



**Quality, expenditure, and loyalty in a cultural event: A longitudinal study.**

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Quality, expenditure, and loyalty in a cultural event: A longitudinal study.

Abstract

**Purpose:**

The impact of event quality on expenditure and visitors' loyalty has been an issue seldom analyzed by festival literature. These same incidental relations were not assessed from a temporary perspective in the case of recurrent cultural events. This paper explores these causal relationships and reports on the moderation effect of the temporary inquiry on the editions of the festival.

**Design/methodology/approach:**

Nine hypotheses were examined through Squares SEM techniques, and the model validation was carried out by assessing the measurement and structural model. Additionally, a multigroup analysis was performed to test the temporary moderation effect. Finally, a survey was applied during three successive editions (2013 = 164 cases, 2014 = 154 cases, 2015 = 128 cases).

**Findings:**

The local and ephemeral nature of the festival favors immediate consumption, and the budget share increase among categories passes through diversification to stimulate purchases. In this particular context, the moderation induced by the sequence of editions had a conclusive impact on the analyzed relationships, generating the need to focus on the temporary variability to understand and operate the recurrent events.

**Originality/value:**

The strengthening of the festival went through a stage where it opened to other segments of visitors despite the dominant opinion to preserve the local character of the event. In addition, this

study clarifies that a retrospective analysis of previous editions, when compared to the stationarity perspective of the festival, allows a better understanding of the required upgrading to preserve visitor loyalty.

Keywords: Event quality, event expenditures, event loyalty, inter-annual assessment, popular event.

## Introduction

For this category of short-term events, we include events that take place during a few hours on a specific day, like music festivals which have become a focus of interest for visitors who want to enjoy a particular musical genre and participate in a leisure activity (Borges, Rodrigues, & Matias, 2016; Getz & Page, 2016; Pegg & Patterson, 2010; Vigolo, Bonfanti, & Brunetti, 2019). In general, destinations are becoming aware of the growing importance of these festivals because of the economic benefit they generate in their communities (Dwyer, Forsyth, & Dwyer, 2010; Van Niekerk, 2017). This situation explains to a great extent why destination marketing organizations (DMOs) include these festivals as part of the attractions in a tourist destination (Getz & Page, 2016; O'Sullivan, Pickernella, & Senyard, 2009).

As music festivals gain popularity, the interest to study them arises along with the need to understand the factors empowering them and, therefore, maximize the positive impacts for organizers and host communities (Andersson, Armbrecht, & Lundberg, 2017; Borges et al., 2016; Kim, Kim, Goh, & Antun, 2011; Kim, Prideaux, & Chon et al., 2010; Lee, Jee, Funk, & Jordan, 2015; Liang, Chen, & Hu, 2013). In this research context, at regional and national levels, event expenditure, a recurring topic, has rarely been approached from the visitor's spending perspective (Brida & Scuderi, 2013; Disegna & Osti, 2016; Sainaghi, 2012). Nonetheless, on this path, there is a predominant use of econometric models that do not allow the clarification of all

expenditure facets, as indicated in Getz and Page (2016) and Sainaghi (2012). Therefore, it is necessary to use mixed data models and a robust technique such as partial least squares (PLS) path modeling to handle the different dimensions and scales of the analyzed variables (Azen & Walker, 2011; Henseler, Hubona, & Ray, 2016).

The first objective of this work is to analyze nominal spending and its causal links with visitors' perception Vis a Vis program quality. In the events context, the studies about expenditure categories such as entertainment, shopping, and food conducted by leisure and tourism marketing research have been scarce and with little coverage (Borges et al., 2016; Kim et al., 2010; Lee et al., 2015; Liang et al., 2013; Thrane, 2002). The same can be said about the incidence of the perceived program quality on expenditure which has also been an issue indirectly and marginally addressed (Andersson et al., 2017; Borges et al., 2016; Bruwer, 2014; Disegna & Osti, 2016; Liang et al., 2013). Reviewing these aspects for a free access festival allows the analysis of the relationship between the spending on peripheral purchases, services, and perceived program quality at an event relying on this revenue.

The second objective is a cross-incidence analysis of the festival's characteristics and their influence on visitors' attitudinal loyalty. As mentioned in leisure and tourism literature (Baloglu, 2002; Russell-Bennett, Härtel, & Worthington, 2013), visitor's loyalty to festivals intervenes decisively to stimulate assistance, consumption, and recommendation of the event to others (Kima, Choeb, & Petrickc, (2018); Kitterlin & Yoo, 2014; Van Niekerk, 2017; Vigolo et al., 2019; Wong, Wu, & Cheng, 2015; Yoon, Lee, & Lee, 2010). These behaviors that strengthen festivals originate in dynamics based on quality approval, where all event factors become a challenge for organizers to reflect and take action (Anil, 2012; Cole & Chancellor, 2009; Gannon, Taheri, & Olya, 2019; Lee & Beeler, 2006; Wan & Chan, 2011; Wong et al., 2015;

Yoon et al., 2010). However, although event managers consider these factors relevant, we have few referents on the causal relations between the factors of organization and services provided to visitors (Akhoondnejad, 2016; Bruwer, 2014; Carneiro, Eusébio, Caldeira, & Santos, 2019; Gannon et al., 2019; Kitterlin & Yoo, 2014; Troisi, Santovito, Carrubbo, & Sarno, 2019; Wong et al., 2015; Zhang, Fong, & Li, 2019).

The third objective, from another perspective, is to examine the inter-annual moderation over the significant causal relationships, which will allow investigating their variation in three successive editions of the festival. Nevertheless, there are few precedents in festival literature describing this action (Burger & Labuschagne, 2016; Rivera, Semrad, & Croes, 2015) inscribed in the exploration of event processes dynamics proposed by Getz and Page (2016) as an axis for future research.

### **Theoretical framework and hypotheses**

#### **Event expenditure and perceived program quality**

Event expenditure has been addressed in several contexts, including business travel (Solberg et al., 2002), repeat visitors (Bruwer, 2014; Lee et al., 2015), conferences and conventions (Grado, Strauss, & Lord, 1998), and cultural festival participants contexts (Borges et al., 2016). From the instrumental perspective, these approaches in our study generally opted for the Ordinary least squares estimator (OLS) (Brida & Scuderi, 2013; Wu, Zhang, & Fujiwara, 2013). However, we used some regression models, such as TOBIT, and their different variations to avoid the null value bias, which expenditure might take (Barquet, Brida, Osti, & Schubert, 2011; Jang & Ham, 2009; Lee, 2001).

Event expenditure was subject to the dominant literature view that tends to predict it with the factors that enable it (Borges et al., 2016; Brida, Disegna, & Osti, 2013a; Brida & Scuderi, 2013)

and also traced back its economic impact in the visited destination (Carlsen, Getz, & Soutar, 2001; Dwyer et al., 2010; Jago & Dwyer, 2006). Repeat attendance (Lee et al., 2015; Long & Perdue, 1990), travel distance, and satisfaction are among the main factors that could determine a visitor's event expenditure (Borges et al., 2016; Lee et al., 2015; Long & Perdue, 1990, Thrane, 2002) and satisfaction (Bruwer, 2014). Other identified factors include visitor's socio-demographic characteristics (Borges et al., 2016; Brida et al., 2013a; Thrane, 2002), motivation and identification with the festival topic (Borges et al., 2016; Thrane, 2002), lifestyle, and the impact exerted by a culinary experience (Liang et al., 2013). However, although visitor spending is vital for the event and destination's economy, in the leisure and tourism context mainly, the referents are scarce (Borges et al., 2016; Bruwer, 2014; Kim et al., 2011; Kim et al., 2010, Lee et al., 2015; Liang et al., 2013).

Traditionally, event spending has been addressed as general expenditure, which includes visitors' total disbursement (Borges et al., 2016; Brida et al., 2013a; Thrane, 2002). In contrast, Liang et al. (2013) observed a different demand in the motivation to spend and suggested disaggregating it in its components, as also proposed by Kim et al. (2010) and Lee et al. (2015). In this way, expenditure patterns become a behavior indicator that allows the generation of actions to stimulate consumption in the different demand categories (entertainment, shopping, and food, among others) (Kim et al., 2010; Liang et al., 2013).

As to the spending context, Lee et al. (2015) found that those attending a recurring sporting event were less price sensitive compared to the rest of the visitors categorized as tourists. For these attendees, the amount spent on shopping and recreation was found to be more elastic than the amount spent on accommodations, food, and transportation. Case et al. (2010) observed a growing expenditure at the competition level, which was favorable relative to the spending on

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3 food and beverages at the expense of entertainment at a regional competition level. This  
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5 observation suggests the importance of a systemic approach to spending proposed by Disegna  
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7 and Osty (2016), which shows that spending in one category depends on the disbursement in  
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9 others. The same authors found that the amount spent on food and beverages stimulated  
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11 consumption of other services but not on shopping. In this sense, the information about  
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13 expenditure patterns confirms these relationships in the short-term music festival context, and it  
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15 also helps organizers to reflect and take action to ensure the solvency of the event's funding  
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21 From a qualitative perspective, Bruwer (2014) and Chen and Chang (2012) and Disegna and Osti  
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23 (2016), and Kim et al. (2010) documented that satisfaction with the offer at the event conditioned  
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25 expenditure patterns. In the case of a music festival, Andersson et al. (2017) reported that  
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27 visitor's perception of program quality was not found to have a significant incidence on visitor  
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29 spending, while Borges et al. (2016) found this relationship conclusive in the city of Porto as in  
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31 the event itself. This behavior can be observed from the optics of a visitor who is satisfied with  
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33 program quality, who might stay longer at the event and spend more than if he/she had to leave  
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35 because the entertainment was not acceptable. The "Ópera en la Calle" event is characterized by  
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37 a diverse spending offer not always concordant with the festival theme. Finding the right balance  
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39 of this offer becomes a strategic task for event organizers and visited destination authorities (Van  
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41 Niekerk, 2017). However, satisfaction with the artistic proposal may extend to the peripheral  
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43 attractions like food and beverages and, at the same time, transform into an incentive for  
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45 recommendation and future intentions (Bruwer, 2014; Liang et al., 2013; Vesci & Botti, 2019).  
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49 These findings led authors like Bowdin, Allen, O'Toole, Harris, and McDonnell (2006) and Getz  
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and Page (2016) to underscore the importance of cultural events for promoting tourist destinations.

Considering the previous theoretical references, we propose the following hypotheses:

H1: The increase in the overall expenditure positively impacts the spending on shopping.

H2: The increase in the overall expenditure positively impacts spending on services.

H3: The increase in the visitor's perception of program quality positively impacts the overall expenditure.

*Loyalty and event quality*

Visitor's loyalty is an essential aspect of event viability, and its most complete expression is found in recurrent attendance, consumption of products and services, as well as recommendation to family and friends (Kima et al., (2018); Park & Park, 2017; Yoon et al., 2010; Wong et al., 2015). In marketing literature, loyalty is defined by its behavioral and attitudinal components, and at the same time, it is characterized by the emotional and cognitive dimensions (Russell-Bennett et al., 2013). The attitudinal component translates emotions and brand attachment which may influence the behavioral component associated with consumption dynamics and spread favorable word-of-mouth (Baloglu, 2002; Kitterlin & Yoo, 2014).

Russell-Bennett et al. (2013) identified an attitudinal loyalty affecting high involvement in acquisitions and uncertainty, while behavioral loyalty intervenes in everyday purchases.

Regardless of their semantic differences, Yoon et al. (2010) indicated that these two dimensions are used indistinctively in leisure and tourism marketing literature. Perhaps this led to perceiving the lack of unanimity in the definition of loyalty, and it also led to recommending paying more attention to this concept and its relationship with festival quality (Wan & Chan, 2011; Wong et al., 2015).



Perceived event quality has more approaches and relatively extensive literature (Cole & Chancellor, 2009; Lee & Beeler, 2006; Wong et al., 2015; Yoon et al., 2010). From the first operationalization attempts by Crompton and Love (1995), conceptualizing the perceived festival quality maneuvered between two great paths to determine the temporary and intangible quality attributes (Wong et al., 2015). The first approach involved constructs from the service quality evaluation (Service quality and service performance), which were used in marketing studies and later adapted for festival research and tourism (Brady & Cronin, 2001; Troisi et al., 2019; Wong et al., 2015). The second path, the most prolific, is a multidimensional approach structured by the environment, services, program, entertainment, and interaction with organizers (Anil, 2012; Carneiro et al., 2019; Cole & Chancellor, 2009; Lee & Beeler, 2006; Troisi et al., 2019; Wong et al., 2015; Yoon et al., 2010). Nonetheless, we do not yet have the studies oriented to investigating the causal relationships between the perceived organization quality and perceived entertainment and services quality. In our case, we included the perceived event quality dimensions which were addressed explicitly in other works or through their perceived sub-dimensions: organization quality (Borges et al., 2016; Bruwer, 2014; Wan & Chan, 2011), program quality (Cole & Chancellor, 2009; Kitterlin & Yoo, 2014; Vigolo et al., 2019; Yoon et al., 2010), entertainment quality (Borges et al., 2016; Carneiro et al., 2019; Cole & Chancellor, 2009; Wan & Chan, 2011) and service quality (Anil, 2012; Borges et al., 2016; Bruwer, 2014; Troisi et al., 2019; Wan & Chan, 2011).

The impact study antecedents of event quality on loyalty reveal slightly contrasting findings mainly focused on the behavioral perspective. In fact, in a wine festival, the perceived entertainment quality was characterized by a weak and adverse relationship to purchasing goods (Bruwer, 2014), while in Cole and Chancellor (2009), this attribute was found with the most

significant impact on intentional behavior. The same significant relationship was also observed in Lee and Beeler (2006) and Thrane (2002), who pointed to the importance of a positive perception of the program and entertainment to generate better consumption intentions. Furthermore, the perceived service quality seems to trigger the same significant impact on loyalty, while Kitterlin and Yoo (2014) and Yoon et al. (2010) found food to be conclusive in visitor's intentions to a food festival and, Vesci and Botti, (2019) in tourist's attitude toward visiting. Nonetheless, these authors and Bruwer (2014) highlight that the impact of the perceived facility and convenience and comfort and amenities on loyalty was not conclusive; however, Borges et al. (2016) found that the conditions of the venue were conclusive for the venue as well as for the visited place. These aspects were also approached with an overall construct that translates the perceived festival quality and its incidence on loyalty as significant for Wong et al. (2015) but not conclusive for Akhoondnejad (2016).

From another perspective, very few studies analyzed the causal relationships between the different factors that constitute the perceived event quality. Bruwer (2014) found a non-significant relationship among constructs relatively similar to our perceived entertainment and catering, comfort and amenities, and between organization quality approval and the perceived entertainment and catering. While for the other relationships analyzed in our study, we have not found explicit antecedents in festival literature.

Based on the reviewed literature, the following hypothesis will be tested:

H4: Perceived entertainment quality positively impacts the visitor's perception of program quality.

H5: Perceived entertainment quality positively impacts event loyalty.

H6: Perceived entertainment quality positively impacts service quality approval.

H7: Perceived organization quality positively impacts visitors' perception of entertainment quality.

H8: Perceived organization quality positively impacts service quality approval.

H9: Perceived service quality positively impacts event loyalty.

H10: Perceived program quality positively impacts event loyalty.

### *Relationships of the whole model*

Beyond the direct relationships reflected in the listed hypotheses, the assessment of the research model as a whole also implies addressing the possible indirect relationships between the more structured latent variables. Under this perspective, the overall expenditure and event loyalty defines a structural axis for the model, which is crossed by visitors' perception vis-a-vis festival organization, program, entertainment, and services. For example, satisfaction with the offer and festival surroundings is generally considered a predecessor of overall expenditure patterns (Andersson et al., 2017; Bruwer, 2014; Disegna & Osti, 2016; Gannon et al., 2019; Kim et al., 2010). Visitors' satisfaction was also found conclusive in visitors' future intentions with an incidence in event loyalty and recommendation to friends and family, which in the end will stimulate spending in the festival (Akhoondnejad, 2016; Kitterlin & Yoo, 2014; Liang et al., 2013; Yonn et al., 2010; Wong et al., 2015; Zhang et al., (2019). However, the relationship of expenditure in the different categories, such as purchases and services expenditure, was not found conclusive in all cases, and it seems rather subject to contextual factors that characterize each event (Disegna & Osti, 2016; Kim et al., 2010; Liang et al., 2013). For instance, the perceived entertainment quality does not seem to influence the purchasing intentions in a wine festival analyzed by Bruwer (2014) and expenditure (Andersson et al., 2017). On the contrary,

the perceived festival quality influenced loyalty and total expenses of the visitor to a music event (Borges et al., 2016; Kima et al., 2018; Wong et al., 2015).

From the perspective of the festival’s factors, the perception of a satisfactory quality plays a transcendent role in event loyalty and spending profile (Akhoondnejad, 2016; Borges et al., 2016; Kitterlin & Yoo, 2014; Wong et al., 2015). The individual analysis of these factors shows the incidence of visitors' loyalty to the perceived organization quality, entertainment, and services, but it has not always been found conclusive, and its relationship with spending has not been established in all cases (Akhoondnejad, 2016; Borges et al., 2016; Kitterlin & Yoo, 2014; Yonn et al., 2010). This variation in the results, and most importantly, the scarce evidence on these factors' direct and indirect interactions, comprise a new line of research more than those mentioned by Getz and Page (2016) to understand event experience better.

**Data, research methodology, and results**

The “Ópera en la Calle” cultural festival began in 2004 so that different sectors of society could enjoy and know this musical genre. Since its beginnings, the festival rapidly was able to congregate singers, musicians, dancers, actors, and plastic artists to offer high-quality free performances to the community of Tijuana and its surroundings. Once a year, the festival takes control of a street in a popular neighborhood by installing a main stage and a children’s stage. The activities within the festival include workshops, exhibitions, selling of plastic arts, graphics, handicrafts, and a space to savor typical dishes of the Baja California cuisine. Gradually, this festival has gained its place and emerged as another tourist attraction in the city. In the 2015 edition, attendance at the festival was approximately 8,211 visitors, mainly from Tijuana, including visitors from nearby regions and US border cities (OCTB, 2015). Although this festival lasts only a few hours, during the 2015 edition, visitors spent an estimated \$125,000.00

US dollars, where food took 38%, arts and crafts and souvenirs 30%, and alcoholic beverages 14%, among others. The main percentage of attendees to the festival is families (41%), and women contributed 59% of the spending (OCTB, 2015). Since the 2015 edition and lack of resources, the implementation of the survey was suspended according to the instrument designed and applied by the Observatorio Turístico de Baja California (OCTB), with the authors of the manuscript who are the academic, technical, and operational support of the OTBC. Event organizers keep the website updated ([www.operadetijuana.org](http://www.operadetijuana.org)) with written and audiovisual materials that portray the trajectory of “Ópera en la Calle” since its creation. In addition to the annual event, organizers conduct opera events on Children’s Day festivities at some of Tijuana’s public schools in populous neighborhoods.

#### *Sampling and questionnaire development*

For this study, we selected 446 cases from the survey "Characterization of visitors to the Festival Ópera en la Calle," which was conceived with the participation of event organizers and conducted by Observatorio Turístico of Baja California (Observatorio Turístico de Baja California [OTBC], 2013, 2014, 2015). These selected cases come from questionnaires answered during three successive editions (164 cases from 2013, 154 cases from 2014, and 128 cases from 2015). The survey was applied from noon until midnight, face-to-face during each of the yearly editions of the festival. Interviewers approached visitors as they left the festival at predetermined exit points. Before the interview starts, visitors are screened with questions that might discard them, such as age –over 15-, ethical-legal, methodological, and operational considerations, belonging to the logistic-administrative support festival staff, and non-completion of their visit. Interviewers followed a random procedure: choosing every third visitor leaving the festival. The observation unit was divided into three effective four-hour shifts that allowed inferences about

the target population with a confidence level of 95% and a theoretical margin of error of +/- 6.5% for the estimates of proportions. The needed sample was calculated with G\*Power software calibrated for social sciences (medium effect size: 0.15, power: 0.8, and significance level: 0.05) which yielded a minimum sample size of 98 cases (Aguirre-Urreta & Rönkkö, 2015; Chin & Newsted, 1999; Marcoulides & Saunders, 2006). The calculated sample size is 4.66 times inferior to the number of cases involved in the research.

The questionnaire consists of 34 main questions and some secondary questions distributed in five sections: (1) socio-demographic profile, (2) event loyalty, (3) spending in event, (4) satisfaction and quality, and (5) propositions for festival improvement. This instrument was developed in 2013 with the collaboration of event organizers to generate continuous annual information for decision-making to improve and monitor festival processes. The participants in its design included festival organizers, specialists, and professionals from the tourism sector who analyzed and formulated the questions and the application context. Afterward, tests and simulations were conducted, which helped to polish and reformulate the questions. During the trial, it was observed that the ideal moment to answer the questions related to spending in every category was at the end of the visit since the information was still fresh in their minds.

<<<Table 1 here>>>

*Measuring variables and scales*

The elaboration of the research model included the use of eight latent variables with five formative constructs and three reflectives which are related to 21 items (see Table 2 and Figure 1). Our measurement procedure follows an adaptation to the contextual and cultural conditions of the interviewee, which also prevails in other investigations. For example, the overall expenditure

construct was used in 17 of 27 studies reviewed by Wang and Davidson (2010), who adopted, as in our case, a continuous scale from the total spent during the festival as declared by the visitor.

In this sense, the overall expenditure is not the result of the sum of the expenditure made in the evaluated categories. The latter is related to items B1, B2, and B3 of the spending on services construct, and C1 and C2 of the shopping construct (see table 2).

The dimensions defining the perceived festival quality in our research model (organization, services, program, and entertainment) were measured with a variable scale ranging from 1 to 10, where 1 defines the lowest assessment level, and 10 characterizes the highest level given to a specific item. This measurement procedure supports its application fundamentals in the work of Day, Gan, Gendall, and Esslemont (1991) and Hedlund (2014) and Patrick (2002), who chose this scale even when it is common to find studies based on five or seven-point Likert-type scale (Akhoondnejad, 2016; Anil, 2012; Ozdemir & Culha, 2009; Wong, Wu & Cheng, 2015; Zhang et al., (2019).

In the case of loyalty, both the behavioral and attitudinal components were expressed in other investigations by a five or seven-point Likert-type scale (Akhoondnejad, 2016; Yoon et al., 2010; Wong, Wu & Cheng, 2015). In our study, the estimation of the attitudinal loyalty construct was built by considering the recurrence of the event, which was evaluated with the years of attendance to the 12 editions of the festival, and attachment to the festival was valued with the reasons for returning to the festival.

<<<Figure 1 here>>>

As in Borges et al. (2016) and Brida et al. (2013a), and Thrane (2002), the total expenditure construct was characterized in our study by the declared general expenditure and the specific expenditure on services in three dimensions: food and beverage, alcoholic beverage, and entertainment. The spending on food, lodging, and shopping was generally considered service consumption (Lee et al., 2015; Liang et al., 2013; Kim et al., 2010). The overall spending expressed purchases in shopping (Lee et al., 2015; Styne & White, 2006), which in our case were characterized by spending on handicrafts and souvenirs, graphics, and artworks.

The perceived organization quality expresses four dimensions centered on the organization and management of the event adapted from different works: access to the event, signage, support, and access to presentations. Access to the event was used as a dimension by Borges et al. (2006), a referent for quality in a wine festival in Bruwer (2014), and a descriptive factor in Wan and Chan (2011). Signage was used as a dimension for quality factor by Cole and Chancellor (2009), an item from the information services factor in Bitter (1992) and Carneiro et al. (2019) and Yoon et al. (2010). Finally, the information and support dimension was involved as a factor in Kitterlin and Yoo (2014) and Yoon et al. (2010), as a construct in Anil (2012) and Vesce & Botti, (2019), and as an item for festival quality factor in Bruwer (2014).

The perceived service quality was represented in four dimensions: food and beverage, crafts/art exhibitions, clean environment, and safety. For food festivals, food and beverage was translated by constructs of two and more dimensions (Anil, 2012; Vesce & Botti, 2019; Wan & Chan, 2011) and factors of three variables (Kitterlin & Yoo, 2014; Yoon et al., 2010). While food was a peripheral aspect of the festival, food and beverage was expressed as we did, by a factorial



dimension or construct (Buwer, 2014; Cole & Chancellor, 2009; Lee et al., 2015). Crafts/art exhibitions was expressed by a three item factor in Yoon et al. (2010).

It was also found that the same diversity in the use of clean environment was implicated under different modalities and structures (Akhoondnejad, 2016; Cole & Chancellor, 2009; Wan & Chan, 2011). Nonetheless, Safety was rarely used in modelations centered in events, and we found it as a component of festival quality in Esu and Arrey (2009) and Lee and Beeler (2006), and in accommodation quality in Tosun, Dedeoğlu and Fyall (2015). The perceived program quality was used by Vigolo et al. (2019) and Yoon et al. (2010) to evaluate program and entertainment quality approval and in Andersson et al. (2017) and Ketterlin and Yoo (2014) to assess entertainment and event content perception. In our case, it was defined by the perceived program quality in the main stage and the children's stage, dimensions which were also addressed by Borges et al. (2016) and Cole and Chancellor (2009). As to the assessment of the perceived entertainment quality, we used three dimensions: entertainment in the main stage approval (Borges et al., 2016), in the children's stage (Cole & Chancellor, 2009), and in the sound quality perception during the presentations (Andersson et al., (2017); Wan & Chan, 2011). We have defined attitudinal event loyalty with the recurrence and visitor's attachment to the event. The purchased tickets and their type determined the characterization of recurrence to the event in Borges et al. 2016, while the use of attachment to the event in festival literature is not common compared to sporting events (Filo et al., 2010).

*Validity and robustness of the model*

Before arriving at the formulation of the proposed research model, we proceeded to eliminate the problematic indicators characterized mainly by low validity and reliability that generate a breach with the rigor validation guidelines in PLS path modeling (Henseler et al., 2016). In this sense, we started with the exploration of a larger set of reflective or informative items followed by the elimination of those exhibiting values outside the permitted level mainly for indicators: Dijkstra-Henseler's rho ( $\rho_A$ ), variance inflation factor, average variance extracted and heterotrait-monotrait ratio of correlations. Furthermore, under this perspective and to preserve integrity and model quality of the event, we eliminated several items related to expenditure, perceived service quality, and organization quality approval. Once the exploration phase was finished, we proceeded with model assessment according to the new guidelines by Henseler et al. (2016) which incorporated an important research effort in the PLS validation. In the framework of this assessment, we will begin with the overall model validation followed by the measurement model and the structural model.

The assessment of the overall model exhibits a geodesic discrepancy  $dG$  and unweighted least squares discrepancy  $dULS$  of the goodness of model fit with values below the discrepancies of the current model in a 95% level (Dijkstra & Henseler, 2015a). The pertinence of these discrepancies was evaluated with the approximate model fit criterion measured with the standardized root square residual (SRMR) showing a 0.06 value (HI95: 0.163, HI99: 0.175). The latter indicates an acceptable fit of the research model because it is inferior to the 0.08 cut-off value recommended by Hu & Bentler (1999). Finally, the goodness of fit (GoF) by the Tenenhaus et al. (2005) method produced a value of 0.5320, indicating a wide adjustment for the model.

For the measurement model assessment, we observed that the loadings of the reflective construct items show higher values to the admissible rule of thumb of 0.7 in Table 2 (Nunnally & Bernstein, 1994). Furthermore, the internal consistency reliability shows values of the Dijkstra-Henseler's rho ( $\rho_A$ ) indicator above the 0.7 recommended figure, confirming the reliability of the reflective constructs (Dijkstra & Henseler, 2015b). For the formative constructs, the weights of the involved items represent the appropriate signs; they are relevant and emphasize a variance inflation factor (VIF) which allows discarding multicollinearity problems (Diamantopoulos & Siguaw, 2006; Henseler et al., 2016).

In the same manner, we verified the absence of a common method bias with Kock's (2015) method showing values oscillating between 1.7875 and 2.246 for each latent variable, indicating a multicollinearity free model.

<<<Table 2 here>>>

The evaluation of convergent validity through the average variance extracted (AVE) showed values above 0.5 defining factors with more than half of the indicators' variance. While the discriminant validity evaluated with the heterotrait-monotrait ratio of correlations (HTMT), according to Henseler *et al.* (2015), must show values inferior to one as shown in table 3.

<<<Table 3 here>>>

The assessment of the structural model starts with the  $R^2$  which in Table 2 shows values greater than 10% of the variance explained by the fluctuation of exogenous variables; these rates are considered acceptable at this phase of our research (Falk & Miller, 1992). Except for the event

loyalty construct, the others show substantial levels of the R2 fluctuating between 0.235 and 81.45%.

The significance of the research model’s causal relationships was estimated through the bootstrap technique with a resampling of 5000 (Tenenhaus et al., 2005). Only seven of the 10 relationships evaluated were conclusive (hypotheses H2, H4, H5, H6, H7, H8, and H10). The determination of the total effect practically follows the significance level of the analyzed hypotheses with the same effect significance in the H1 relationship (see Table 4). The indirect effect was significant only in the H8 relationship revealing a partial mediation effect, indicating that this type of indirect affection is not possible for the rest of the constructs except for perceived organization quality which may affect other model constructs. The  $f^2$  values are strong for the significant relations (H2, H4, H6, H7, H8 and H10) and weak for the other determinant causal relationships (Cohen, 1988).

<<<Table 4 here>>>

The previously determined conclusive relationship variation in the short and medium term is a less studied theoretical and practical issue. In fact, in a cultural festival, the terms related to organization, entertainment, and service may vary from one edition to another with the possibility to influence visitors' attendance, consumption, and intention (Burger & Labuschagne, 2016; Rivera, Semrad, & Croes, 2015). The detection of these time unstable relationships allows, on the one hand, the understanding of how the factors’ marketing links function when they support a festival; and on the other hand, they provide organizers with a diagnosis that shows areas of opportunity for their event. To assess the variation during the three annual editions of the event, a multi-group analysis was conducted by applying comparatives through a cross-frequency table and an X2 test (Sarstedt, Henseler, & Ringle, 2011). This method is known as the

parametric approach, which is based on standard errors of the group-specific parameter estimates, and in our study case, it was applied only in significant relationships. In the results shown in Table 5, the comparison between the 2013 and 2014 editions showed significant differences for causal relationships H2, H5, and H7, which all seem stronger for the 2014 edition. For the comparison between 2014 and 2015, the differences were conclusive and stronger in 2014 for H7, H8, and H10, whereas for 2015, it was H4, H5, and H6. Finally, for the comparison between 2013 and 2015, the H2, H5, and H6 significant relationships were all stronger in 2015.

<<<Table 5 here>>>

## Discussion and implications

In a study context lacking direct references in some of its research interests, the result of the causal relationships in the structural model shows findings that have both theoretical and practical implications.

### *Theoretical contribution*

Regarding expenditure centered relations, except for the significant link between overall expenditure and spending on services (H2), the rest were inconclusive. Some of these non-significant hypotheses confirm that the overall expenditure growth does not reflect a similar increase in each spending category (Disegna & Osti, 2016; Lee et al., 2015). In our case, the significant stimulation of spending on services due to overall expenditure increase and the absence of this linkage with spending on shopping was found in Disegna and Osti (2016). This relationship seems to indicate that the amount spent in these two categories is not subject to a cascade spending logic contrary to that observed by Brida, Monterubbianesi, & Zapata-Aguirre (2013b) where visitors to museums in Medellin showed an increase in food spending stimulated

by an increase in transportation and accommodations. This expenditure dragging effect from one category to another was motivated by the trip as in Brida et al. (2013b) and Lee, 2001 and Lee et al. (2015), where in our case, most of the visitors are locals. Case et al. (2010) also evidenced the same direct-spending escalation when the sport competition level is changed to another by stimulating spending on purchases due to the importance and offer diversity in national and world events. In this sense, the local nature of the “Opera en la Calle” festival and its duration (from afternoon to evening) seem to stimulate the demand for goods of immediate consumption (food, drinks, and entertainment) and not so much the acquisition of souvenirs from the city of residence. For this type of events, the budget share increase between categories goes through the diversification of goods for sale and the attraction of a consistent volume of tourists to stimulate purchases (Borges et al., 2016; Brida et al., 2013a; Case et al., 2010; Lee et al., 2015).

From another perspective, the increase in the perceived program quality does not accompany growth in the overall expenditure (non-conclusive hypotheses H3). Neither was there a positive linkage of expenditure with the perceived service quality or satisfaction reported in Andersson et al. (2017) and generally in tourism literature (Chen & Chang, 2012; Disegna & Osti, 2016; Kim et al., 2011; Zhang et al., 2010). In contrast, these differences result from most visitors’ high satisfaction with program quality approval regardless of the amount they disbursed. This finding, which is not common, was observed by Lima et al. (2012) in a context dominated by highly satisfied visitors, indicating that the increase in expenditure and satisfaction with the perceived program quality are goals that obey different logics and need specific actions.

Perceived program quality holds a significant relationship with the enjoyment of the entertainment quality (H4). This relationship was also evidenced by Kitterlin and Yoo (2014) and Cole and Illum (2006) Vigolo et al. (2019) to characterize the perceived performance

quality, and by Wong et al. (2015) in festival quality approval. However, the perceived entertainment and program quality significantly affects both service quality approval and attitudinal event loyalty. These findings at the “Ópera en la Calle” festival are generally consistent with other antecedents. If the relationship between the perceived program-entertainment quality and service quality (comfort amenities) was found to be inconclusive in Bruwer (2014), the relationship with event loyalty was found to be significant in Kima et al. (2018) and conclusive through experience and satisfaction in Cole and Chancellor (2009) and Kitterlin and Yoo (2014) and was not significant in Bruwer (2014). The divergence with this last author is the product of an attitudinal behavior focused on the purchase of wine instead of opting, as Cole and Chancellor (2009) and Kitterlin and Yoo (2014) did, for repetition of consumption and / or recommendation (Yoon et al., 2010; Wan & Chan, 2011; Wong et al., 2015).

Satisfaction with the perceived organizational quality is another important factor for a successful event (Borges et al., 2016; Bruwer 2014; Carneiro et al., 2019; Gannon et al., 2019; Troisi et al., 2019; Wan & Chan, 2011; Zhang et al., 2019). In our study context, approval of organizational quality was found to be significant and positive with the perceived quality of services and entertainment, while in Bruwer (2014) these links were not conclusive.

Regardless of whether these relationships were not explicitly explored in previous work, the link between the perceived organizational aspects and event quality approval is generally found to be significant and affect entertainment quality perception (Anil, 2012; Carneiro et al., 2019; Cole & Illum, 2006; Wong et al., 2015). However, further studies are needed to clarify these aspects and better understand these specific relationships and their dynamics with the other links in the research model.

From the moderation effect of the inter-annual variation, and considering the significant relationships found for the three editions of the festival, they were all found significantly variable from one edition to the other. The relationships showing more stability with time were the links between the perceived entertainment quality on program quality approval, the perceived organization quality on service quality perception and entrainment quality approval, and the perceived program quality on event loyalty. Meanwhile, the impacts registering a higher inter-annual variation included the relationship between overall expenditure and spending on services, perceived entertainment quality on service quality approval, and the perceived organization quality with entertainment quality perception. These findings clarify that a temporary vision is needed when analyzing the interaction of the organizational, entertainment and marketing aspects in a recurring festival. In this sense, the knowledge resulting from the examination of a single edition does not seem sufficient to generate by itself the intellectual tools that allow a successful management of a cultural festival.

*Managerial discussion and implications*

These findings also have practical implications oriented mainly to enhance the marketing effort within the sphere of the festival organizers. The latter will have to put entertainment and program quality at the center of the marketing strategy, given its significant relationship with service quality and event loyalty. By establishing an alliance with professionals in artistic programming, organizers have access to other repertoires and the festival’s intensive promotion of artistic activities. This strategy is closely related to a constant improvement of organization quality that significantly influences both entertainment quality and service quality approval. In addition to the constant evaluation by the actors involved in the festival organization, it is essential to include those participating actors in the commissions to improve this fundamental aspect.



Taking into account the findings from the inter-annual variation analysis, we noticed two significant trends: one founded on an arrangement very close to stability and another variable that might need recurring attention. This stability is also inscribed in an almost favorable inter-annual tendency that needs a consolidation effort to give continuity to this encouraging dynamics where the organizer will have to focus on strengthening this tendency. However, the relationship between perceived entertainment quality and event loyalty which undergoes a more substantial annual variation and a slightly favorable inter-annual tendency, seems to need a stabilization strategy to avoid falls as in 2014.

In each new edition, it is essential to present a show capable of generating renewed approval about perceived entertainment quality since it conditions the approval of program quality. To achieve this goal and to attain greater satisfaction with entertainment and services, it is necessary to constantly revise the organizational aspects (accessibility, support, and information).

However, compliance with the above-mentioned does not ensure event loyalty which seems to depend, more than anything, on visitor approval of the program and entertainment in progress.

Therefore, the yearly effort to surpass previous editions becomes a strategic aspect of strengthening visitor loyalty, growth, and consolidation of the festival.

Festival organizers will have to share the diagnosis of inter-annual tendencies among those participating in the event to generate collective dynamics in at least three axes of action: consumption, entertainment, organization and services. From the consumption perspective, ongoing actions such as applying reasonable discounts and awarding coupons and vouchers allow the consolidation of spending on purchases in the female segment. In contrast, the search for gastronomic authenticity generates a satisfactory experience and visitor loyalty. The inter-annual variation of creating a competitive environment to preserve the level of entertainment can

be achieved by organizing competitions and extending awards to participating groups and artists. These contests improve attendee loyalty and, at the same time, help create the event's artistic identity and motivate the offer. Finally, the consolidation of organization and services during these three years demonstrated the needed stability to achieve a positive trend perception that will stimulate consumption and event loyalty. The specific and strict evaluation of these aspects for each edition of the festival helps to identify weaknesses and improve visitors' perception. Since it is essential to increase visitor spending to strengthen the festival, organizers should work closely with the DMOs to cultivate a tourism identity for the event. By attracting more tourists who increase and balance budget share, it implies that the event program approval will be maintained at its current level and that the complementary offer will include products and services that will diversify the experience of local visitors and tourists. In this sense, as established in other contexts (Liang et al., 2013; Vesci & Botti, 2019), the diversification of the gastronomic offer at affordable prices can be one of the possible routes to gain momentum from the popularity of the local cuisine and wines.

**Conclusions**

This research provides knowledge about a causal relations model structured around perceived festival quality and its link to visitor spending in a recurrent cultural event in the city of Tijuana, Mexico. It also evaluates the annual moderating effect variation of the festival editions of the model and each of its relationships. The research model was assessed using Partial least squares (PLS) path modeling with 466 sample cases taken during three editions of the festival (2013, 2014, and 2015). Of the ten causal relations analyzed, seven were found significant and positive, while the links found inconclusive were overall expenditure and spending on shopping, perceived program

quality on overall expenditure, and finally, perceived service quality on event loyalty. For the “Ópera en la Calle” case, findings show that spending on shopping is not the privileged category when visitor overall expenditure increases; visitor overall expenditure does not seem to increase when visitor approval of program quality increases. It is also the case of the inconclusive impact of perceived service quality on visitors’ future intentions, which depends instead on entertainment quality and organization quality approval.

For all these relationships, the findings seem to coincide with studies with close epistemological interests, although it should be clarified that there is also contrary evidence that exhibits the contextual side of each festival as a different experience. The same direct or indirect evidence also seems to support the conclusive causal relationships of perceived organization quality on entertainment and service quality approval which, in turn, have a significant impact on event loyalty. The latter is influenced by the perceived program quality that seems to depend on entertainment quality approval. Altogether, the relationships that emanate from the perceived quality constructs show some links covered by scarce direct literature; their treatment in this work will provide new references to continue the reflection undertaken with our research model. As to the inter-annual variation of the analyzed causal relationships, it was found that all of them were significantly variable during the three successive years of the study. Some of these relationships exhibited a certain tendency towards stability (perceived entertainment quality on the program quality approval, perceived organization quality on the service quality perception and entertainment quality approval, and the perceived program quality on event loyalty), while others have been frankly unstable in time (overall expenditure on spending on services, perceived entertainment quality on service quality approval, and the perceived organization quality on entertainment quality perception). These results indicate the importance of completing

the seasonal study with an inter-annual analysis to evaluate the stability of the model relationships and, in consequence, detect the event’s management and organization deficiencies. With this knowledge, event organizers and participants can take concrete actions that will improve the event’s offer in all dimensions so that visitors can achieve a satisfactory experience in each edition.

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Table 1. Summary statistics for overall sample.

Genre		%	
Male		41.69	
Female		58.31	
Age ranking (in years)		Cities of residence	
Under 18 to 34		From Tijuana	
35-44		From others cities	
45-54		Country of residence	
55 and more		México	
Marital status		USA	
Married		Occupation	
Single		Entrepreneur	
Divorced/widower		Professional	
Others		Employees	
Education level		Student	
Junior High		Retired	
High school		Unemployed	
Universities and colleges		Others	

Table 2. Reliability of the involved items.

Constructs and ítems	Loadings/ Weights	Dijkstra- Henseler's rho ( $\rho_A$ )	VIF <sup>c</sup>	<sup>d</sup> R <sup>2</sup>
<b>Overall expenditure<sup>b</sup></b>		-		-
A1- Total expenditure on the event	-		-	
<b>Spending on services<sup>a</sup></b>		-		0.814
B1- Food and beverage	0.445		1.120	
B2- Alcoholic beverages	0.598		1.131	
B3- Entertainment	0.472		1.013	
<b>Spending on shopping<sup>a</sup></b>		-		0.459
C1- Handicrafts and souvenirs	0.494		1.007	
C2- Graphic and art works	0.913		1.007	
<b>Organization quality</b>		0.750		-
D1- Access to the event	0.767		-	
D2- Signalization	0.823		-	
D3- Information and support	0.715		-	
D4- Access to presentations	0.711		-	
<b>Service quality</b>		0.821		0.644
E1- Food and beverage	0.812		-	
E2- Craft/Art exhibitions	0.768		-	
E3- Clean environment	0.844		-	
E4- Safety	0.777		-	
<b>Program quality<sup>a</sup></b>		-		0.534
F1- On the main stage	0.504		1.813	
F2- On the child stage	0.589		1.813	
<b>Entertainment quality</b>		0.715		0.247
G1- On the main stage	0.830		-	
G2- On the child stage	0.779		-	
G3- Sound quality	0.767		-	
<b>Attitudinal loyalty to the event<sup>a</sup></b>		-		0.133
H1- Recurrence to the event	0.482		1.011	
H2- Attachment to the festival	0.826		1.011	

<sup>a</sup> Formative construct <sup>b</sup> Formative constructs with one item <sup>c</sup> Variance inflation factors

<sup>d</sup> Coefficient of determination.

Table 3. Convergent-discriminant validity (AVE and HTMT)

Latent variables	AVE <sup>a</sup>	Entertainment quality	Organization quality	Service quality
Entertainment quality	0.6290	0.0091 <sup>b</sup>		
Organization quality	0.5715	0.1739 <sup>b</sup>	0.6714 <sup>b</sup>	
Service quality	0.6420	0.0186 <sup>b</sup>	0.7240 <sup>b</sup>	0.8333 <sup>b</sup>

<sup>a</sup> Average variance extracted. <sup>b</sup> Heterotrait-monotrait ratio of correlations (HTMT).



Table 4. Significance of the structural model relationships.

Model hypothesis	$\beta$	t-value	Total effect	t-value	Indirect effects	t-value	Cohen's $f^2$
H1	0.651	1.180	0.678	5.194***	0.026	0.052	0.145
H2	0.902	15.156***	0.902	16.099***	-	-	0.439
H3	0.057	0.264	0.015	0.233	0.042	0.190	0.001
H4	0.601	3.623***	0.693	4.737***	0.093	1.009	0.328
H5	0.452	2.493**	0.375	3.027**	0.077	0.802	0.113
H6	0.514	4.837***	0.514	5.353***	-	-	0.560
H7	0.497	4.920***	0.497	4.97***	-	-	0.328
H8	0.411	4.767***	0.666	10.642***	0.256	3.12**	0.357
H9	0.150	0.795	0.150	0.819	-	-	0.009

\*Significant at  $P < .05$ . \*\*Significant at  $P < .01$ . \*\*\*Significant at  $P < .001$ .

Table 5. Multi-group analysis. Test Results.

Model hypothesis	$\beta^a$	$\beta^b$	$\beta^c$	t-test 2013-2014	t-test 2014-2015	t-test 2013-2015
H2	0.865	0.979	0.961	4.290***	0.891	2.870**
H4	0.496	0.137	0.735	1.582	3.510***	0.632
H5	0.238	1.609	0.283	5.531***	5.016***	6.430***
H6	0.393	0.481	0.664	0.721	2.921**	1.966*
H7	0.342	0.899	0.613	3.612***	5.598***	1.553
H8	0.467	0.517	0.313	0.566	2.943**	1.444

$\beta^a$ : 2013,  $\beta^b$ : 2014,  $\beta^c$ : 2015. \*\*\*Significant at  $P < .001$ . \*\*Significant at  $P < .01$ . \*Significant at  $P < .05$ .

