The impact of an outdoor and wine festival on established businesses in the Breede Valley region, Western Cape, South Africa

Ms Shameelah Ismail*, Prof. Kamilla Swart, Ncedo J Ntloko
Department of Tourism and Events Management
Cape Peninsula University of Technology
Email: ismailsh@cput.ac.za

*Corresponding author

Abstract

This study focuses on the impact of the Breedekloof Outdoor and Wine Festival on established businesses in the Breede Valley of the Western Cape Province, South Africa. The event industry in this region is relatively undiscovered but in recent years has been revealed to be a major catalyst for tourism and economic development. It is therefore vital to ascertain the association between established businesses and the hosting of events to determine whether businesses in the region benefit from this festival. The article highlights whether the festival created opportunities for business growth and whether businesses seized the opportunities the event created. Established businesses consisted of wine cellars/estates, accommodation establishments, restaurants/cafés and travel and tour operators. Quantitative methods, specifically survey questionnaires were used and administered to 22 established businesses in the Breedekloof region, using census sampling. The results demonstrated that most established businesses did not take advantage of the festival as an opportunity to increase sales and create publicity and these businesses were indeed those that saw no change in revenue. Leveraging business opportunities presented by an event may be beneficial and should not be overlooked.

Keywords: festival, impact, established business, leverage

Introduction

Festivals and events play a considerable role in generating employment and income for the hospitality industry, transport and smaller tourism-related establishments (Kwon, 2002). “More and more festivals are organised every year around the world, in big cities and villages alike, due to the numerous benefits they are perceived to bring at local and national levels” (Egresi & Kara, 2014:47). Events can therefore generate returns for stakeholders; hence its importance should not go unheeded. There are many stakeholders such as tourism enterprises, local communities, environmentalists or tourists that may benefit from tourism and events (United Nations Environment Programme (UNEP) and World Tourism Organization (WTO), 2005). A stakeholder is an individual, a group or institution that is concerned and influenced by the origin and outcome of a matter (Bryson & Crosby, 1992). Festivals rely on stakeholders for their resources, assistance and continued existence (Presenza & locca, 2012). Stakeholders may benefit from the hosting of events, yet yielding returns may require methodical planning and investment. As a result, events can contribute positively to the economy of a region (Kwon, 2002). Irshad (2011) adds that all types of events, whether community events, festivals or arts, can generate employment; sustain local commerce; afford opportunities for participation, skills development, and volunteering; and stimulate social, cultural, economic and environmental development. Derrett (2004) also notes that events and festivals create employment, the circulation of revenue and disbursements, and investment in local infrastructure, facilities, sponsorships, advertising
and government funding. Thus, the more local people and more specifically businesses participate in events, the larger the economic advantage to the area. This study presents an understanding of the involvement of local established businesses in the Breedekloof Outdoor and Wine Festival (BOWF) in the Breedekloof region. It also ascertains whether business opportunities were leveraged due to the hosting of the event in an effort to generate awareness of event leveraging and underline the importance of leveraging strategies to maximise benefits. The key findings are also compared to the results of the venue owners, as this stakeholder assumes the role of an established business and event organiser.

Literature review

Event tourism

Events have developed into a rather intriguing topic and visitors are prepared to travel vast distances to partake in events of importance (Anttonen, Klemm & Sarviara, 2005). Connell and Page (2010:2) defines an event as “a temporary experience based on a unique combination of timing, location, theme, design and ambience created and complemented by participants, spectators and organisers”. Events take place at a particular time and location (Jayswal, 2008). Fredline and Faulkner (2000) contend that there are numerous advantages accompanying the staging of events and these include tourism promotion and economic prospects. Events entice individuals from other places to take a trip to a destination and utilise accommodation, hospitality and recreational facilities at this destination and as a result, contribute to its economy (Jayswal, 2008). Saayman (2012) agrees that tourists engage in travelling activities and on arrival at a destination, spend money on the provision of travel services.

Richards and Wilson (2004) explain that events draw media attention and permit a destination to generate awareness at a much lower cost. Jayswal (2008) agrees that when an event receives media coverage, a vision is constructed in the potential tourists’ minds and as a result, entices them to visit. Jayswal (2008) highlights the following benefits when hosting events:

- It provides off-season benefits to the economy.
- It increases demand of local business whether hotel bookings, food restaurants, transportation.
- It encourages tourists to stay for a longer time at the destination.
- They reinforce the destination’s image.
- They help in promotion, positioning and branding a destination.
- They build brand equity.
- The long-term advantages of hosting an event may be referred as improvement in infrastructure, attractive investment by big companies, quality of life for locals and amazing experience for travellers, the destination’s brand building and an added value to the city’s identity.

Owing to the hosting of events, event tourism has materialised. Spronk and Fourie (2011) note that the increase in tourism has led to the development of event tourism that is concerned with enticing visitors to a destination for the purpose of engaging in event-related activities. Event tourism as a niche is rapidly evolving globally (Rees, 2000). Anttonen et al. (2005) define event tourism as a journey undertaken by individuals away from their permanent residence with the purpose of visiting an event in a particular destination or they may be induced to participate in an event when visiting a host destination. Event tourism is an amalgamation of tourism and events. As mentioned previously by Etiosa (2012), event
tourism is at the heart of tourism and event management and there exists a definite strong link between these fields.

Undoubtedly, events are very advantageous and actions are therefore necessary to further develop this segment in South Africa (Tassiopoulos, 2005). Fifteen years ago, it was noted that “Event tourism in South Africa is in its infancy – due to our political legacy – but is estimated to expand even faster than the 10 to 15% annual growth rate predicted for the tourism industry” (Tassiopoulos, 2005:25). However, recently, South Africa has successfully hosted major events (in particular sporting events) in the country and has created an outstanding reputation for itself (Morgan, 2014).

Spronk and Fourie (2011) are of the opinion that because of the successful hosting of events, the country’s tourism infrastructure was developed and South Africa was branded in the international arena as a renowned international tourist destination. Nevertheless, events in Cape Town and the Western Cape takes place irregularly, lack strategic planning and suffer from weak investment efforts (Western Cape Government (WCG), n.d). As a result, Cape Town and the broader Western Cape require a strategy to sustain the continuous hosting of events, especially in relation to hosting a portfolio of events of different types and sizes that meet various objectives for the host destination. Therefore, to achieve the latter it is imperative to conduct an assessment of events such as the BOWF.

Carlsen, Getz and Soutar (2000) emphasise the need for a strategic approach that will entice, stage and assess worldwide events. Anttonen et al. (2005) state that event tourism strategies are very valuable and can assist destinations with the development of realistic event tourism goals as well as identify approaches to attain realistic results in the longer term. Consequently, if destinations wish to become recognised, attracting economic and tourism benefits, then the adoption of an event tourism strategy is key. Connell and Page (2010:5) conclude that “hosting events can play a key role in building a more attractive and successful destination, and many destinations have embraced events as part of a wider tourism agenda”. The development of an event tourism strategy can engender long-term benefits for the host destination and thus ensures event sustainability. Once events are recurring and successful, it increases leveraging opportunities that could potentially result in further benefits for the host destination. Consequently, to incessantly receive the benefits of hosting events, event sustainability should be a prerequisite for event organisers. If this strategy is effectively implemented, it may assist with the protection of the environment; bring about positive change beyond the scope of the event; save time; reduce expenses; and set leadership positions (Denver 2008 Convention Host Committee Greening Initiative, 2008). “A sustainable event conserves and restores resources, honours and supports those involved, adds value to the local economy, and educates participants about the benefit of sustainability” (Concern Inc, 2003:1). To ensure that events are able to reap long-term benefits for the hosts, events need to be sustainable and should thus contribute to the growth and sustainability of event tourism. This refers to the ability of an event to contribute towards the development of other events in a region and for events to be sustained and hosted continuously. As a result, sustainable event planning is a valuable and necessary activity.

**Event impacts and the role of established businesses**

Events have a considerable impact on local businesses and communities. Impacts are in essence the aftermaths of a particular phenomenon (Wood, 2009). Getz (2008) asserts that the aim of event tourism mainly is concerned with gaining economic advantage; however the impact socially, culturally and environmentally has largely been ignored and is thus a key consideration. Wang (2009) highlights the costs and benefits associated with events, stating that events may create employment for locals, stimulate the local economy, present funding opportunities, generate community sense of pride, promote inter-cultural communication,
attract investment to the destination and generate positive publicity through media partners. However, Wang (2009) emphasises that negative repercussions do exist and include the costs associated with services rendered for the event such as advertising costs, entertainment, crowding, traffic congestion, high crime levels and noise pollution.

Economists and economic development agencies refer to events as adding exceptional capital value to the economy and businesses (Getz, 2000). Slaper and Hall (2011) explain that economics concern the flow of money. Janeczko, Mules and Ritchie (2002) note that economic impacts vary based on the type of event and the target market and argue that the size of an event is proportional to the size of the impacts the event may present. Wang (2009) states that the primary rationale for staging events is merely to gain a profit and concurrently encourage the growth of the local economy. Event impacts spread far beyond economic returns and incorporates a social facet too, as mentioned previously. This includes “social dimensions of a community or region and could include measurements of education, equity and access to social resources, health and well-being, quality of life, and social capital” (Slaper & Hall, 2011:5). Social impacts reflect the impacts of a particular phenomenon on local residents in an area. The impacts may be two-fold and can either be a benefit to the community or can cause an inconvenience to the lives of locals. According to Tassiopoulos and Johnson (2009), the interaction between local residents and event visitors may either be positive or negative.

Wang (2009) also clarifies that events have a positive impact on the growth of financial systems of tourism for local communities; this creates a ripple effect that extends across different industries, benefiting all. However, societies may also be impacted by events in various ways and the benefits of events are not always shared the same way and may be inequitably spread (Dickinson & Shipway, 2007). Etiosa (2012) emphasises that event managers or organisers should strive to enhance the positive impacts and decrease the negative by anticipating the likely impacts associated with events and managing them effectively to achieve favourable results. Etiosa (2012) concludes that to ensure a successful event, the event manager should engage in effective planning and ought to communicate all information regarding events to the relevant stakeholders to prevent exclusion, friction and hostility. Local businesses in particular are key. Derrett (2004) therefore draws attention to the business community’s involvement in events and festivals and notes that the private sector has a vital role to play as well for events to be hosted successfully. Derrett (2004:48) contends that “businesses provide a variety of support mechanisms, cash, in-kind sponsorship, influence and reflection of community attitudes”. As a result, their returns are just as important. Established businesses are thus an important event stakeholder.

The discussion regarding economic impacts of events has been considered largely due to its tangible aspects. It should therefore be kept in mind that the main focus and intention of the research is not to determine the economic impacts (direct or indirect) of the event but to assess the perceptions of such economic impacts. However it was deemed necessary to state the likely tangible economic impacts to establish a foundation for the study and furnish the necessary background. Two important theories that underpin this study and that will be discussed in the ensuing section is the stakeholder theory and Chalip’s (2004) event leveraging model.

Stakeholder theory

The stakeholder theory implies that business managers/owners take cognisance of the needs of their stakeholders when making decisions that will affect them (Jensen, 2002). As mentioned earlier, a stakeholder is defined as any individual who has a general interest in an assignment and is directly or indirectly affected by the results (Gray, 2007). Fontaine,
Haarman and Schmid (2006) mention that stakeholders of a business include its customers, the broader community, its employees, suppliers and shareholders. These are individuals or groups that hold shares in a business’s operations (Donaldson & Preston, 1995). Fontaine et al. (2006) further elucidate that the growth and sustainability of an organisation requires and relies on the acquisition of important resources from these stakeholders. However, the theory does not suggest that all stakeholders should be equally involved in all business operations and decisions (Donaldson & Preston, 1995). The stakeholder theory denotes that businesses be concerned with the welfare and interest of their stakeholders and has developed into a continuing approach adopted to deal with matters concerning corporate responsibility (Wijnberg, 2000). Within a corporate responsibility framework, Damak-Ayadi and Pesqueux (2005) divide the stakeholder theory into two parts. The authors explain the empirical approach whereby the theory implies that the needs of the company are taken into account, followed by those of the stakeholders. It is fundamental that an organisation maintains a symbiotic relationship with stakeholders to avoid conflict and maintain stakeholder loyalty. Damak-Ayadi and Pesqueux (2005) also describe the normative approach thus referring to the organisation and stakeholder relationship, stating that a company has a responsibility towards its stakeholders.

Presenza and Iocca (2012) note that stakeholders are vital to the success of events. The stakeholder theory plays an important role in the development of this study as the research places emphasis on the importance of and need for stakeholder involvement, particularly established businesses as a key stakeholder in events like the BOWF. Tourism-related businesses may be regarded as stakeholders within the event tourism industry; however other industries may also be affected and should not be disregarded. In the context of this study, established businesses refer to restaurants/café’s, accommodation establishments, travel and tour operators and wine cellars/estates that operate in the Breedekloof region. Stakeholder involvement is a vital consideration for the success and sustainability of events and stakeholders ought to participate in activities and decisions that will directly or indirectly affect their wellbeing. The business community’s involvement in events and festivals should be taken cognisance of (Derrett, 2004). Therefore, it is imperative for established businesses, a key event stakeholder, to leverage business opportunities created by events and as a result contribute towards a successful and hence sustainable event.

**Event leveraging model**

Events have the potential to generate significant returns for the host destination. Events are thus more frequently used as a tool to yield social, economic and environmental benefits (Chalip, 2014). Nonetheless, O’Brien and Chalip (2008) argue that simply hosting events won’t suffice and event stakeholders should strive towards optimising the hosting of events in an effort to ensure long-term event sustainability. O’Brien and Chalip (2007:264) note that “a paradigm shift is underway in parts of the international events community where some stakeholders have begun to look beyond “impact” to strategising for longer-term, sustainable outcomes”.

Event leveraging is a fairly new concept (Chalip, 2014) and events are increasingly using strategic leveraging programmes (O’Brien & Chalip, 2007). It affords locals, in this case the community of the Breedekloof region, the platform to display the host destination to visitors and concurrently induce spending at local businesses in the region (Wood, Snelgrove, Taks & Legg, 2014). Chalip (2006:112) explains that the rationale for event leveraging is to “identify and explore event implementations that can optimise desired event outcomes”. The author further mentions that strategies and tactics are devised and executed to attain the desired results. It may possibly be that the organisers of the BOWF are wholly engaged in the planning and management of the event that leveraging becomes a missed opportunity.
Wasser and Taks (2014) concur that often event organisers are vigorously occupied in the organising of events that no time is invested in the execution of leveraging strategies or tactics. For that reason, scrupulous planning is required to optimise event leveraging opportunities and to ensure that this does not become a missed opportunity. Leveraging activities implemented can be beneficial in the immediate or long-term. It may also be that benefits are not seen immediately but thus materialise in the long-term. Evidently, research may even be necessary to ascertain whether benefits indeed accrue in the long-term. According to Chalip (2004), immediate leveraging incorporates actions implemented to capitalise on visitor expenditure during the hosting of the event, generate new markets and making use of local supply chains; whereas in the long-term leveraging activities are centred around the hosting of festivalS and events to create a favourable image for the host destination and to strengthen its brand or place in the market. Chalip (2004) explains his model for event leveraging in Figure 1.

![Figure 1: Event leveraging model (Chalip, 2004:229)](image)

Chalip (2004) shows that a portfolio of events is an important leverageable resource for a destination. It may thus be useful for businesses in the Breedekloof region to use other events hosted in the region in addition as a platform for further leveraging. Opportunities will emerge from event visitors and trade as well as event media. Thus, established businesses in the Breedekloof can benefit from visitors to the event and through either individual marketing of the business or the advertisement of the event. Furthermore, the author illustrates that the strategic objective is to enhance the host destination’s image and optimise total trade and revenue. Chalip (2004) explains that the means to optimise total trade and revenue is through enticing visitor spending, lengthening visitors’ stays, retaining event expenditures and enhancing business relationships. Also, to enhance the host destination’s image, the destination should be displayed through the advertising and reporting of the event and incorporating the event in advertising and promotions.

It may be necessary to establish a “broad framework for leveraging the opportunities events create in synergy with the host city’s assets, such as sport and culture, by fostering their
inter-connectedness in order to achieve their joint use in tourism development” (Ziakas & Boukas, 2014:90). Local businesses play a fundamental role and can benefit extensively from event leveraging activities. Chalip (2004) contends that event leveraging activities originate by promoting visitor expenditure and ensuring that their money spent remains within the host destination’s economy. Event visitors will require diverse products and services during their visit and will in all likelihood purchase products from local businesses such as shops, restaurants and visitor attractions. This is a rather lucrative opportunity for businesses in the Breedekloof region to increase profits as local established businesses in the host destination can supply this demand. Local businesses are thus influenced positively and can lead to the increase in sales during as well as post the event. According to Chalip (2004), tactics implemented by businesses can include:

- Special promotions;
- Increase advertising;
- Event-related promotions (coupons, contests); and
- Theming tactics (decorations and entertainment).

These strategies, when effectively implemented, can be very advantageous to local businesses, particularly in the Breedekloof region, and could potentially enhance profits and increase publicity. Chalip (2014:2) asserts that “strategic leveraging of events also differs from typical legacy frameworks because the necessary alliances and policies for sustainable event leverage are not feasible if the responsibility remains with event organisers”. The local government may also need to play a role in leveraging events to gain a positive outcome; however, the difficulty is recognising resources of the local destination that can be leveraged and devising methods to capitalise upon those assets (Kellett, Hede & Chalip, 2008).

Optimising on business prospects are commonly a missed opportunity. This is because many stakeholders, including that of local businesses, fail to leverage events as they may lack the knowledge and skill to implement this practice (Wasser & Taks, 2014). It could be that many businesses, even in the Breedekloof region, cease to see the value and benefit of leveraging as benefits may often be short-lived or only experienced in the long-term. It is also necessary to surmount the lackadaisical attitudes that manifest among businesses towards the leveraging of events (Chalip & Leyns, 2002). Chalip (2014) further highlights the duration of events are often short-lived and may present a challenge for event leveraging, thus it may be necessary to apply leveraging tactics and strategies on destinations with an event portfolio. “This allows to transferring knowledge from one event to another, thereby creating opportunities for more sustainable outcomes, rather than creating short-term outcomes from isolated events” (Wasser & Taks, 2014:556). Karadakis, Kaplanidou and Karlis (2010) contend that a SWOT analysis (strengths, weaknesses, opportunities and threats) can also be conducted to fully leverage events which will incorporate careful scrutiny of the external situations and that which will assist in recognising a suitable way forward for strategic decisions that would need to be made. A SWOT analysis will allow businesses in the Breedekloof region to examine the external opportunities and threats that exists and the business’ internal strengths and weaknesses. Established businesses are therefore able to determine whether they have the strength to utilise opportunities or overcome threats and also ascertain their weaknesses if they attempt to optimise opportunities to overcome threats. If a threat is identified, the businesses can utilise their strengths to transform the threat into an opportunity or strength. The SWOT analysis is therefore very useful as it can help a business devise effective strategies and tactics for event leveraging. Karadakis et al. (2010:171) note that when a host destination executes a SWOT analysis, “it can assist with the development of leverage strategies related to strengths and opportunities associated with
the event hosting but also assist with minimisation or better management of weaknesses and threats associated with hosting an event...”.

Methods

Study setting

This study was conducted in the Breede Valley region of the Western Cape Province. The Breede Valley comprises of four towns, namely Rawsonville, Worcester, De Doorns, and Touws River, positioned along the N1 highway about 112km north-east of Cape Town (Distancesfrom.com, 2014). The Breede Valley is the host destination located within the Breede Valley and is further divided into four sub-areas namely, Goudini, Slanghoek, Breede River area and the town of Rawsonville. This wine region is diverse and unique. However, the lack of research in wine and events in the region emphasises the importance of this study. The hosting of events in this area can be very beneficial for stakeholders, in particular businesses. Evidently, this study seeks to draw attention to the importance of event leveraging hence optimising business opportunity to maximise business profits. Figure 2 shows the Breede Valley region as the host destination with most of the established businesses including the venue owners scattered across the region.

The study surveyed the 10th annual BOWF from 11–13 October 2013. This event was hosted at 15 different venues, referred to as venue owners within the context of the study (12 of these were wine farms) and visitors could travel between these venues to experience an assortment of entertainment, outdoor activities, markets and wine tastings. Only established businesses that are members of Breedekloof Wine and Tourism (BWT), the official tourism and marketing organisation of the region, as well as the event organisers of the BOWF responsible for the planning, organising and marketing of the event, were able to participate as venue owners and received publicity through the event. However, non-members of BWT, conceivably still used the event as a platform to generate increased profits.

Figure 2: Map of Breedekloof wine valley (BWT, 2016)
Survey and sample

The study made use of quantitative methods; along with qualitative to obtain data, using primary and secondary sources. Qualitative research seeks to understand a phenomenon from the viewpoint of the people involved and is very useful when gathering detailed information regarding the morals, beliefs and conduct of a certain group of people (Mack, Woodsong, MacQueen, Guest & Namey, 2005). Quantitative research includes numbers, sizes and figures and is useful when quantifying the participant’s behaviour, feelings and frame of reference (Shields & Twycross, 2003). The two methods were utilised to gather a collection of knowledge and intellect on the subject matter (Ritchie, 2003). This method may also be referred to as triangulation (Ritchie, 2003), pluralistic research (Directional Insights, 2015) or mixed methods (Creswell 2003; Whitlemore & Melkus, 2008).

A structured survey questionnaire with closed- and open-ended questions was used and completed post the event. “A formal standardised questionnaire is a survey instrument used to collect data from individuals about themselves, or a social unit such as a household or a school” (Siniscalco & Auriat, 2005:3). The survey instrument is a popular technique to collect primary data through survey methods such as telephone, mail, internet, dot surveys and face-to-face interviews (Curtis, 2008). Established businesses had the option of completing the survey on a face-to-face basis, via facsimile (4.5%), telephonic (9.1%) or electronic (86.4%) to allow for more flexibility and taking into account the respondents’ time and availability to complete the questionnaire. The purpose of the questionnaire was to identify the businesses’ involvement in the festival whether directly or indirectly and to determine if their profits increased as a result of the event. The questionnaire included items such as business involvement, event satisfaction levels, direct employment opportunities and business revenue. The total population was used as this was small (as detailed below) which meant all businesses were able to form part of the study sample. With an undersized population, it is advisable to make use of census sampling (Statistics Canada, 2010), hence this method was applied. Parker (2011) notes that by using census sampling, all units have an equal chance to participate, sampling error is reduced and a census survey is considerably easier to manage. The businesses selected to form part of the sample were all tourism-related. The tourism-related businesses comprised of accommodation establishments, restaurants/cafés, wine cellars/estates and travel tour operators. However, only the businesses open for the duration of the festival participated in the study as they were able to leverage from the event. Some businesses were not open for the event duration as their operating hours are during the week and are closed on weekends, especially wine cellars producing wine for commercial purposes. Therefore, the targeted sample was n=28 (businesses open for the duration of the event) drawn from a population of N=39 businesses. Though, only n=22 agreed to participate in the study. The different event venues were scattered across the Breedekloof region and were in close proximity to most of the tourism-related businesses. Businesses were selected on the basis of their operating hours during the festival as they had to be open for the duration of the event.

The venue owners’ (regarded as established businesses and event organisers) results were integrated in the subsequent sections and their level of involvement and business impact compared to that of the established businesses. Venue owners had a similar function as the established businesses, with the exception that they were the hosts that presented a variety of activities at their establishments and received media coverage through the official organising body, BWT. The venue owners were stakeholders that had organising and business-related importance, and bearing this in mind, the venue owner structured survey questionnaire was created. The purpose of this questionnaire was to gain insight into the venue owners’ perceptions regarding the festival and understand their perceptions from a business and organiser point of view. Important issues discussed in the questionnaire included aspects like expenditure patterns, sponsorship, additional employment, event
satisfaction levels, environmental sustainability and event impacts. The venue owners included the owners of wine cellars/estates, restaurants/cafés and accommodation establishments that participated in the event. The surveys were also conducted after the festival and respondents had the option of completing the survey on a face-to-face basis (18.2%), telephonic (9.1%) or electronic (72.7%) considering their time and availability to complete the survey instrument. The purposive sampling method was used, also referred to as criterion-based sampling (Ritchie, Lewis & Elam, 2003) or judgement sampling (Marshall, 1996). Ritchie et al. (2003:79) point out that “members of a sample are chosen with a purpose to represent a location or type in relation to a key criterion”. Respondents are selected based on the fact that they are able to generate data that is valuable for the research study (Patton & Cochran, 2002). All venue owners (N=15) that hosted activities were approached and formed part of the sample. However, only n=11 agreed to participate.

Data analysis

The Statistical Package for Social Sciences (SPSS) version 23 was used as a tool for quantitative data inputting and analysis (descriptive and cross-tabulation) of the closed-ended questions. The open-ended questions, or qualitative data, were analysed into conceptual categories using the constant comparative method. This approach was pursued as it provides a good representation and understanding of the research findings.

Results

Business profile

The established businesses operate private establishments in the region, some much closer to the event venues than others. Table 1 illustrates the businesses that participated in the study. Most businesses that participated were accommodation establishments (77.3%), followed by restaurants/cafés and travel and tour operators (9.1% each). Few wine estates/cellars (4.5%) formed part of the established business survey as most were venue owners. As illustrated in Table 1, the venue owners comprised mainly of wine cellars/estates (81.8%), given the nature of the event. This selection was determined by the event venue owners that participated in the festival.

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Accommodation</th>
<th>Restaurant/Café</th>
<th>Wine cellars/estates</th>
<th>Travel and tours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Established Businesses (n=22)</td>
<td>77.3</td>
<td>9.1</td>
<td>4.5</td>
<td>9.1</td>
</tr>
<tr>
<td>Venue Owners (n=11)</td>
<td>9.1</td>
<td>9.1</td>
<td>81.8</td>
<td>-</td>
</tr>
</tbody>
</table>

Business event leveraging and revenue generation

Events create numerous advantageous opportunities for businesses but will require the implementation of leveraging strategies to fully optimise and yield returns. It is thus necessary to verify whether businesses seized opportunities created by the BOWF. Most established businesses (63.6%) did not take advantage/leverage the event as an opportunity to increase sales through visitor spending and creating business exposure, whereas 36.4% did so. Chalip and Leyns (2002:153) argue that “leveraging merely directs a fixed amount of visitor spending to those businesses that leverage, yielding advantages for some
businesses, but no net gain to the local economy”. It is rather unfortunate that tourism businesses in the area did not capitalise on business opportunities through the hosting of the event to boost profits and generate publicity. This further supports the findings of Chalip and Leyns (2002) mentioned earlier that often business event leveraging is a missed opportunity.

Furthermore, Chalip and Leyns (2002) note that leveraging opportunities and prospects remain mostly unexploited and actions are needed to establish greater knowledge and awareness regarding leveraging. The businesses that optimised business opportunities presented by the festival, had either used promotions/specials and package deals (42.1%), hosted activities/entertainment at their premises (15.8%), formed alliances with other businesses in the area (15.8%), used various marketing techniques (15.8%) or had outdoor sales (10.50%). Chalip and Leyns (2002) strongly encourage the use of tactics or a coordinated leveraging strategy to increase visitor spending during an event, thereby enlarging the total visitor spending and encouraging future visits. The established businesses (36.4%) that leveraged business opportunities declared that the techniques deployed were indeed successful.

The generation of profits for a business is one of the primary reasons for hosting an event. Thus, the revenue generated will establish whether the business suffered a loss or if the event contributed to increase profits. The table below exhibits the results for revenue generated by both types of businesses.

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Revenue increase</th>
<th>No change in revenue</th>
<th>Revenue decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Established Businesses</td>
<td>36.4</td>
<td>63.6</td>
<td>0</td>
</tr>
<tr>
<td>Venue Owners</td>
<td>44.4</td>
<td>33.3</td>
<td>22.2</td>
</tr>
</tbody>
</table>

Most established businesses (63.6%) experienced no change in revenue production from the festival and only 36.4% indicated that there had been an increase in profits. This suggests that profits mostly remain static, regardless of the hosting of the event, but may also imply that some businesses leverage the festival as an opportunity to increase profits.

Fourteen (63.6%) out of 22 established businesses indicated that revenue remained unchanged and eight (36.4%) out of the 22 stated that they had experienced an increase, thus these results correspond with the results pertaining to whether businesses took advantage of opportunities presented by the festival. The results also confirm that the established businesses that did not make use of the event as an opportunity to increase sales were indeed those businesses (63.6%) that had no change in revenue. Therefore those that took advantage of business opportunities (36.4%) experienced an increase. This potentially signifies that capitalising on business opportunities created by an event may benefit a business.

The venue owners who had hosted activities and entertainment at their establishment as part of the festival, had inevitably through the hosting leveraged the event as an opportunity to increase profits and gain publicity. Manifestly, 44.4% experienced an increase in business revenue, 33.3% saw no change and 22.2% experienced a decrease. The results suggest that the revenue generated may be an indication of the success of the leveraging tactics executed to optimise benefits from the hosting of the festival. However, the decrease in
profits may be as a result of the bad weather but also the location and distance to travel between the different venues. The number and diversity of activities and entertainment hosted at the event venues also play a key role as ample and exciting activities may potentially extend visitors’ stay that would increase visitor expenditure and multiply business profits, as Chalip’s model demonstrated earlier.

**Impact of event on businesses**

After ascertaining the fiscal contribution to the businesses as a result of the event, the following section will verify if the festival had a positive impact on businesses. Kulkarni and Bhopatkar (2013) reveal that accommodation establishments, restaurants, transport services, small enterprises, and informal businesses/stalls generate revenue from festivals or at least for the duration of the event. A transaction occurs between visitors and businesses as visitors may require the services of the aforementioned businesses or establishments. Kulkarni and Bhopatkar (2013) further note that when visitors purchase products or services, their expenditure boosts the local economy of that region and benefits the abovementioned businesses, including the general public. Table 3 indicates whether the festival had a positive impact on established businesses and venue owners.

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Yes</th>
<th>No</th>
<th>Not sure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Established Businesses</td>
<td>59.1</td>
<td>18.2</td>
<td>22.7</td>
</tr>
<tr>
<td>Venue Owners</td>
<td>40.0</td>
<td>20.0</td>
<td>40.0</td>
</tr>
</tbody>
</table>

The results in Table 3 indicate that most established businesses (59.1%) agreed that the festival had a positive impact on their business. This is followed by 22.7% that were unsure and 18.2% that felt that the event did not have a positive impact on the business. Notwithstanding whether business owners stated that the event had a negative or positive impact on the business, they were still requested to justify their response.

Only fourteen (78.6% were accommodation establishments, 14.3% restaurants/cafés and 7.1% was a transport business) out of 22 established business owners responded to this request. It is important to note that these businesses generated revenue for the duration of the event but most saw no increase in profits and their earnings remained unchanged. Nevertheless, most business owners revealed that their accommodation establishments were fully booked and that their restaurants/cafés and transport businesses were very busy owing to the festival. Even though the festival increased occupancy rates for some establishments, others still experienced high occupancy rates regardless of the festival. Overall, visitors booked well in advance for accommodation during the festival weekend. On the other hand, the festival also had a negative impact on a small number of businesses. Some restaurants/cafés felt that the event was poorly planned and this was the reason for their non-involvement. Other establishments had accommodation units that were only half full or had no bookings at all for the duration of the event. This relates back to the importance of implementing leveraging strategies as mentioned by Chalip (2004).

The results in Table 3 confirm that 40.0% of the venue owners felt that the festival had a positive impact on their business; 40.0% were not sure and 20.0% declared that the event did not have a positive impact on their business. The venue owners (n=9) also had to validate their responses. A venue owner noted that the sales were just a few hundred rands higher than usual and there is no certainty that any of the attendees present at the event fit the customer profile for particular products offered at an establishment. This calls for
research into the profile of their current attendees and potential target market to ensure that the event attracts the desired market and continues to do so for future events. Furthermore, others noted that ample wine was sold during the event, but it didn’t cover expenses and there was no certainty that there would be any return buyers after the festival. It is important that the BOWF generate additional wine sales and repeat purchases and this objective is supported by the free wine tastings offered at all venues. The Wacky Wine Festival (WWF) held annually in the Robertson Wine Valley is also an example of an event that aims to generate additional wine sales. The City of Cape Town (CoCT) (n.d) states that the objectives of the WWF are to promote wine tourism, generate awareness of the region and increase local involvement. It was also very difficult to quantify the expenses vs. future and possible income from the festival too. This may be regarded as a limitation as the survey was completed immediately after the event. It may be useful to implement specific mechanisms to track the long-term impacts of the event and establish whether the festival is beneficial or unprofitable for local businesses beyond the immediate impacts. Such mechanisms may also point out the impact of the leveraging strategies in the long-term.

Some expressed that money was spent on the festival but with no increased income from the event, resulting in no profits generated. Businesses ought to be acquainted with the potential event benefits, once they understand the impact of the event on their business, their level of support will amplify along with their willingness to invest more money and time in the event (Joubert, 2012:12). Even so, some businesses expressed that they only broke even and was primarily due to the unpleasant weather conditions during the event that resulted in low attendance. The weather for the duration of the event was wet and cold. This had an effect on the event attendance, especially since this is an outdoor event. “Weather can set the mood for the participants or consumers of the events” (Hoyle, 2002:153). As a result, this potentially led to the loss in profits for most businesses. It is important for businesses “to know that the effort and money they spend to participate in the festival will show a return on their investment” (Joubert, 2012:12). Consequently, as businesses may be well aware of the long-term gains, they also should be wary of the fact that there may be many risks involved in hosting events, such as the weather conditions which can affect the attendance numbers and further encumber business profits. It is necessary to have strategies in place to assuage the potential risks associated with the hosting of events. Thus, despite the weather, venue owners should be ready to host indoor activities and entertainment that would still encourage attendees to attend the event and incorporate a diverse and value for money event programme that would still draw attendees.

On the contrary, other venue owners declared that because of the event, more people visited the region and the various wine cellars. The event created exposure of the region and enquiries were made for accommodation, camping, weddings and conferences. Restaurants/cafés did well too, some experiencing return visits. Evidently, the festival most definitely created exposure for some venue owners. Events can be considered effective marketing tools. Jayswal (2008) states that events have emerged as a key Unique Selling Point (USP) for destinations. The author also mentions that when an event is held, the public receives information about the event which can also be seen as a form of publicity. As a result of the event’s being covered by the media, attractions and attributes of a destination are advertised and will most likely generate a positive reflection of a destination. Nevertheless, event advertising and promotion may not always reap these benefits if an event is not effectively marketed. Although a considerable amount of money is needed for the hosting of the event and commonly no profits generated, the event provides customers with more than simply wine tasting. In some cases the festival may have had an effect on sales months afterwards and the business could receive new/returning customers as a result of the event. Thus it would be important to track this in the future, as suggested previously.
It is thus important that business opportunities are identified and leveraged effectively to maximise profits. Events play an important role in local development, employment generation, business growth and in the upgrade of infrastructure and community development (Organisation for Economic Co-operation and Development (OECD) and Local Economic and Employment Development (LEED), 2010:12). Thus, stressing the importance of event leveraging and the formulation and implementation of effective leveraging strategies/tactics is critical. Overall, established businesses generally viewed the event as more positive compared to the venue owners. The distinction lies in the role and involvement of the business in the event. Established businesses were simply open for the duration of the event and had little risk involved, whereas venue owners invested more and are pressured to deliver and gain a profit. The venue owners invested more but received limited short-term benefits; however the benefits may likely only be seen in the long-term. This can be related back to Chalip’s model on event leveraging as the author highlighted that in the long-term, leveraging actions generate a positive image of a destination and thus reinforces its brand. This can further lead to repeat visits and increased profits in the future. Thus the long-term impacts of the event should also be explored in future.

Established business involvement in event

The following section highlights the level of involvement of established businesses in the event. It is pivotal to engage stakeholders that are directly or indirectly involved in and affected by the planning and management of an event. A successful event has the potential to benefit and be of value to not only the organising committee, but to local people, businesses and event attendees (Larson, 2004). In the context of this study, an important distinction is made between the levels of involvement with regards to event benefits. The direct involvement of established businesses in an event is important but does not inevitably guarantee that benefits will be generated. Effectual and methodical planning is mandatory along with the implementation of leveraging strategies/tactics to maximise the benefits generated from the event.

The majority of the established businesses (72.7%) in the region were not directly involved in the festival, as they were not official hosts of the event and neither was involved in the planning, organising and management of the event. Nonetheless, this does not denote that businesses were unable to benefit from the event, as they could have implemented leveraging tactics to capitalise on event benefits and receive media exposure. As was mentioned earlier, the established businesses that participated in the study were operational for the duration of the event. Therefore, if additional profits were generated, it was an advantage for the business. The results also confirm that even though most businesses were not directly involved in the event, they still expressed that the event had a positive impact on their business and were overall more pleased than the venue owners who had invested more. Thus, established businesses ought to leverage associated business opportunities as there is great potential for profit enlargement that should not be overlooked.

Respectively, the direct involvement in an event can be beneficial but would still require effective planning and execution of leveraging strategies to optimise and obtain event benefits. Only 27.3% of the established businesses were directly involved in the festival. These businesses both supplied accommodation and catering to visitors (66.6%), had alliances with wine cellars and members of BWT (16.7%) and offered special reduced rates and packages for the duration of the event (16.7%). Most businesses indicated that they offered accommodation because the majority (77.3%) of the established business sample consisted of accommodation establishments. The results link back to the importance of implementing leveraging strategies and tactics to optimise potential benefits as a result of the hosting of the BOWF.
Conclusion

This article explored the involvement of established businesses in the BOWF and to determine whether they’ve leveraged business opportunities created by the event. The results demonstrated that all established tourism businesses were aware of the BOWF and agreed that the event presented several opportunities for business growth and publicity but noted that they could have increased their profits if opportunities were exploited. This accentuates the importance of business event leveraging in order to enhance the benefits created by events.

Most established businesses did not leverage business opportunities. Those that did, used several strategies and tactics. The results also substantiate that the established businesses that did not make use of the event as an opportunity to increase sales were indeed those businesses that had no change in revenue. Therefore those that took advantage of business opportunities experienced an increase in profits. Evidently, the use of leveraging tactics can contribute to economic returns for individual businesses and the region as a whole. It must be kept in mind that events do support local businesses but may not be sufficient enough to revitalise and restore the economy of a region as a whole (Irshad, 2011). A successful event can lead to event sustainability and thus create a frequent platform and opportunities for businesses to leverage events. This article highlighted the efficacy of a destination with a portfolio of events. Applying leveraging strategies to a portfolio of events may also be a lot more valuable, as contended by Chalip (2014) earlier. “More work is needed to flesh-out the techniques for leverage and to explore event leverage in the context of event portfolios” (Chalip, 2014:10). Evidently, it is imperative that host destinations have a portfolio of events as this is also the basis for ensuring event sustainability. In so doing the region can potentially regularly entice visitors to the host destination and contribute positively towards local businesses.

Poor stakeholder cooperation affected the targeted samples, yet the majority participated and the findings are important for future event planning and management. It is recommended that businesses in the Breedekloof region and broader Breede Valley be made aware of the importance and benefit of event leveraging to prevent it from becoming a missed opportunity. Providentially, this study aims to create awareness and understanding of event leveraging especially in smaller regions such as the Breedekloof and other areas in the Cape Winelands districts that may not be aware of leveraging and its significance. Future studies can thus extend beyond the borders of the Breedekloof region and focus on other events hosted in the Breede Valley to determine the awareness and use of leveraging strategies in an effort to create a better understanding and encourage the practice of event leveraging among the business community in this region. It may also be valuable to implement a longitudinal study that would track the long-term impacts of the event as short-term benefits may have been minimal and there could be more gains in the long-term.

Acknowledgement

The financial assistance of the South African Department of Tourism towards this research is acknowledged. Opinions expressed and conclusions drawn in the publication are those of the authors and should not necessarily be attributed to the South African Department of Tourism.
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