

Determinants of Consumption of Performing Arts in Delhi NCR

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Abstract

Marketing is used extensively to reach a wider audience, thus making a business profitable. This is crucial in the cultural industry, which currently employs 30% of the workforce, closely following the agricultural sector, which has 40% of the workforce (Srinivas, Radhika, Rajadhyaksha, & Sravanthi, 2009). Analysis of consumer buying behaviour is crucial for devising suitable marketing strategies, especially for performing arts because it generally constitutes the consumption bundle of the high-income group. However, to promote sustainable livelihood of performing artists, it should be extended to the middle-income group as well. In this light, the aim of the underlying paper is to identify the factors that affect the consumption of performing arts among the middle-class educated people. This helps in incorporating the identified factors in the supply-side and improve the services of performing artists, thus facilitating sustainable livelihood for them. For this purpose, a structured questionnaire would be administered among middle-income educated people in Delhi NCR, wherein the current consumption behaviour will be analysed, followed by the examination of factors influencing the consumer choice and finally assess the willingness to pay for performing arts.

Keywords: *Consumer Buying Behaviour, Performing Artists, Willingness to Pay, Marketing*

1. Introduction

Indian theatre has ancient roots and dates back to the 2nd century BC. It is shown by Farrell (1993), that the earliest form of Theatre in India was exhibited by the Sanskrit Theatre, which initiated much before the introduction of theatres in other parts of Asia. However, modern India is mesmerised by the glitz and glamour of the film industry, which has seen to overshadow the performing arts industry. The income of performing artists like dancers, musicians, acrobats, theatre artists, circus artists, puppeteers and

their likes have become meagre, thus making it difficult for them to attain sustainable livelihood. Hence, adequate attention has to be given on ways to facilitate the improvement of the lifestyle by the performing artists. This is crucial because, as shown in a report by Srinivas, Radhika, Rajadhyaksha, & Sravanthi (2009), the current employment opportunities created by cultural and creative industries is shown as 30%, as compared to the 40% generated by agricultural sector. Therefore, focussing on these industries is crucial for employing the potential workforce, especially in those areas that attract little investment or interests of big firms, thus reducing the unemployment rate.

1.1 Background

Since the Great Depression of 1929-33, J.M Keynes had highlighted the importance of aggregate demand in efficient functioning of an economy. In his book, 'The General Theory of Employment, Interest and Money', Keynes argued that the great depression was not caused by a shortage of supply but due to the lack of aggregate demand, which was explained using the IS-LM curve (Gali, 2013). The same phenomenon could be extended to explain the current scenario of consumption of cultural goods in India. In this regard, it can be argued that the fall in the demand for the performing artists is primarily causing a hindrance to sustainable livelihood for the performing artists of Delhi. Hence, analysing the consumer behaviour in this aspect is important to identify the areas that could be enhanced from the supplier's side and hence raise the consumption for goods and services provided by the performing artists of Delhi. Therefore, the aim of the underlying paper is to identify the factors that affect the consumption of performing arts among the educated middle-income group. This is crucial for incorporating the identified factors in the supply-side and improve their services, thus facilitating sustainable livelihood for the performing artists. Hence, adequate marketing would be required from

the supplier's side to target the factors highlighted by the potential consumers. The factors represent both, the reasons that motivate the target group to consume cultural commodities as well as the reasons that hinders their consumption of cultural commodities. The educated middle-income group has been chosen for this study, as several studies like that by D'Angelo, Furia, Crociata, & Castagna (2010) indicated that higher income shares a direct correlation with the consumption of performing arts. However, in a developing economy like India, this has to be extended to the middle-income group, so as to reach a wider audience, thus facilitating sustainable livelihood among performing artists of India.

1.2 Objectives

In order to examine the factors affecting the demand for performing arts, a sample of 168 educated middle-income group from Delhi NCR were surveyed to fulfil the following objectives.

- Identify the factors that affect the consumption of performing arts among the educated middle-class of the study area, to develop the required skills and improve the marketing strategies by the artists, thus offering improved services.
- Identify the factors that deters the consumption of performing arts among the educated youth of the study area, so as to develop the required skills and improve the marketing strategies by the artists, thus offering improved services.
- Derive the willingness to pay for the consumption of performing arts among the educated youth of the study area.

2. Literature Review

2.1 Economic Importance of Theatre

Firstly, theatre is believed to have tremendous impact on the society, both in terms of its cultural reprise as well as the economic benefits arising from it.

Secondly, theatre industry is also seen to have considerable positive externalities on the economy. As highlighted by Cowen & Tabarrok (2000), an interesting fact about the theatre industry is that it tends to create considerable number of positive externalities for the cultures and mores of a nation. It is a well-known fact that theatres tend to make both direct as well as indirect contributions to the local and national economy. These impacts have been highlighted by Santagata (2002), who argues that the direct impact of theatres can be highlighted through the local spending of the theatre artists on the supplies for a particular production, wages paid to the staff etc. Whereas, the indirect impact is witnessed through a 'knock-on' effect or a multiplier effect, wherein spending money leads to more money being spent.

2.2 Impact of Marketing on Consumption of Cultural Commodities

The theatre industry of Germany itself constitutes 151 publicly funded theatre. According to Eikhof & Hauschild (2007), such public funding is crucial in the theatre industry, as theatre tends to fulfil the educational and cultural functions in the same way as any other educational institution would do so. This way one can conclude that theatre artists tend to derive more of non-pecuniary benefits by being associated with this industry. However, the provision of public funding or public subsidies also faces some paradoxes, because of which it is difficult for the government to provide the optimum level of subsidies that would benefit all the organisations of the theatre industry. One such paradox is highlighted by Rosner (2008), who argues that public funding in the theatre industry, only tends to promote certain type of theatres, while ignoring the others. This paradox was evident in the German theatre system, wherein public funding and *Kunstfreiheit* were seen to be inclined on protecting only the 'art pour l'art' form of theatre in Germany at the organisation level. Under such circumstances, tight internal and external labour markets are seen to exert considerable economic pressure on the individual theatre artists. The second paradox was seen to exist for all kinds of cultural production in general and is a resultant of the overlap of culture by the business fields in such creative industries like the theatre industry. This is because, as argued by McConachie (1992), trying to bring the artistic motivation to the market, can run the risk of dwindling or even abolishing it. This might end up endangering the artistic beliefs of practising 'art pour l'art'. Hence, one can conclude that all the attempts of managing and marketing the artistic practises, by following the logics of economic gains, might endanger the resources, which are crucial for the creative production. Hence, it is evident from the above paradox that public funding alone cannot help in the promotion of sustainable livelihood of theatre artists and their quality of production has to be enhanced and updated according to the demand of the consumers. Furthermore, the choice of marketing strategies should be such that it meets the demands of the consumer, without having the artists sacrifice their choice and genre of work. Marketing strategies should not be designed solely based on the tastes and preferences of the consumers, as it would not promote the growth of all types of theatre and artists might be dominated by the profit targets of the business ventures, which in turn could hamper their satisfaction derived from providing quality but not commercial work.

2.3 Factors Affecting Demand and Willingness to Pay for Cultural Goods

The demand function plays a crucial role in determining the factors that affect the quantity demanded of a good or service. As described by D'Angelo, Furia, Crociata, & Castagna (2010), increase in the quality of life, along with a rise in the leisure activities is seen to stimulate the consumption of cultural goods and hence has attracted several scholars to explore the problems associated with the demand for cultural goods and services. The study analysed the relationship between education and culture, by exploring the empirical evidences of live performing arts in Italy. The standard theories of economics consider demand to be a function of income, relative prices and tastes and preferences (Mankiw, 2006). However, the same cannot be extended to cultural goods, as the quantitative factors like price, supply, quantity, income etc. are necessary but not sufficient to explain the consumption of arts, especially performing arts. Hence, the study by D'Angelo, Furia, Crociata, & Castagna (2010) used both quantitative and qualitative measures to derive the demand function. However, the study used government funding as a proxy for measuring quality of production, because the performing arts in Italy was solely dependent on government funding. However, the same cannot be extended in the case of India, as this sector depends on various medium for funding and therefore a new proxy has to be introduced in the current study.

Willingness to pay is the reservation price of the consumer. As argued by De Pelsmacker, Driesen, & Rayp (2005), willingness to pay can be defined as the maximum price that a consumer is willing to spend for purchasing a commodity. However, one must understand that willingness to pay is sensitive to context, as consumer might react differently in different scenario, while purchasing a good or service. Hence, willingness to pay for different services should be assessed using the ordinal preference of consumers for different contexts.

3. Methodology

3.1 Research Design

The research design is a framework, which consists of considerations, which resulted in the adoption of a suitable methodology, the process of selecting the respondents and also describes the way through which, the data would be analysed (Flick, 2011). There are three kinds of research design, exploratory, descriptive and explanatory and the underlying study uses exploratory design. Neuman (2003) cites that exploratory research is one, where an issue is explored, before much is known about the issue, in order to conduct a formulaic research. Due to this trait of exploratory research, it is often set as a base, for future research in the same field.

3.2 Data Collection and Sample Selection

The collection of data and the subsequent analysis is a process, which depends on the methodological approach. According to Saunders, et al. (2007), the process of data collection that is adopted at this stage, plays a significant role in determining the complete validity and reliability of the study. For the current paper, 168 educated middle-income people of Delhi NCR are chosen. This segment is chosen because a study by Lizardo & Skiles (2008), indicated a direct relationship among the consumption of fine arts and popular arts and the education and income level of the consumer.

3.3 Data Analysis

This section highlights the variables, modelling and tools used for the analysis. The underlying study aims to use factor analysis to extract factors that have a pertinent impact on the decisions of consumers and non-consumers of performing arts. This is because as argued by Costello & Osborne (2005), it is an appropriate method for the measurement of a characteristic or ability of a person. Therefore, it is necessary that the questions posed reflect the construct that is to be measurement, which in this case are the factors determining the demand for performing arts. It is often debated that non-parametric tests should be used for ordinal data, like the Likert itself being used in the underlying study. Neville & Norman (2007) provided compelling evidence, with actual examples using real and simulated data, that parametric tests not only can be used with ordinal data, such as data from Likert scales, but also that parametric tests are generally more robust than nonparametric tests. That is, parametric tests tend to give "the right answer" even when statistical assumptions—such as a normal distribution of data—are violated, even to an extreme degree. Thus, parametric tests are sufficiently robust to yield largely unbiased answers that are acceptably close to "the truth" when analysing Likert scale responses.

Because of these observations, experts over the years have argued that the median should be used as the measure of central tendency for Likert scale data. Similarly, experts have contended that frequencies (percentages of responses in each category), contingency tables, χ^2 tests, the Spearman rho assessment, or the Mann-Whitney U test should be used for analysis instead of parametric tests, which, strictly speaking, require interval data (eg, t tests, analysis of variance, Pearson correlations, regression).³ However, other experts assert that if there is an adequate sample size (at least 5–10 observations per group) and if the data are normally distributed (or nearly normal), parametric tests can be used with Likert scale ordinal data.

4. Results and Discussion

The analysis of the upbringing of the respondents and their exposure to cultural events and goods was crucial for the understanding of the current study because as argued by Lizardo & Skiles (2008), the ability of the consumer to manipulate symbolic codes tends to alter the meaning of cultural goods. Therefore, those who live in culturally privileged environment are capable of consistently organising the aesthetic character for the incorporation of consumption of cultural goods.

4.1 Factors Determining the Consumption of Performing Arts

The tables below indicate the results of factor analysis for the extraction of factors responsible for the consumption of performing arts. The correlation matrix indicated that there does not exist the problem of singularity in the data, as the correlation coefficients are below 0.9 for all pairs of factors. Hence, multicollinearity among the variables is not a cause of concern in this paper and therefore, no question has to be eliminated.

The KMO and Bartlett's Test in the above table 1 is 0.886 and hence highlights that the correlation patterns are compact, thus yielding reliable and distinct factors from the factor analysis. Here, Bartlett's measure analyses the null hypothesis that original correlation matrix is in fact an identity matrix.

The above table 2 has extracted the factors, which is a key concern in the paper. Here, the eigen value associated with each factor indicates the variance that could be explained by the component. Here, it can be seen that the first two factors explain 73.588% of the variance. This reveals that the initial questionnaire actually comprises of two sub-themes.

4.2 Factors Deterring the Consumption of Performing Arts

The tables below illustrate the results of the factor analysis pertaining to the factors that deter the consumption of performing arts in the chosen sample.

The above table 3 has extracted the factors responsible for deterring the consumption of performing arts, which is again crucial for the underlying paper. Here, the eigen value associated with each factor indicates the variance that could be explained by the component. Here, it can be seen that the first four factors explain 76.204% of the variance. This reveals that the initial questionnaire actually comprises of four sub-themes.

4.3 Willingness to Pay for Performing Arts

The aim of the underlying section is to highlight the willingness to pay for various performing arts among consumers and non-consumers. Here, the sample was

asked about their likelihood of inviting various performing artists like puppeteers, acrobats, live musicians, dancers, animal artists, stage artists, street play artists, magicians and illusionists and clowns and the responses were yet again collected in a Likert scale for consumers and non-consumers of performing arts. After collecting the ordinal data, it was converted to interval scale by deriving a score representing the willingness to pay for performing arts in two samples, consumers and non-consumers. This was important for conducting two-sample t-test, which would highlight if the average willingness to pay among consumers is statistically different from the willingness to pay among non-consumers.

The above table 4 highlights the results of the two-sample t-test comparing the means of the willingness to pay for performing arts among consumers and non-consumers. On an average, the willingness to pay among consumers is seen to be greater than that among the non-consumers, as the willingness to pay among consumers is 30.30, while that of non-consumers is 26. However, one has to analyse if this difference in the mean is statistically significant. From the above table, it is evident that the difference is statistically significant because the p-value of the t-test is less than 0.05. This implies that one can reject the null hypothesis of no significance and conclude that the willingness to pay among consumers and non-consumers is significantly different.

5. Tables, Figures and Equations

5.1 Tables

Table 1 (KMO and Bartlett's Test)

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.886
Bartlett's Test of Sphericity	Approx. Chi-Square	887.139
	df	45
	Sig.	.000

Table 1 (Factor Extraction for Consumers)

Component	Initial Eigenvalues			Total Variance Explained			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.972	59.716	59.716	5.972	59.716	59.716	4.093	40.927	40.927
2	1.367	13.672	73.388	1.367	13.672	73.388	3.266	32.661	73.588
3	.742	7.419	81.007						
4	.440	4.395	85.402						
5	.331	3.312	88.714						
6	.302	3.020	91.734						
7	.266	2.655	94.589						
8	.228	2.284	96.872						
9	.167	1.669	98.541						
10	.125	1.249	100.000						

Extraction Method: Principal Component Analysis.

Table 3 (Factor Extraction for Non-Consumers)

Component	Initial Eigenvalues			Total Variance Explained			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.803	31.142	31.142	2.803	31.142	31.142	2.599	27.975	27.975
2	1.813	20.147	51.289	1.813	20.147	51.289	1.736	19.291	47.166
3	1.126	12.512	63.801	1.126	12.512	63.801	1.480	16.446	63.612
4	1.116	12.403	76.204	1.116	12.403	76.204	1.133	12.592	76.204
5	.744	8.265	84.469						
6	.502	5.576	90.045						
7	.455	5.060	95.105						
8	.250	2.776	97.880						
9	.191	2.120	100.000						

Extraction Method: Principal Component Analysis.

Table 4 (Two-Sample T-Test)

t-Test: Two-Sample Assuming Equal Variances		
	Willingness to Pay Consumers	Willingness to Pay Non-Consumers
Mean	30.30252	26
Variance	51.1111	52.16667
Observations	119	49
Pooled Variance	51.41632	
Hypothesized Difference	Mean	0
df	166	
t Stat	3.535	
P(T<=t) one-tail	0.000264	
t Critical one-tail	1.654085	
P(T<=t) two-tail	0.000529	
t Critical two-tail	1.974358	

6. Conclusions

The aim of the underlying paper was to determine the factors responsible for the consumption of performing arts among the educated middle-income group of Delhi NCR and their willingness to pay for various performing arts. From the analysis, it was seen that two factors could be extracted for being responsible for the determination of the consumption of performing arts. On the other hand, four factors were extracted for being responsible for deterring the consumption of performing arts in the given sample. Hence, it would be beneficial to focus on the creativity and take promote performing arts with cultural and historical significance. Furthermore, focussing on affordability of the events and reducing the information asymmetry about the venue, timings, shows etc. prevalent in the market could lure the non-consumers of performing arts as well, as these factors have been currently identified to deter the consumption of performing arts.

Lastly, it was seen that the willingness to pay for performing arts among the consumers is significantly different from the non-consumers. This shows that since the consumers have a higher willingness to pay, it would be beneficial to cater to their concerns regarding the current setup.

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