paying parking attendants). The total average spending by visitors per group at the RHF was R2459, or R1455 per person.

Local residents spent an average of R180 on tickets, R450 on food and drinks, R95 on other shopping and R149 on transport. Overall, local residents spent an average of R1048 per group at the RHF, or an average of R685 per person.

However, although the RHF is marketed as one event, it should be noted that there was a significant difference between spending averages when comparing those interviewed at the Fun Walk event and those interviewed at the Music Festival. The average total spending for visitors interviewed at the Fun Walk was R1974 per group, while it was R2759 per group for those interviewed at the Music Festival. For local residents interviewed at the Fun Walk, the average spending was R347 per group, and R1454 per group at the Music Festival. This makes sense because the Fun Walk was a free event at which food was provided, while the Music Festival was a ticketed event where food and drinks could either be brought in or purchased at the event.

The interviewees who were attending more than one event were asked which one of the activities they thought they would enjoy the most. 10% of these interviewees said that they would enjoy both events equally well, 26% said they would enjoy the Fun Walk the most, while the remaining 64% said that they would enjoy the Music Festival the most.

Table 13: What would be most enjoyed?

Event	Percent
All	9.6
Walk	26.0
Music	64.4
Total	100.0

The response to three statements regarding the extent to which visitors and locals agreed or otherwise is contained in Table 14, below, which shows that the overwhelming majority (88%+) agreed that the Festival increased their understanding of African cultures, that the event enabled the meeting of people from different cultures (92%), and that the event increased their understanding and enjoyment of music (96%).

Table 14: The extent to which Socio-Cultural Values were met by the Festival

Statement	% Agree			% Disagree			% Don't Know		
	Visitors	Locals	All	Visitors	Locals	All	Visitors	Locals	All
The Festival increases my understanding of African cultures	89	87	88	2	10	7	9	3	4
The Festival is an event where people from different cultures and backgrounds can meet and talk together	87	93	92	6	4	5	7	3	3
The Festival increased my understanding and enjoyment of music and culture	96	96	96	0	2	2	4	2	2

As shown in Figure 3, below, 89% of visitors and 87% of local residents agree that “The Festival increases my understanding of African cultures”. Significantly more local residents disagreed with this statement (10%) than visitors (2%). This can be explained by the relatively small number of non-locals who participated in the Fun Walk, so the opportunity of meeting people from other cultures would have been very limited.

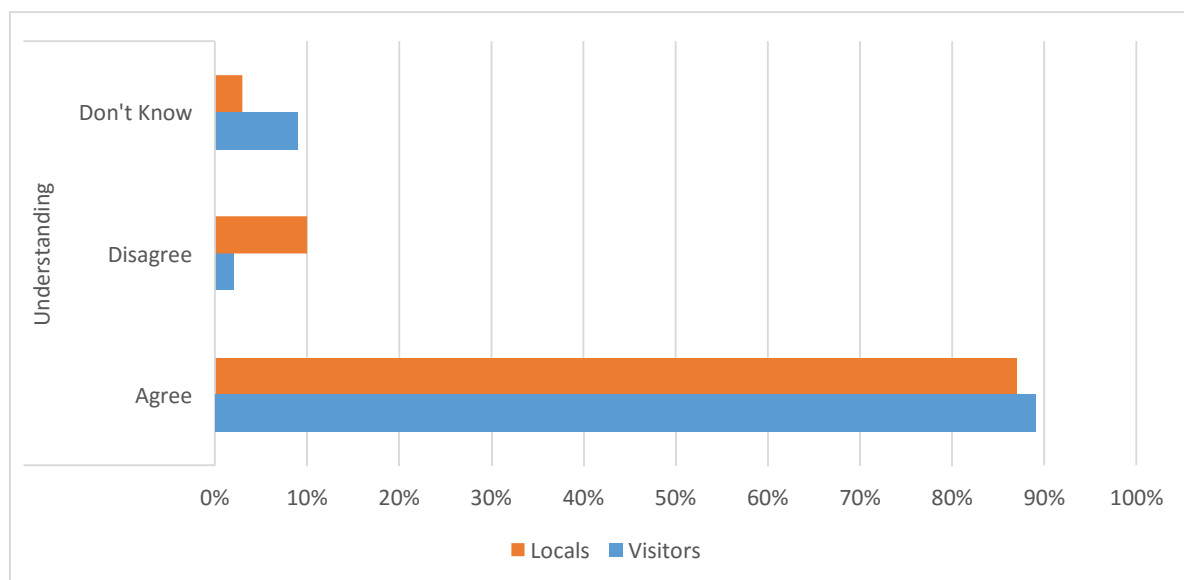


Figure 3: The Festival increases my understanding of African cultures

A mere 10% of the total participants (16 of 164) at the Festival were not from the Limpopo Province; it is interesting that as large a proportion of festival-goers responded positively to the statement that the Festival increases understanding of African cultures, but this probably follows from the Music Festival that hosted artists from a source far wider than the Province. Despite the overwhelmingly

response to the statement, the aim of building inter-cultural knowledge was achieved to only a limited extent because most of the audience was from one cultural group. Festivals with more diverse audiences offer more opportunities for building cross-cultural understanding and social cohesion. However, the opportunity of people coming together from across Limpopo would no doubt have increased social cohesion within the Province.

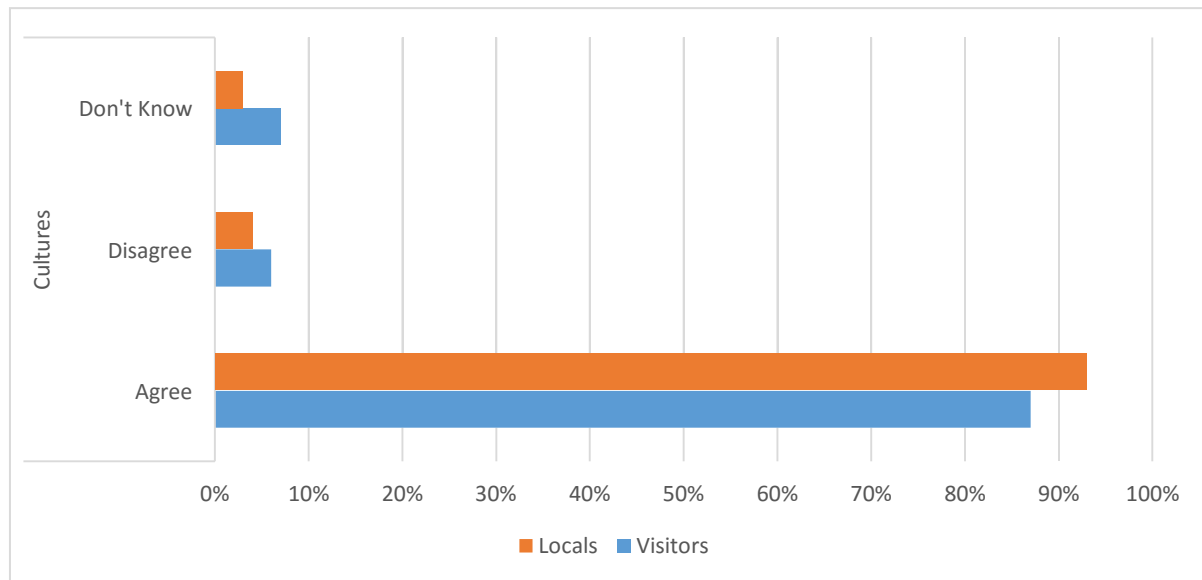


Figure 4: People from different cultures and backgrounds can meet

In this respect, 87% of visitors and 93% of local residents agreed that “The Festival is an event where people from different cultures and backgrounds can meet and talk together”. Significantly more visitors responded “don’t know” to this question (7%) than local residents (3%). Almost all visitors and local residents (96%) agreed with the statement that “The Festival increases my understanding and enjoyment of music and culture” – this is a clear indication of the extent to which it builds cultural capital.

Again, attendance at the Music Concert would account for building social capital and social cohesion, primarily within Thohoyandou and within the Province.

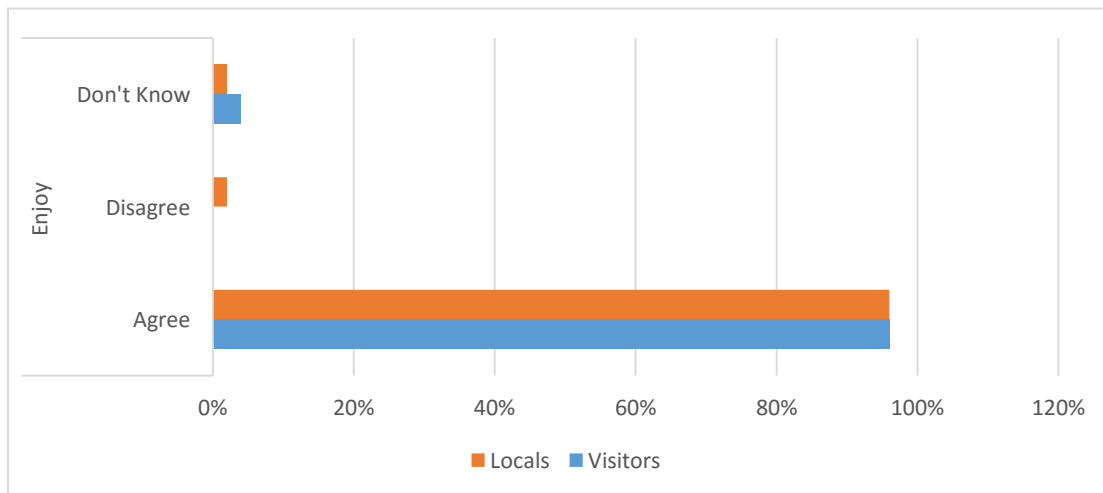


Figure 5: Understanding and enjoying music and culture

5. The Economic Impact of the RHF

In addition to fostering social cohesion and celebrating cultural heritage, the RHF also aims to promote tourism and economic growth. To determine the contribution of the festival to these aims, the economic impact of the 2016 RHF on the economy of Thohoyandou was calculated. However, there was a challenge in that, despite many attempts to obtain information from the organisers, which they initially agreed to give, data on ticket sales for the Music Festival, registrations for the Fun Walk, and details of organiser spending were not timeously provided. This section of the report thus only estimates the economic impact of the event based on the clearly stated assumptions outlined below.

5.1 The Economic Impact Model

Tourism events attract “new” money into the impact region and create direct and indirect impacts through re-spending of the initial injection. Economic impact studies attempt to answer the question “If the event had not taken place, what would the loss of revenue to the impact area have been?” An economic impact study thus calculates all the additional economic activity that takes place in the region as a result of the event. This means that normal expenditure by local residents and expenditure that is likely to have taken place anyway, should not be included. The same applies to sponsorship from inside the impact area, since it is likely that, even if the event had not taken place, this money would still have been spent in the impact area, on something else (Crompton et al., 2001; Crompton, 2006; Snowball, 2008).

Economic impact starts with the first round, or direct impact, of spending by visitors and Festival organisers, although some of this spending flows out of the system immediately in the form of profits

and manufacturer margins. Indirect and induced expenditure is stimulated in the impact area as the initial injection is re-spent (known as the multiplier effect). Indirect impact results from successive rounds of spending that take place as the new money within the region is re-spent. Induced impact refers to the next round of spending caused by the change in income and as a result of stimulated production. Total impact is the sum of direct, indirect and induced impact.

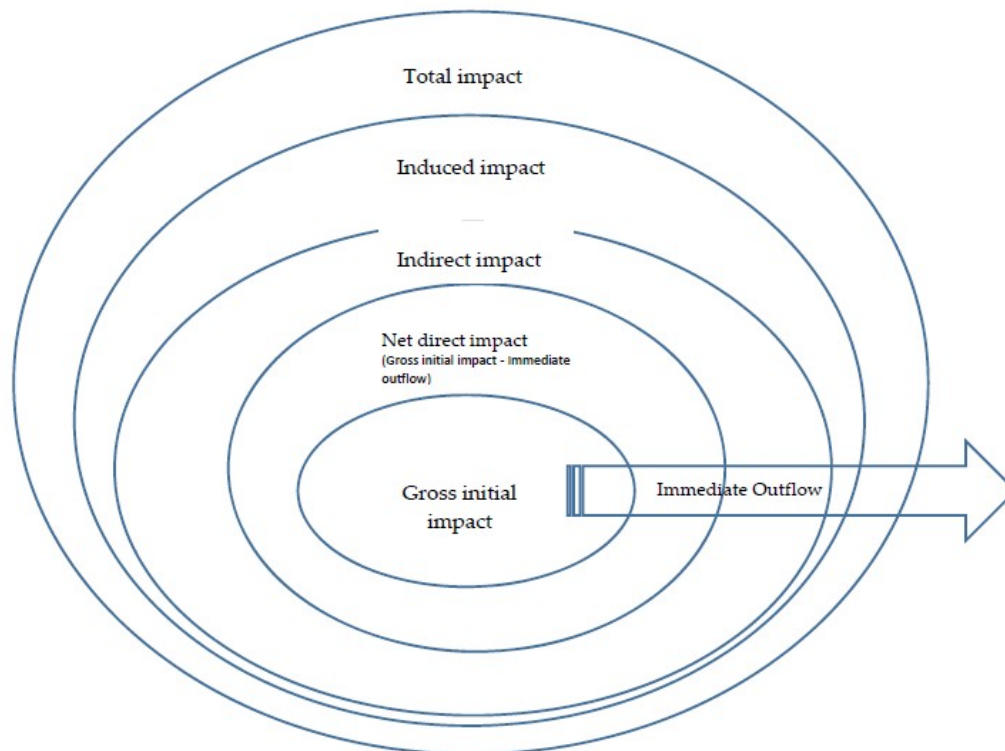


Figure 6: A conceptual model of economic impact
Source: Adapted from Kavese, 2012

The three broad categories of economic impacts can be summarized as:

Total Economic Impact = Consumption impact (C) + Long Run Growth Impact (LRG) + Short Run Spending Impact (SRS).

Economic impact studies do not address C or LRG, but focuses on SRS.

Cultural impact refers to the non-market, social and cultural values that the audience gets from attending cultural events. Long run growth impact refers to the effects of hosting the event over time, such marketing of the town or city leading to more tourism, or the development of infrastructure needed for the event, or even a potential rise in house prices as the “creative class” move into the

town, attracted by the cultural offerings. Short run spending impact refers to the impact on the town as a result of the spending of tourists, artists and festival organisers. It is short term because it usually occurs only around or during the event itself, giving business in the host economy a short term increase in business activity”.

5.2 Estimating the Multiplier

There are a number of common errors made when calculating economic impact. One of them is the over-estimation of the multiplier, defined as the “failure to adapt the multiplier to the specific region, including the failure to recognize that smaller less self-sufficient regions have smaller multipliers due to more extensive spending leakages” (Seaman, 2012).

The size of the multiplier (which determines the size of the indirect and induced impacts) depends on the characteristics of the impact area. The smaller the area, the greater the amount of re-spending that takes place outside of it (referred to as “leakages” from the system), and the smaller the multiplier size.

Since Input-Output tables are not generally available at municipal or city level in South Africa, multipliers can be estimated by looking at past studies, and regional characteristics. An Economic Impact Calculator (EIC), developed for the Georgia Department of Economic Development (Seaman, 2012), was used to estimate the multiplier in this study.

The estimation of a multiplier for the region needs to take into account the size and characteristics of the area. Thohoyandou is closely surrounded by a number of small villages (some within walking distance of the town), whose people generally regard themselves as “local”. The impact area was thus considered to be “Thohoyandou and surrounds” with an estimated population of between 80 000 and 110 000. The output multiplier for a region this size is 1.39, and value added (which estimates leakages in the first round) is 0.73, or 27%. These are the figures used in the estimates of the RHF impact study. (Further discussion of the impact area can be found in Appendix 4).

5.3 Calculating Visitor Numbers

The population (that is, the total number and characteristics of event attendees) of Festival attendees is often not known. In this case, the total number of attendees needs to be estimated using information from, for example, ticket sales, accommodation providers and event organisers.

According to media reports, the festival was attended by 8 000-12 000 people in 2015. In the absence of data on ticket sales for the Music Festival or registrations for the Fun Walk, economic impact was estimated for two scenarios: (i) a lower estimate with attendance of 8000 people; and (ii) a higher estimate with attendance of 12 000 people. Based on visual evidence of the relative size of the two

events, it is also assumed that there is a 40/60 split of attendees at the Fun Walk (40%) and the Music Concert (60%). Interview data showed that 71% of the people at the Fun Walk and 72% of the people at the Music Concert were local residents.

Using the high and low estimates of total attendance, the lower figures provided an estimate of 2 272 local residents and 928 visitors at the Fun Walk, and 3 456 local residents and 1 344 visitors at the Music event. The higher estimate provides a total of 3 408 local residents and 1 392 visitors at the Fun Walk, and 5 184 local residents and 2 016 visitors at the Music Festival.

Table 15: Estimation of visitor numbers¹

	Lower Estimate (8000)	Higher Estimate (12 000)
Fun Walk		
Local (71%)	2 272	3 408
Visitor (29%)	928	1 392
Music		
Local (72%)	3 456	5 184
Visitor (28%)	1 344	2 016
Total	8 000	12 000

It also needs to be remembered that 19% of local residents and 9% of visitors from outside Thohoyandou said that they would be attending both events, thus making an overlap between the two events likely. Basing the economic impact calculation on the number of people who attended both events would thus lead to some double-counting. In order to avoid this, the total number of local attendees was discounted by 19%, thus bringing the total number of attendees from Thohoyandou and surrounds to a figure between 4 640 (lower estimate) and 6 960 (higher estimate). Visitors from outside the impact area had a 9% overlap; thus, so discounting resulted in an estimate of visitors to the RHF between 2 068 (lower estimate) and 3 101 (higher estimate).

Table 16: Estimates of attendance accounting for overlap

LOWER Estimate	Total attendees	Accounting for overlap
Local (19% overlap)	5 728	4 640
Visitor (9% overlap)	2 272	2 068
HIGHER Estimate	Total attendees	Accounting for overlap
Local (19% overlap)	8 592	6 960
Visitor (9% overlap)	3 408	3 101

¹ In a later report to the DAC, festival organisers estimated attendance at between 12 000 and 14 000. However, no additional information to support this organiser estimate (such as the number of tickets sold) was provided.

5.4 Calculating Economic Impact

Most experts agree that the spending of local residents (that is, those who normally live in the impact area, in this case, Thohoyandou and surrounds) should not be counted as part of the economic impact because, if the event had not taken place, their spending is very likely to have occurred in the impact area anyway. This is particularly the case in large cities that offer alternative cultural activities. Thohoyandou, however, is surrounded by relatively rural or tribal areas, offering limited alternative cultural activities on the scale of the Royal Heritage Festival. As is the case with other festivals in relatively isolated places (like the National Arts Festival in Grahamstown), it is likely that if the RHF had not taken place, some of the spending of local residents would have “leaked” out of the impact area as local residents travelled to other areas in search of alternative cultural or other leisure activities. The questionnaire asked local residents to report their spending *in addition* to their normal monthly expenditure, and only to include spending directly related to the festival itself. To take into account likely leakages, local spending was reduced by 0.25. What this implies is that, if the RHF has not taken place, 25% of spending by local residents would have “leaked” out of the impact area.

Visitors from outside the region bring in “new” money that would not have been spent in the city if the event had not taken place. From the survey data, local residents spent an average of R685 per person at the RHF, while visitors from outside the region spent an average of R1 455 per person. Table 17 shows the calculation of total spending by festival attendees as between R5.4m (lower estimate) and R8.9m (higher estimate).

Table 17: Calculation of total visitor spending

Group	Attendee spending: Lower	Attendee Spending: Higher
Local Residents	R2 383 636	R3 575 453
Visitors	R3 008 242	R4 512 362
Total Attendee Spending	R5 391 877	R8 087 816

The next step was to include other spending categories, specifically organiser spending. Although no details of organisers spending categories, such as where the spending took place or any policies regarding the appointment of service providers, were provided, Mr Shandu Dzinge was interviewed just before the event. Mr Dzinge indicated that the RHF cost between R3m and R4m to stage. For the purpose of economic impact estimation, it was thus assumed that organiser spending amounted to R3.5m. However, one cannot assume that all of this spending takes place in the impact area, since specialist services and performers have to be sourced from outside. Without specific information from the organisers, the EIC model assumes that 65% of organiser spending takes place in the impact area,

and 35% outside. The R3.5m spending was adjusted to take this into account, thus estimating total organiser spending of R2.275m *in the impact area*.

Table 18: Calculating economic impact

Variable	Lower Estimate (Rands)	Higher Estimate (Rands)
Total Attendee spending	5 391 877	8 087 816
Total Organiser spending	2 275 000	2 275 000
Gross Initial Impact	7 666 877	10 362 816
Value added (0.73)	2 07 0057	2 797 960
Net initial impact	5 596 820	7 564 856
Multiplier effect (K=1.39)	2 182 760	2 950 294
Total Economic Impact	7 779 580	10 515 149

Total Gross initial impact (including both visitor and organiser spending in the impact area) was estimated to be between R7.67m (lower estimate) and R10.36m (higher estimate). In subsequent spending rounds, it is estimated that, for a region the size of Thohoyandou, immediate outflow would be approximately 27% as a result of “imported” products from other regions. As previously discussed, the multiplier is estimated as 1.39. This implies a total economic impact of between R7.78m and R10.51m.

While not insignificant, this relatively modest impact is the result of a number of factors, including:

- (i) The high proportion of local residents who attend the event (who have lower average spending, and at least some of whose spending may have occurred in the region anyway);
- (ii) The relatively low average spending of visitors (R1455 per person), possibly being affected by the fact that the music festival runs for 12 hours (from 6pm to 6am), which resulted in accommodation spending (usually one of the largest visitor spending categories) being reduced; and
- (iii) The majority (69%) of festival attendees were younger than 36 years old (as income and age are generally correlated, a younger demographic may be associated with lower average spending).

Nevertheless, 91% of visitors said that they came specifically to attend the RHF (which implies that, if the festival had not taken place, they would not have come), and nearly a quarter (23%) said that they were extending their trip to visit other tourist places nearby, which speaks to the RHF’s aim of marketing the province as a tourist destination.

6. Concluding Remarks

The Royal Heritage Festival is a major annual event in the calendar of Thohoyandou and the Limpopo Province. Established in 2012, it was in its 5th year in 2016. The main purpose of the festival, according to the organisers, is to provide the Limpopo Province with an opportunity to unify its citizens and its neighbouring countries, and to promote tourism. The extent to which the aims of the 2016 Festival are met is shown in Table 19, below.

Table 19: Summary of Royal Heritage Festival 2016 results.

Theme	Indicators	Findings
Audience Development & Education	Demographics (Age groups, Cultural/ Race groups, Gender)	98% African; 40% women interviewed; Age 18 – 35 69%; 36 – 50 25%; 50+ 6%.
	Origins (Local/Visitor, Rural/Urban, Province, Nationality)	100% SA; 72% Thohoyandou; 17% other Limpopo; Gauteng 7%.
	Education Groups	55% tertiary education; 31% High School; Short course and/or apprenticeship 12%.
	Participation & time-use	School Learners' career day; 1 free event (Fun Walk) and 1 paid event (Music Concert) on the same day and all night.
	Local residents vs Visitors	72% local residents; 28% visitors of whom 11% are from beyond Limpopo.
	Attendance	Organiser data awaited. Estimated between 8 000 and 12 000. Music Concert only 55%; Fun Walk only 25%; Both 19%.
Inclusive Economic Growth	Tickets sold	Unknown. Awaiting organiser data.
	Sponsorship (and sources)	Phalaphala FM (SABC); Dept of Arts and Culture; VOS Mutual Bank; Khoroni Hotel; Executive Management Services; Events and Marketing Solutions; NVT Communications; and Coca Cola.
	Audience spending	Average spending per person: Thohoyandou R620; Visitors R1 455. Total spend estimated at R5.4m to R8.1m
	Producer spending	Estimated at R3.5m
	Media representative spending	Unknown
	Length of stay	2 days and 1 night
	Tourist leverage (extended trips)	23% of visitors said they were extending their trip beyond the Festival.
	Contribution to Gross Geographic Product/Gross value added	Thohoyandou Economy: estimated at R7.78m and R10.51m
Social Cohesion & Community Development	Artist/Producer demographics (diversity)	Mainly local participation in Musangwe (traditional bare-knuckle royal boxing). A wide variety of musicians performed in several different languages at the Music Concert.
	Audience diversity	About 50% women; 10% beyond Limpopo; mainly younger audience – 6.5% >50 yrs. +
	Cultural offerings (Local arts/heritage/languages)	Music offered across languages and genres; participants 85% Tshivenda, 5% Xitsonga, 4% Sepedi.
	Audience opinions	RHF increases understanding and enjoyment of music and culture of 96% of attendees and 88% of African Cultures.
Reflective & Engaged Citizens	Appreciation of diversity	RHF event, for 92%, is where people of different cultures and backgrounds can meet and talk.
	Social capital & fostering dialogue	

The Festival could be said to have achieved very well in the area of social cohesion and the promotion of cultural understanding. However, since the majority of the participants were from Thohoyandou and its surroundings, with relatively few from the rest of the Province or from other Provinces and none from neighbouring countries, the aim of promoting tourism and unifying with neighbouring countries is yet to be achieved, to a significant extent.

Social cohesion is expressed in terms of the extent to which participants agree with the related statements. In this respect, 92% agree that the Festival is an event where people from different cultures and backgrounds can meet and talk together, and 88% agree that the Festival increases an understanding of African Cultures. In terms of social capital, an overwhelming majority (96%) agreed that the Festival increased their understanding and enjoyment of music and culture.

Finally, it is estimated that the Royal Heritage Festival contributed between R9m and R11.8m in economic impact to Thohoyandou.

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Appendix 2: Data from Festival Organisers*

Ticket sales (from Computicket)
Information from Festival organisers on the number, type and origin of the music festival performers (for day 3), including demographics such as language/s in which they perform, their gender, age, and type of music.
Organiser spending (payments to performers, venue hire, security, equipment, catering, payment to ticket vendor, marketing/advertising, staff etc.). Estimate of spending locally (versus outside of the impact region).
Sponsorship (amounts)

*Although numerous attempts were made to source data from the organisers, which they initially agreed to provide, no data was forthcoming. Economic impact estimates are based on information from an interview with the Festival director shortly before the event itself.

Appendix 3: List of Performers at the Music Festival

DJ Ganyani
Prince KayBee
Heavy K
DJ Zinhle
Malwela
Lagugga
DJ Jones
Kwesta
VJ Nutty
Ricky Rick
Nasty C
DJ Dimples
Prifix
Alice Macheso
Nathi
Thandiswa
Shwi Nomunthu eKhala
Zozo
Benny Mayinganyi
Colbert Mukwevho
Kenny Bevula
David Mmbi
Kanakana Cook
Mutendas
Sifiso Ncgwane
Rofhiwa
Lufuno Buda
Lufuno Dagada
Take Ndou
Surprise Act - Zola
KB

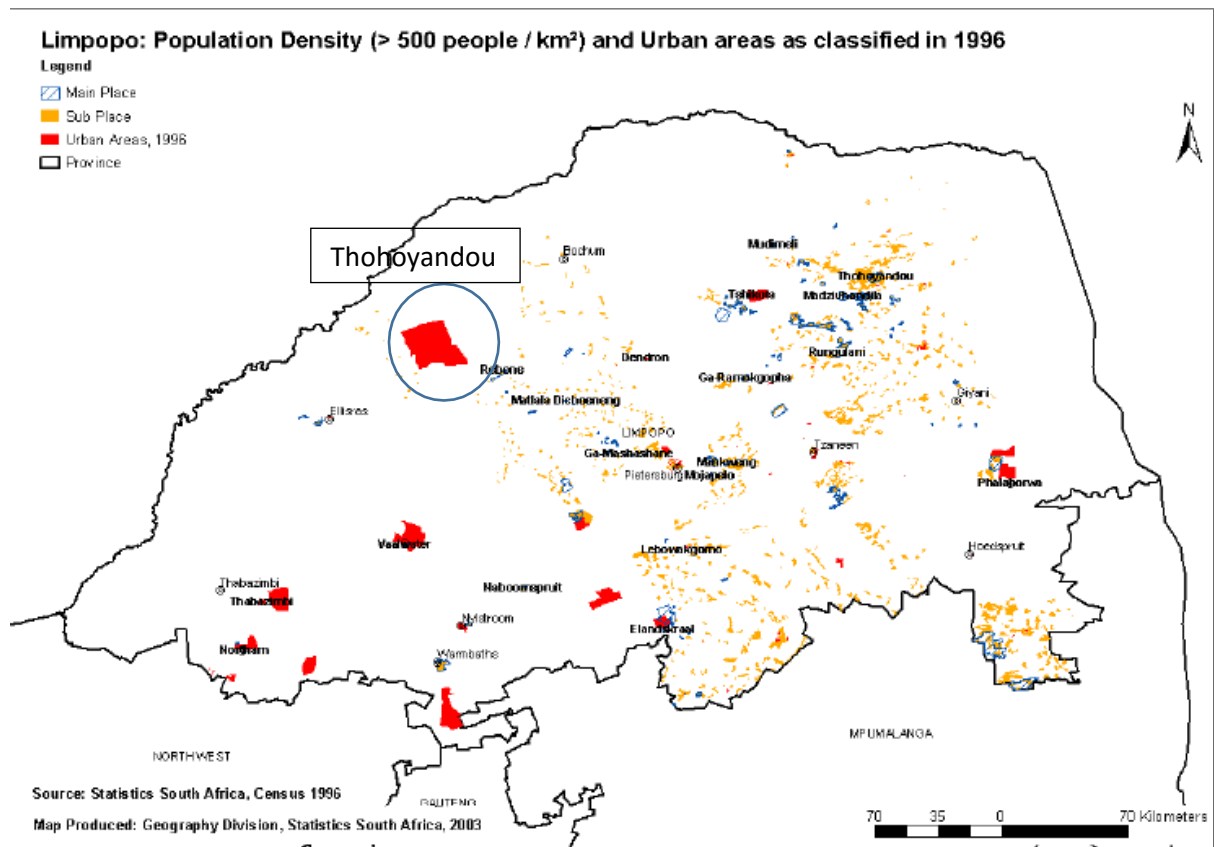
Appendix 4: Technical Discussion of the Impact Area

Tohoyandou can be found in the Thulamela Local Municipality, which is one of the four municipalities that make up the Vhembe District (Appendix Figure 1). The population size of Thulamela, according to the 2011 Census, was 618 476; this is the fourth largest in South Africa. Tohoyandou itself has a population of 69 453 (Census, 2011). However, if the impact area is considered as “Tohoyandou and surrounds”, the population size is likely to be larger, since it includes a number of traditional tribal areas. Defining rural and urban areas as such settlement types and city limits, for census purposes, is open to some debate. Statistics South Africa (2003) uses a variety of methods, including formal regular structures and having a population density of more than 500 people per squarekilometre.



Appendix Figure 1: Map of Thulamela Local Municipality (Source: Google Maps 2016)

Tohoyandou is definitely defined as an urban area, but as shown in Appendix Figure 2, it is surrounded by smaller tribal areas. Consequently, what is commonly referred to as “Tohoyandou” is likely to be a larger area than the strict city limits, as defined by Statistics South Africa. Using the EIC estimates, the multiplier for an impact of 80 000 to 110 000 is in the region of 1.39, and value added (which estimates leakages in the first round) is 0.73, or 27%. These are the figures used in the estimates of the RHF impact study.



Appendix Figure 2: Limpopo Province population densities and urban/rural definitions (Source: Investigation into appropriate rural and urban definitions of areas in South Africa, StatsSA, 2013:169)