

THE IMPACT OF CULTURAL EVENTS ON THE CINEMA AND TOURISM IN A
COMMUNITY, BUSAN: BUSAN'S ALTERNATIVE INDUSTRY TO THE CINEMA
AND TOURISM INDUSTRY AFTER THE PUSAN INTERNATIONAL FILM
FESTIVAL (PIFF)

by

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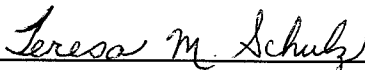
A Research Paper

Submitted in Partial Fulfillment of the
Requirement for the
Master of Science Degree
With a Major in

Hospitality and Tourism

Approved: 3 Semester Credits

Thesis Advisor


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December 2002

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ABSTRACT

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The Impact of Cultural events on the Cinema and Tourism in a Community, Busan:
Busan's

(Title)
alternative industry to the cinema and tourism industry after the Pusan International Film
Festival

Hospitality and Tourism	Teresa Schulz	August 2002	75
(Graduate Major)	(Research Advisor)	(Month/Year)	(No. of pages)

Publication Manual of the American Psychological Association
(Name of Style Manual Used in this Study)

An event is the most exciting and fastest growing industry related to leisure. Events can be viewed as part of the new wave of alternative tourism. This is the reason that tourism organizations in many countries actively promote events. An event induces tourists to participate. It makes them stay longer in the area which has held the event. An event generates jobs for the residents. The residents would need to develop an infrastructure to provide the many needed facilities.

This study researched the economic impact of the Pusan International Film Festival (PIFF) on the tourism and cinema industry in Busan, South Korea. The festival was developed with attractive characteristics as a cultural event. The finding of this

study supports the positive economic impact, development of the cinema and tourism industries, and the attitude of residents before and after PIFF in Busan.

Key words: event, special event, festival, event tourism, culture, infrastructure.

Busan*, Pusan International Film Festival (PIFF)**

(*/** Today Busan officially uses 'B' for Busan.. However PIFF was launched in 1996 before Busan decided their English spelling for the name. PIFF uses 'P' for Busan. In this study Busan and Pusan are the same city.)

ACKNOWLEDGEMENT

The researcher would like to acknowledge Assistant Professor Teresa Schulz of the University of Wisconsin-Stout as an advisor who supported her throughout all of the time for this study. I would also like to thank Michael Killoren in Seattle CVB. Finally, I thank my family who always encouraged me and was with me in spirit.

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CHAPTER 1 INTRODUCTION

Events are the most exciting and fastest growing industry related to leisure, business, and tourism. These special attractions are of limited duration and have innate uniqueness, which distinguishes them from permanent institutions and special attractions (Getz, 1991). Research done by the Event Solution Fact Book records that the event industry is nearly a \$400 billion annual business. Average gross income at event companies in 2000 was \$2.38 million. The percent of companies with more than \$1 million in gross revenues is 40.5% overall (Event Solution, 2002). Some researches about mega-events documented that a spill-over effect can be found in the local economy. However, although an event may have a negative impact on a community, an event always has been well attended because of the significant economic profit (Park, 2002). Moreover, on the point of tourism, events can be viewed as part of the new wave of alternative tourism (Getz, 1991). A tourism policymaker suggests that an event could be the key point to the solution of the off-season in tourism. St. Paul in Minnesota conquered a winter off-season by holding their Winter Festival (Chung, 1996). Business and tourism are not only industry fields, which benefit from events, but the host cities themselves benefit. A mega-event demands infrastructure, such as transportation, accommodation, stadiums, and necessary construction. Public facilities improve the quality of residents' lives in an event host city.

The impact of an event could be estimated not only as numerical statistics but also as an image of a community. Haider, Kotler and Rein identified the value of events in enhancing the image of communities and in attracting tourists. They demonstrated how places compete for investments, quality people, and tourists, all in pursuit of more livable

and prosperous communities (1993). Korea is one country that has used events explicitly and systematically to shape its international image and tourism attractiveness. Hosting the Summer Olympic Games and a world's fair brought global media attention; whereas, many annual events also have image enhancements as a major goal of organizers and sponsors.

In introducing "Visit Korea 2001," the Ministry of Culture and Tourism selected 10 major events and festivals. Among them, Pusan International Film Festival (PIFF) gets support from both residents and tourists. This cultural event is especially supported and promoted by the Ministry of Culture and Tourism for developing the tourism industry in Korea. Cultural event tourism attempts to attract foreign tourists. At the same time, there are affirmative effects in the regional society, for it offers regional culture to residents and gives information about national and regional culture to residents. PIFF is the largest film festival in Asia since 1996. The event simultaneously gains fame for its commercial opportunity and its artistic and creative purpose. The aim of the festival is to select programs ideal for the new millennium, to enhance the marketability of the festival, and to emphasize the discovering of new Korean and Asian cinemas. The Pusan Promotion Plan (PPP) opens during the festival. It is a free market in which hopeful filmmakers in Asia can meet co-producers and co-executive producers from throughout the world.

The Korea National Tourism Organization (KNTO) announced that tourism expenditure in Busan was approximately \$30,000 in 2000. This was because Busan ranked second in the cities visited by tourists in 2000. Furthermore, the regional location, which is close to Japan, took advantage of the Ministry of Culture and Tourism's policy

decision. PIFF has the advantage of financial support from the Ministry of the Culture and Tourism. It is recognized as a cultural event of great potential by being successfully held five times already from 1996 to 2000. The success of PIFF and PPP directly affected the cinema industry in Busan. Busan Film Commission (BFC), which supports filmmakers who want to make films in Busan, proves that Busan enthusiastically promotes the cinema industry for business reasons.

The researcher conducted the data collecting for the relationship between PIFF and its effect on Busan in the past year. In connection with this study, three interviews and data collecting were accomplished. Findings from this research are not limited to PIFF. Interviews and data from chapter 2 hopefully will help to understand the entire study. The results of the research are stated throughout this study. The economic impact of PIFF and the ripple effect of the cinema industry produced positive results in Busan. This study shows the transition of Busan from the point of the tourism and cinema industry: before and after the festival.

Statement of the Problems

The purpose of this study is to describe the impact of cultural events on cinema and tourism in a community, Busan: Busan's alternative industry to the cinema and tourism industry after the Pusan International Film Festival (PIFF).

This study will focus on the following objectives:

1. To understand the cinema and tourism industry of Busan before PIFF
2. To understand the PIFF and its effect on a community

3. To determine the negative and positive changes brought about by the cinema and tourism industries in Busan.

Definition of Terms

The definitions of Event, Special Event, and Festival might be confused without accurate definitions of them. The problem is how can we classify these terms by using some kind of a measure. There are many definitions of Event, Special Event, and Festival among researchers. However, there is an eternal conception. An event includes a special event, mega-event, and festival within itself. Special event is a kind of an event, mega-event is a kind of an event, and festival is also a kind of an event. That is to say that a festival could be a festival itself and simultaneously, a festival could be an event in an inclusive conception. There are researches which mention the relationship among them: festival is an important component of events (Mihalik & Ferguson, 1994); festival can be (and often are) mega-events; festival is a component of mega-events; mega-event is essentially a festival focused around a specific theme (Walle, 1996): a festival can be a special event, but not all special events are festivals (Getz, 1991).

Event: a notable occurrence, affair, result or something special. However, in this study, event will be used as a synonym for special event (Getz, 1991)

Special Event: Any event outside the normal range of programs and activities of the sponsoring or managing organization. This is a one-time event, not to be repeated. To the customer, a special event is an opportunity for a leisure, social, or cultural experience (Getz, 1991).

Festival: A public, themed celebration (Getz, 1991).

Event Tourism: A contact of varying intensity, during travel, with the natural history, human heritage, arts and philosophy that pervade tourism destinations and/or their cultural institutions (Minister of Industry, Science and Technology, 1993).

Culture: A whole set of implicit, widely shared beliefs, traditions, values, and expectations that characterize a particular group of people (Pizam, 1993)

Infrastructure: systems in place, which allows for the efficient functioning of a business activity or concentration of people, example, transportation, electricity, water, and sewage, etc,(Gartner, 2000).

CHAPTER 2 REVIEW OF THE LITERATURE

Event and Relative Event area

Event

Today, the event industry is a nearly \$400 billion annual business (Event Solution, 2002). As an event has grown, this huge industry has become the essential part of the market, such as marketing, human resources, trade, public relationships, etc (Goldblatt, 2002). Event sub-fields are not scientifically categorized, as there are many linkages. However, event is divided into many sub-fields by researchers; tourism, civic events, hallmark events, expositions, fairs and festivals, meetings and conferences, hospitality, retail events, sports events, and social life-cycle events (Goldblatt, 2002); mega events, hallmark events, major events (Allen, McDonnell, O'Toole, 1999). The diversity of sub-categories shows how event industries have developed. The number of event associations, event training courses, and event educations prove the growth of event industries (Harris & Griffin, 1997). This is also true for mega events. Mega-events are short-term occurrences with long-term consequences for the host city (Mossberg, L, 1997). According to the mega-event conference in Sweden (1998), a mega-event has an immediate impact and also, importantly, long term issues and effects (Fayos-Sola, 1998). Short-term impacts show as an economic impact, and long-term impacts show as a socio-economic and environmental impact. Now the attention to events is due to the tremendous economic profits to the business sector. However, an event means not only profit to the business sector but also a body of literature, expertise and a policy for local development. Kelly states that leisure develops inter-activity. People can identify

themselves in a society, others identify them in those roles and they have certain expectations as to how they will act (1996). Events give opportunities for meeting people in a celebrative playground. Getz suggested that basic needs which are met by festivals can be classified into three categories: physical, interpersonal or social, and personal (1991), although many results have shown that tourists' motivation for events are likely to be multiple (Crompton & McKay, 1997). Robertson and Guerrier stated how Spain used three major international events to help remodel the national tourism products (1998). The Government of Guam used an event named "Sandy Castle Magic Show" to change Guam's limited image from a rest area to a multi-eventful tourism destination (Cho, 1999).

Events and Tourism

Events themselves do not have to attract tourists to the area to play an important role in a tourism development (Getz, 1991). However, there is a reason why tourists need something to do in their free time. They will be looking for attractions or events in a tourism destination, and expect what a tourism destination offers. Events can contribute to a perception that a place is a nice area to visit during travel. Events will heighten visitors' experience and make tourists' stay longer and encourage them to spend more time in tourism destinations (Getz, 1991). An event provides newness, freshness and changes, which sustain local interest in a destination and enhance its appeals to visitors. Tourist attractions and theme parks incorporate events as a key element in their marketing programs. Getz notes that the policy needs to consider an event as a closely related field with tourism (1991). A tourist expects events with a wide variety of tourism attractions to animate and interpret their products (Getz, 1997).

An event affects expansion of the tourist season and also the off-season. Winter sports can be the basis of seasons in northern climates, with sports competition and winter carnivals, and alpine cultural events. Killoren said Seattle effectively uses events when the number of tourists is reduced in the off-season (wet winter) and hotel occupancy is low. At this time the art events are in high gear (M, Killoren, personal communication, March 25 to April, 2002).

Event, Tourism and Culture

Attraction of cultural event tourism

A Festival is one of the sub-fields in an event. Many event assemblies for commercial, religious, or businesses developed today's festivals, fairs, and public events. A festival comprises performances, arts, and crafts demonstrations, and other interaction between the festival and participants. European Center for Traditional and Regional Cultures (ECTARC) considered events and festivals to be one of the attractions of cultural tourism because of these characteristics of events and festivals (Richards, 1996). Many small towns host short-term festivals for profit, and some communities use festivals as a boost to tourism for the off-season (Goldblatt, 2002). When the unique attractions of communities meet tourists' satisfaction, a festival simultaneously gets the most effective profit from the festival itself as well as tourists. A festival gives residents experiences of a local culture, and at the same time, gives tourists a chance to experience different cultures between themselves and a tourism destination (University of Minnesota, 1998). San Francisco has its "Chinese New Year Festival" in February. This festival is a celebration for Chinese. However, San Francisco Convention Tourists

Bureau (CVB) advertises this festival to tourists as a local-color festival (<http://www.sfvisitor.org>).

The Change of Tourists' Choice to Cultural Tourism (new trend)

In the past, natural scenery was the most attractive to tourists. By reason of the tourists' preference, sightseeing had the same meaning as travel (Goeldner, McIntosh, and Ritchie, 2000). Travel agencies would have very similar package programs for typical tourists in the past. However, now, a tourist is changing. Today's traveler is generally well-educated, informed, and in search of new ideas and fulfilling adventures. Cultural tourism is travel, which includes knowledge-based experiences, exploring the unique history and character of a place; discovering what makes an event or location unique, and personal discovery via the arts and humanities (Cultural Tourism, 2002). Tourists want to travel for experience, which is something special in the tourism destination. Axel Dessau, former director of the Danish National Tourists Office, is credited with this concept of "life-seeing tourism" (Goeldner, McIntosh, and Ritchie, 2000). Tourists want more activities and local culture. Japanese travel agencies have "semi-order" package programs available. Half of a schedule is developed by a travel agency, and the other half by a schedule selected by the customer. Dakana Ichiro, a director of the Japanese National Tourism Organization (JNTO) mentioned that this is a travel trend in Japan, and tourism agencies can developed a semi-order to satisfy the cultural curiosity (Yoon, 1998). World Tourism Organization (WTO) announced that the demand for cultural and art tourism continued to increase rapidly in 1985. Now about 40% of tourists participate in cultural tourism, such as heritage, arts, culture, etc.,

Especially, tourists involved with films, music, arts have the propensity for higher consumerism (Worldcup Munhwa-Jinhung, 2001).

Cultural Event tourism, Industry, and Community (impact on event)

Economic Impact on a Community

Today, events have been rapidly researched in academic and industrial fields because of their tremendous economic impact. According to research, more than 54% of all responding event companies reported a moderate increase in 2000, and 26% reported a significant increase over 1999 in gross revenues (Event Solution, 2002). Special events, particularly hallmark events and mega-events, contribute to host communities' and countries' economies (Ryan, 1996). The strong growth of festival and special event sectors in Australia is the part of a general economic trend away from an industrial products base to a more service-based economy (Allen, McDonell, and O'Toole, 1999). Although a community invests a lot of money in an event, they expect to earn more than they spend. If a city has the NFL(National Football League), this city offers services from limousines and free stadium rental, to concessions, and parking control. It costs over \$2 million, but this is not a big investment. The economic impact of the NFL is over \$100 million. Economic impact affects a community not only through a mega-event but also a small- scale event. Even a one night concert economically impacts a community. Michael Jackson's Victory tour contributed to the fund from the security to souvenirs in a community (Catherwood & Van Kirk, 1992).

Jafari stated festivals and other events can be used to meet an economic and also community development (2000). Tribeca Film Festival was created to boost the

economy of New York. Actor Robert De Niro mentioned that he created the festival to encourage new filmmakers and boost the economy of Tribeca in New York (Leader-Telegram, 4B, May 14,2002). Events can help with a fund raising, to change a city's image, to expand its trade, to stimulate its economy, and help companies to market and introduce their products (Catherwood & Van Kirk, 1992). One of the great advantages of community festivals and many other special events are to improve independence from capital-intensive development projects (Getz, 1991). The importance of event tourism for less developed nations is especially clear. This is a major new source for a job in developing nations, because of their labor intensiveness of events (Garrison, 1989). Events contribute to income and employment through the event itself as well as hotels, restaurants, transportation, and even small souvenir shops. An event needs many residents as volunteers. Larry Simonson mentioned that the quality of an event depends on how event managers educate volunteers. It shows the event involves residents as an important role (University of Minnesota, 1989). During an event, a community can use publishers and media as a non-pay advertisement. An event can relatively reduce their budget for marketing by using free advertising expense. This destination-oriented promotion can promote an interest in a community and increase tourists' visits (University of Minnesota, 1989).

On the other hand, there is a negative impact of an event on a community, such as a community resistance to tourism, loss of authenticity, damage to reputation, inflated prices, etc.,. In many undeveloped countries, Trinidad and Tobago as an example, 60 percent of consumer goods supplied to the event and tourism are imported. The impact of expenditure for leakage is usually large (Ali & Wall, 1977).

However, studies of economic impact have been researched often, but these are very difficult to estimate with one formula. Economic impact does not mean just financial costs and revenues. Profit/loss assessment and return on investment (ROI) are approaches to deal with the financial numbers. Many methods are overlooked, such as social, cultural, and environmental measures (Carlsen, Getz and Soutar, 2001). Researchers need to consider recognition of intangible costs and benefits as well as tangible costs and benefits. Intangible benefits are long-term promotional benefits, induced developments and construction expenditures, additional trade and business development and increased property values. Intangible economic costs are resident exodus, interruption of normal businesses, and underutilized infrastructure (Dwyer, Mellor, Mistilis & Mules, 2001). Cost-benefit Analysis is the closest form to a method which estimates the true value of an event because this method includes not only profits, income, and job creation but also social, cultural, and environmental effects (Mehmetoglu, 2002). Furthermore, a researcher dealt with who will be included in a category of direct expenditure. Getz suggested to mention the following points: (1) none of the expenditure of area residents should be included, (2) only the spending of nonresidents visitors who come to the area especially to see the event should be included, (3) grants and sponsorship should not be included, (4) leakage associated with expenditure must be noted (1994). Michael Killoren mentioned the economic impact is too difficult to estimate, but an event itself absolutely adds to the economy in a community (Personal Communication, March 25 to April 4, 2002).

Social/ Sociocultural Impact on a community

Some researchers included a social impact as well as a general economic impact. On the other point of view, a positive social impact itself can induce a positive economic impact. Successful events change the image of the region that held that event. Cities that have held mega-events are becoming 'products' or 'brands'. After the Barcelona Olympics Games in 1992, this city was internationally more visible. In the international ranking, Barcelona moved from 18th to 7th position as an important convention city (Park, 2002). According to the NTB (The Netherlands Board of Tourism), major events strengthened the image of Holland, and increased tourism. Events yielded an extra 5% of foreign visitors per year. Furthermore, they affected domestic tourism (Gessel, 2000).

Finally, a raised regional image makes other industries effective. Especially, an event has a close relationship with tourism. The event itself increases the number of tourists. A city uses an event as an alternative tourism (Getz, 1991). An inflow of nonresidents/tourists during an event affects a region socially. Although researches of event tourism deal with visitors and residents, the image of visitors as to a sociocultural impact is mostly expressed as a destroyer or predator even though these visitors generate a huge economic impact. Furthermore, one research described the relationship between residents and visitors as an invasion (Matthews, 1977). On other hand, residents are sufferers. Visitors could damage cultural facilities and affect residents' sense of values. In the view of visitors, cultural event tourism can affirmatively contribute to tourists' development of a quality of life and a sturdy sense of values (Kim & Yoon, 1998). Korean classic music academy has under consideration a harmony between conservation of culture and popularization for diffusing Korean classical music. These factors are

difficult to develop together (Kim & Yoon, 1998). However, Michael Killoren mentioned what's good for the resident is good for the visitor. Since the cultural event tourist is better educated and looking for authentic experiences, the more residents know about and are aware of their treasures, the better they might keep them (March 25 to April 4, 2002).

Cultural Event Tourism Products

Korean Tourism depends greatly on Japanese tourists. In April, 2002, 41.6% of foreign tourists were Japanese (KNTTO, 2002). The Korean National Tourism Organization (KNTTO) suggests cultural event tourism as an alternative plan to induce European, American and Chinese tourists to visit, because their interest in cultural tourism is relatively higher than the Japanese.

Cultural event tourism has already been proven to play an important part in tourism. Many countries have used their cultural resources in communities, and developed culturally characterless regions into world tourism cities (Worldcup Munwha Jin-Hung, 2001). During two weeks in 1997, October Festival (Oktoberfest) in Munich, Germany, the festival employees numbered 12,000, visitors 6,000,000. The 1,300,000 Munich residents and visitors consumed 5 million liters of beer, 40 thousand sausages, and 6 thousand chickens (Worldcup Munwha Jin-Hung, 2001). Japan was called a country of festivals because of many yearly festivals. The Japan Tourism Organization (JNTO) collected statistics showing that the number of annual events and festivals is 8,225 (JNTO, 2002). The government helps some festivals that do not have a self-supporting economy. Sapporo is a city famous for snow and beautiful winter scenery. The Sapporo Snow Festival in 1997 announced that the total ripple effect of a festival is

\$2,457,912,576 (\$1=Yen 118.8). Festival visitors were 1,856,000: residents were 951,000 and nonresidents were 905,000. The purpose of the festival was to encourage residents to attend, and for social exchanges between residents and Japanese from other cities, and foreigners. A festival committee invited residents to join the snow festival, prepared a recreation area and collected ideas about the snow festival's theme. These efforts involving residents definitely increased participation of residents (Korean Travel Journal, July,1998). Yufuin-Machi is an example of how a city without a cultural background can develop as a cultural festival city. In 1970, Yufuin-Machi's economy declined. Residents tried to find a way to increase their economy. They rented a town hall for screening movies in 1976 and have held film conferences. A catch phrase was "a town without cinemas, but there are films". Now, Yufuin-Machi has 120 accommodations that can receive 5000 persons per day. Three million tourists visit this city per year and 1 million among them stay over 1 day (World Cup Munhwa Jin-Hung, 2002). Tanglewood has the Boston Symphony Orchestra (BSO) festival in summer. In this season, this city is crowded with tourists from all around the world. Michelene McClennen, department of marketing and sales in BSO, mentioned that they promote BSO at tourism promotion markets because culture is one part of a tourism product. If a tourism agency want to plan a tourism package involved with BSO, they offer a sale price to an agency and tourist (Kim, 1998).

Film as Leisure

Attraction of Film

Cinema began as a lower-class form of entertainment. Although involvement in other forms of leisure and recreation, especially sports, was decreased, cinema represented a notable exception. The nickelodeons were the first wave of mass culture and mass leisure in America. They provided cheap recreation to an industrializing society (Kando, 1975). A movie industry has grown in the urban and with the urban areas and with the urban masses. Some researches show moviegoers' characteristics. A movie-goer is generally young, urban, and well-educated in the high socioeconomic status (Kando, 1975). According to the Canadian Arts Consumer Profile (CACP), an art consumer who likes to go theaters, music concerts, musicals, ethnic/heritage events is young, urban, highly educated and has discretionary income that could be spent on the arts (Grant & Paliwoda, 1998). Although television media popularly influences the public, the importance of a cinema is still maintained. Movies were booming as not only leisure but also a business. The cinema industry has expanded its business rather than declining as new media has developed. Companies invest and give their products to filmmakers. It is called PPL (Product Placement) advertisement and PPL uses popular advertisement methods (Cho, 1999).

Some research results show that a film is a very attractive leisure activity to city residents. In the Jeffres and Dobos' research, residents in metropolitan areas have leisure time for art, culture, and entertainment: 55%(1982), 34%(1986), 55%(1988) (Dobos & Jeffres, 1993). However, this moviegoers' phenomenon is not only within a

city because movie mania in other cities or countries started to go to other cities or countries for movies, movie studios and locations or meeting movie stars.

Movie-induced Tourism

A movie itself is an interesting topic not only to the cinema industry but also the tourism and leisure industries because of the economic impact of films on tourism and leisure on regions. From the industrial viewpoint, cinema and tourism have cultural, value-added, and international industries in common (Shim, 1999). Shim suggested that these industries can develop together and should be supported by the government, such as financial support and protective regulations (1999). The government of France suggested favorable conditions to Disneyland such as 50% tax reduction of construction, a construction of TGV station and highway interchange in front of Disneyland, the installment payment plan, and land cost discount. Finally, they induced Disneyland to France (Cho, 1999). Disneyland Paris was the first European theme park and attendance was 12.6 million in 1997.

Some researches have well documented the relationship between movies and tourism (Baker and Tooke 1996; Doren and Riley 1992). A tourist has a fantasy and anticipation to go somewhere filmed on a screen. A movie itself does not intend to induce people to visit locations. However, major motion pictures enhanced the awareness, appeal, and profitability of locations. These can be re-released on mediums such as cinemas, videos, and televisions (Baker, Doren and Riley, 1998). Furthermore, a cinema amusement park where tourists experience and watch movies is the most famous theme park to moviegoers. 'Universal Studios' and 'Disneyland-MGM' make Orlando in Florida more attractive. 'Toei Uzumasa Cinema Village' in Japan opens a cinema studio,

dorm cinema, and library to tourists. In addition to this cinema village, 'Universal Studio Japan' in Osaka is being promoted (Cho, 1999)

Film Festival

A film festival is the most popular tourism attraction catering to art mania. Especially, international film festivals have value not only as huge events but also as tourism destinations.

La Biennale di Venezi (Venice Film Festival)

Massimo Benvegna mentions that one of the aims of the Venice Film Festival, founded in 1932, has always been an interest in tourism, along of course with the celebration of Cinematic Art. The fact that the event does take place in a very powerful tourist trademark like Venice, of course, is of help for both the city and the event (personal communication, May 25 to April 4, 2002).

La Biennale di Venezia (Venice Film Festival) is one of the largest international film festivals along with the Cannes, Berlin, the Academy Awards, and Moscow Film Festivals. The 1932 Festival was held entirely on the Venice Lido. Even after their long history, this festival is gradually growing. Table 1 is the rate of increase between 57th in 2000 and 58th in 2001.

Table 1. Attendance Figures at the 57th and 58th Mostra

	2000(57 th)	2001(58 th)	Rate of increase(%)
Multi-entrance sales	1153	1828	58.5%
Internet ticket sales	1462	2765	89%
Accredited pass holders	6087	6433	6%
Screening films	20,000	22,000	10%
Press figures	2,298	2,119	8.5%

(La Biennale di Venezia: http://194.185.28.38/it/cinema/57mostra/gb/ing_giova.html, 2002)

The number and amount of all categories in 2001 in the table increased, compared to 2000. Most of all, the rate of increase on Internet ticket sales is worthy of close attention (89%). 7,000,000 pages were requested on the official Biennale website www.labiennale.org from 7 August to 7 September 2000. In 2001, 150,000 people visited a website during the festival (La Biennale di Venezia, 2002).

Table 2 is the record of numbers at 1998 and 1999 Venice Film Festivals. The figures in 1998 and 1999 did not increase too much. However, all numbers and amounts increased slightly.

Table 2. The record numbers at 55th in 1998 and 56th in 1999 * Italian lire

	1998(55 th)	1999(56 th)	Rate of increase(%)
Paying visitors	32,623	36,208	0.9%
Press members	1,890	2,362	25%
Subscription sales*	234,250,000	303,150,000	7.7%
Professional accreditations	1,623	1,680	0.96%
Cultural accreditations	1,589	1,988	0.8%

(La Biennale di Venezia: <http://194.185.28.38/it/cinema/56mostra/gbdatifi.html>, 2002)

For age groups at the festival, the 24 to 30 age group was the strongest represented at 35.8%; followed by the 18 to 23 age group at 25.6%. Total percent of those under 30 is 61.4% in 2001. This figure coincides with other researchers in results that consumers of movies are generally young (Grant & Paliwoda, 1998; Kando, 1975). For the younger generation under 26 years old, the Venice Film Festival offers special accommodations, discounts for the festival, restaurants, transportation, and museum entry. This is a good marketing strategy for the reason that people do not often go to cultural and art facilities because of money (Grant & Paliwoda, 1998).

Cannes Film Festival

One of the largest international film festivals is Festival de Cannes. Cannes is located in the Grasse region in the department of the Alpes-Maritimes in France and they are ranked in 7th place in the world capital cities of art. The first Cannes film festival took place in 1946. The city's population (70,000 inhabitants) literally doubles, if not

triples, in the summer season, between July 15 and August 15, as well as during the Festival (Festival International du Cannes, 2002).

Cannes tourism announced the economic impact as 83,847 Fr on the Cannes Area. Over 900 screenings at the Palais, over 30,000 professionals, and over 200,000 persons came to Cannes for the Film Festival in 2001 (Officiel de la Ville de Cannes, 2002).

Cannes market is an international film market where filmmakers can buy and sell films and exchange information. They offer their participants a wide range of information: new trend movies, statistics on the world market. This economic facet has become an indispensable part of the Festival.

Every year, over 6,000 participants from 700 countries submit and discover close to 2,000 films, watch 1,000 screenings, and in a few days, become an important part of annual trade volume (Festival International du Cannes, 2002).

Table 3 is the number of films, companies, countries, and participants in the Festival from 1995 to 2000. Numbers in all categories increased slightly over its approximately 40 year history.

Table 3. Cannes Market

	1995	1996	1997	1998	1999	2000
Number of companies	970	1001	1420	1493	1564	1863
Participants	1951	3105	4466	4660	4941	6065
Number of participating countries	36	35	37	40	38	44
Number of films shown	423	443	481	520	511	620

(Festival International du Cannes: <http://www.festival-cannes.com/lefestival/marche.php?langue=6002>, 2002)

Table 4 shows the increase in the number of media that attended the Cannes Film Festival. Over 36 years, the number of journalists and technicians has increased over 5 times.

Table 4. Media Cover

	1966	1973	1984	1992	1993	1994	1995	1996	1997	1998	1999	2000
Journalists	700	1154	2762	2990	2972	3020	3183	3325	3365	3340	3279	3411
Technicians				555	753	706	498	542	564	558	614	654
Total	700	1154	2762	3545	3725	3726	3681	3867	3929	3898	3893	4065

(Festival International du Cannes: <http://www.festival-cannes.com/dwnld.php?id=2>, 2002)

Conclusion of Review of Literature

An Event itself is an important part of a business. An event directly affects the economy in a community by earning money within a short time. However, when an event involves other industries, its value is added or problematic on the point of social impact whether within short-term or long-term. Most of all, the event industry has a synergistic effect with tourism and related industries. The tourism industry even considers an event as an alternative industry within tourism. As tourists have become better educated and sought more cultural forms of tourism, cultural event tourism especially has become popular. An international film festival is one of the most representative events of cultural event and tourism. Cannes and Venice Film Festivals

show the value and potentiality of the film market and how much these cities can benefit from tourism during film festivals.

On the basis of this literature review, chapter 3 and chapter 4 will mention a full-scale study of this topic, the relationship between the Pusan International Film Festival (PIFF) and tourism in Busan.

CHAPTER 3 RESEARCH METHODOLOGY

The study as a descriptive research was conducted with data collected about the Cannes Film Festival, the Venice Film Festival, and the Pusan International Festival. Although data of Cannes and Venice International Film Festivals are organized for chapter 2, review of literature, these data are considered as significant compared with the Pusan International Film Festival. Interview was used for chapter 2, however, the questionnaire for the interview was newly designed to help understand general cultural event tourism and the effect of an event on a community. The data from two international film festivals and the interview are justified and required to explain the research methodology.

This chapter unfolds as follows: (1) interview (2) data collected of Cannes and Venice International Film Festivals (3) data collected from the Pusan International Film Festival (4) data collected from hotels in Busan (5) data collected from Busan Tourism Organization (BTO)

Interview with Michael Killoren, Director of Cultural Tourism in Seattle CVB

The researcher needed to compare an interview with the result from PIFF and to strengthen the review of literature, therefore, interviewees were required to have knowledge about the effects of cultural event tourism on a community. The Seattle CVB was chosen for specific reasons. First, Seattle is a metropolitan area and they do have a city culture. Second, the Convention and Visitors Bureau in Seattle emphasizes cultural tourism as Seattle's representative characteristic. They have a special search engine for

the cultural events and festivals on their website. Furthermore, Seattle CVB itself has a department of cultural tourism. The interview was accomplished from March 25th to May 4th, 2002 by e-mail. The researcher designed the questionnaire for the interview. Each question was developed by researching the review of literature and collecting data of PIFF.

These were developed in recognition of:

- (1) the importance of a motive to make cultural event tourism a big part of tourism products at Seattle
- (2) the importance of the role of Seattle CVB as an informer about cultural tourism.
- (3) the importance of the economic and socialcultural impacts of cultural tourism in Seattle.

Data Collected from the Cannes and Venice International Film Festival

Data from the Cannes and Venice International Film Festivals were needed to compare with the data of PIFF. The Cannes and Venice Film Festivals were justified as subjects in this study as follows: First, they are included in the top five largest international film festivals. Second, the cities of Cannes and Venice themselves are representative tourism destinations of France and Italy.

Data was requested from each office of Cannes film festival, Cannes Tourisme Information Office(<http://www.cannes.fr>), Venice Film Festival, and Veneto Tourism (<http://turismo.regione.veneto.it>) between February 5th and May 6th. The researcher needed the data for comparing with the statistical data of PIFF.

Questions were developed:

- (1) to measure total income and financial support of Cannes and Venice International Film Festivals from 1966 to 2001
- (2) to understand the impact of festivals on tourism.
- (3) to understand the change(history)of the cinema industry in festivals
- (4) to understand residents' attitudes toward the Venice film festival

Furthermore, websites of the Cannes film festival (<http://www.festival-cannes.com/index.php?langue=6002>) and the Venice Film Festival (http://www.labiennaledivenezia.net/index_gb.cfm) were researched for the annual statistical data.

Data Collected from the Pusan International Film Festival and Busan Culture and Tourism

The researcher collected the data from the Pusan International Film Festival relative to tourism and cinema between June, 2001 and May, 2002. The data was acquired from documents, books, magazines, web-sites. E-mails were sent to PIFF and Busan Cultural and Tourism requesting data.

1. KNTTO's library

Korean National Tourism Organization in Seoul has its own library. Some of the data was researched at magazines, books, videos, and newspapers in the library. The Pusan Film Festival has offices in Busan and Seoul. The researcher visited the PIFF office in Seoul on August 14th, 2001.

2. Official annual books and magazines of PIFF

For the official data of the PIFF, the data was collected in the report book published by the PIFF, which is published annually. The book includes all documents in newspapers about the PIFF. Two annual report books of the 4th PIFF in 1999 and 5th PIFF in 2000 were acquired.

The PIFF Official Daily is the magazine published by the PIFF during the festival. On January, 2000, the researcher acquired this magazine owned by a collector, Hye-Kyung Han, who is interested in film study.

3. Websites

Websites of PIFF (www.piff.org) and KNTTO (www.kntto.org) are archives and search engines. Statistical data about PIFF and tourism in Busan mainly are shown in the websites. Busan Metro City (<http://www.metro.busan.kr/index.jsp>) is the official website of Busan. The statistical data of tourism in Busan is on this website. The Busan Shibo(<http://shibo.metro.busan.kr>) is the magazine on the website. Articles about PIFF and tourism in Busan were searched among articles between 1999 and 2002.

Data Collected from Hotels in Busan

Data collected from five hotels in Busan is one method of measuring the economic impact of PIFF on Busan. The research was launched on January, 2002 by phone. Questions were developed to determine: (1) the importance of room occupation (2) package programs, brochures or information related to PIFF (3) the growing revenue of rooms, beverages, casinos, restaurants (4) the proportion of foreigners to Korean tourists.

Limitations of the Methodology

It should be noted that there were three major limitations in this study. First, PIFF, KNTO, the Cannes Film Festival, and the Venice Film Festival estimated the statistical data collected by the researcher. Although the data should be considered accurate, methods of measurement were not always defined as to how the data was gathered. Further research should address this more in detail by using a specific and unified statistical method for economic impact of an event. Second, there might be arguments against and for generalization. The statistical data of the festivals is limited to a few years' data and some specific fields. This would not be adequate to explain in general film festival's phenomenon. For example, the data of the Cannes Market are noted between 1995 and 2000. For Venice Film Festival, the data was selected in 2000 and 2001. Third, the data collected mentions only the positive impact of an event. According to the definition by researchers of an economic impact, an impact is defined by a variety of negative and positive formulas in an event, for instance, economic, social, sociocultural, and environmental impacts (Carlsen, Getz, & Soutar, 2001).

CHAPTER 4 FINDINGS

Busan City

History of Busan

Located about 205 miles from Seoul at the southeastern tip of the peninsula, Busan is Korea's second largest city, its main seaport, and a major industry center.

Today Busan has nearly 4 million inhabitants.

Automaking, shipbuilding, electronics, footwear, and textiles are the main export industries of the district. Aerospace and tourism industries are growing rapidly.

Busan and Tourism

Tourist attractions in and near Busan include Kyongju, the capital of the ancient Shilla Kingdom; many centuries-old Buddhist temples, fortresses, and Confucian schools; several well-developed beach resorts; and the Hallyo Waterway National Park, a rocky, island-studded 62 mile stretch of Korea's south coast that can be visited by hydrofoil or ferry boat (WTO, 1998). There are daily flights from Busan to several Korean and Japanese cities, including Seoul and Tokyo. Busan is one hour from Seoul by plane. Busan has ports to Cheju Island, and to the Japanese ports of Shimonoseki and Osaka in Japan. Other types of transportation include taxi, city bus, and subway. In 2002, Busan is the core city of various international events like the Korea-Japan World Cup Games, the 14th Asian Games, the International Choir Olympics, and the Far East and South Pacific Games. The spectacular location of Busan includes mountains, rivers, an ocean, a busy and modern downtown.

Busan and Cinema

Most industries have been centralized in Seoul. The cinema was not an exceptional industry. Although Busan is the second largest city in South Korea, this city has been perceived as barren of movies because of access to other industries in Seoul. According to the Seoul Film Commission (SFC) 95% of film companies and most of picture enterprises, such as photographing, cutting, recording, and extra companies are in Seoul (Kim, 2002). However, by urbanizing rapidly, Seoul cannot admit filmmakers to public areas for filming. Chang-dong Lee, director of 'Green Fish' and 'Peppermint Candy', was not allowed to film by the Seoul Metropolitan Police Agency because of traffic congestions in the Chung-Kye high-level road in the middle of down town (Kim, 2002).

Pusan International Film Festival (PIFF)

PIFF

History

On September 13 in 1996, the first PIFF was held with the goal of becoming the best film festival in Asia. The first PIFF was especially meaningful due to the fact that it was the first 'international' film festival in Korea and a major breakthrough to bring out the audience to actively participate in cinema culture. Pusan Film International Festival (PIFF) has consistently contributed to the vitalizing of the Asian film industry through the creation of the pre-market Pusan Promotion Plan (PPP), in addition to Industry Screening that is becoming a pathway to the global market for Asian films including the ones from Korea (PIFF, 2001).

PIFF Programs and Awards

Films are screened and classified by nine different categories: opening and closing, new current, a window on Asian cinema, Korean panorama, world cinema, wide angle, open cinema, retrospective and special cinema. PIFF concentrates on Asian films more than other areas. Table 5 is the program and Table 6 is the awards earned by PIFF.

Table 5. PIFF Programs

Opening and Closing Cinema	films for opening and closing
New Currents	young Asian directors' first and second films
A Window on Asian Cinema	Asian directors' new films
Korean Panorama	Korean new films
World Cinema	films from Europe and North America
Wide Angle	short, documentary and animations films
Open Cinema	films screened in an outdoor theater
Retrospective	films of a director who contributed to Korean Cinema
Special Program	films which have a common theme

(PIFF: http://info.piff.org/kor/info_page.asp?p_code=020201s, 2002)

Table 6. PIFF Awards earned

New Current Award	the best Asian film director
Sonje Fund	the best director among Korean short or video films
Woonpa Fund	the best director among Korean documentary films
Korean Cinema Award	a foreigner who contribute to popularization of PIFF
FIPRESCI award	an outstanding feature film from a new Asian director
NETPAC Award	the year's best Korean film
PBS Award (audience award)	a most popular film by audience vote presented by Pusan System of Broadcasting

(PIFF: http://info.piff.org/kor/info_page.asp?p_code=020301s, 2002)

PPP Promotion

Pusan Promotion Plan (PPP) is the pre-market for Asian films where the latest film projects by promising and noteworthy directors can find potential co-producing and/or co-financing partners. PPP gives an opportunity to meet world global film professionals and suggests practical various investment programs to filmmakers. They also offer the present situation of an Asia film market to investors. PPP is held during PIFF. Projects selected by PPP become PPP award candidates who can be supported by official sponsors of PIFF. PPP funds and awards grew from 2 awards in the first PPP to 7 awards with a total of \$150,000 in 2000 (PIFF, 2002).

Facilities

Accommodation

Pusan International Film Festival presents PIFF Hostel service for audiences who

want to enjoy the festival with an economy type accommodation. The Hamji-Gol Hostel is located near Nampo-dong PIFF. The hostel is usually used as a cultural recreation center and summer camp for young people in Busan. Busan established it and entrusted the management of it to the Nae-Won young peoples group (Nae-Won Young People Group, 2002). The total capacity is 170 beds, and prices are \$4.27(\$1=1170KW) for one night. It opens to visitors during the festival. On the PIFF web-site, visitors can find accommodation in Busan by districts (PIFF, 2002).

Transportation

PIFF had no special transportation for the first and second festivals. Visitors could use public transportation, Gimhae Airport, taxies, city buses, and the subway. However, transportation was specially facilitated by Busan after the third festival in 1998. Busan extended not only bus lines to theater districts but also increased the times buses were available during the festival. Temporary bus stations were established around theater districts, an out-door theater for the opening and closing ceremony, and event areas (The Busan Shibo, 1998).

Statistical Data

PIFF

The profit of PIFF has had a significant impact on Busan. According to the Busan and PIFF offices, in 1999 PIFF yielded a profit of \$21,331,056 total (Kim, 1999). Table 7 indicates the number of screened films, countries and audiences, Table 8 is the number of films and visitors.

Table 7. Final Data on the Number of Films and Visitors

	1996	1997	1998	1999	2000
Screened films	173	166	211	207	207
Screened countries	31	34	40	53	55
Invited guests (domestic/foreign)	224 (120/104)	450 (286/164)	659 (240/419)	555 (179/377)	3017 (2601/416)
Guests' countries	27	30	40	36	39
Audiences	184,071	170,206	192,547	180,914	181,708

(PIFF: http://info.piff.org/kor/info_page.asp?p_code=030101s, 2002)

Even though the number of individual audiences has hardly changed, the number of films and countries, and invited guests has steadily increased. The number of films and visitors was growing between 1996 and 2000.

Table 8. Final Data on the Amount of Films and Visitors (unit: US dollar)

	1996	1997	1998	1999	2000
Ticket revenue (\$)	411,919	494,494	639,068	537,542	537,542

(PIFF: http://info.piff.org/kor/info_page.asp?p_code=030101s, 2002)

Pusan Promotion Plan (PPP)

Table 9 is data of PPP from 1996 to 2001. The number of participants, projects, and meetings has grown slightly year by year. According to the PPP, 19 movie projects

among 200 movie projects from Asian countries were selected as invested films. The number of applications for meetings had increased more than 30% in 2001 compared to the number of applications in 2000.

Table 9. Pusan Promotion Plan Data

	1998	1999	2000
Official projects	16	17	22
Countries of projects	8	10	11
Guest attendance	270	300	500
Countries of guests	26	30	30
Project meetings	180	200	216

(PIFF, 2002)

PIFF and Tourism

The Tourism policy of KNTO (Korean National Tourism Organization) and PIFF

KNTO aims for effective management. One of the aims of KNTO is to concentrate their efforts on cultural promotions for local tourism industries. KNTO especially has supported cultural tourism events, seminars, and selling high quality Korean cultural products (KNTO, 1996-1998). For the promotion and sale of Korean tourism products, KNTO budgeted \$ 29,010 for film festivals (KNTO, 1999). In 1999, KNTO announced 'the 5 year plan of tourism promotion'. They mentioned high commercial values and potentials of cultural and art tourism, such as religions, movies,

paintings, music, Korean classic music, folk beliefs, customs. By supporting PIFF, KNTTO expects PIFF to become famous as an international cultural event (KNTTO, 1999). Table 10 is the tourism budget for the cultural mega-events. The budgets and periods were planned from 1999 to 2003.

Table 10. The Tourism Budget for Promotion of Cultural Mega-events and Cultural Tourism Festivals.

	(unit: US dollar)					
	1999	2000	2001	2002	2003	total
Cultural & tourism local self-governing communities(\$)	1,096,676	1,687,194	3,374,388	5,061,582	6,748,776	17,968,618

(Ministry of Cultural and Tourism: Tourism Vision 21, 1999)

Visitors' Arrivals

A statistical data of foreign visitor arrivals from 1997 to 2000 in Table 11 shows the number of visitors by months. The number of sightseeing visitors in each month during PIFF is growing. PIFF was held in October in 1997, 1999 and 2000, and in September and October in 1998.

Table 11. Visitor Arrivals

(unit: a person)

Visitor	Year	August	September	October	November
	1997	61,068	58,094	80,549	58,555
	1998	73,211	63,050	82,232	62,231
	1999	81,477	75,239	85,996	77,638
	2000	84,497	90,934	97,708	86,478

(Busan Metropolitan City: http://www.metro.busan.kr/cgi-bin/ssdb/html_out.cgi?F=X227b.html, 2002)

Tourism products and PIFF

The Paradise Beach Hotel and Comodo Hotel as sponsors of the festival increased occupancy 20-30 percent during this period. This showed the commercial possibility of tourism products by selling 150 rooms per day (Moon, 1999). Lotte Hotel in Busan developed a package program named ‘Cinema Express 999’ with the Korean Railroad Administration (KORAIL). The package included PIFF tickets, accommodation, transportation, and travel with movie stars. Paradia, a duty-free shop in the Paradise Hotel, had an event ‘An Evening in France’ for selling French products while PIFF screened French movies (Jai, 2000). Restaurants and a cocktail bar at the Comodo Hotel sold beverages and food which have the same names as the films which were popular with visitors (Sports Today, October 15, 1999). Many companies sponsored events as an advertisement related to travel, accommodation, restaurants, and PIFF. Korea.Com (www.korsea.com) also had events offering PIFF tickets and transportation. Three

hundred lottery winners traveled to Busan by train during PIFF. On the train, decorated like a theater, winners watched movies, discussed films with film directors, actors, and actresses (Yoo, 2000). A food web-site, Yorizori (www.yorizori.com), combined with PIFF to offer travel package programs with PIFF. This package included café and restaurants and PIFF (Lee, 2000). Korea Ung-Bi Inc. sold consigned goods featuring popular characters badges, key holders, necklaces, pens, etc. at four stores in Busan during PIFF. They made a profit of \$ 55,460 within five days in 1999, and expected \$101,274(\$1=KW 1,184) at the end of the 4th PIFF. This was an increase of 22% compared to 1998 (Kim,1999).

The Busan Cultural and Tourism Organization established a street surrounding theaters for PIFF. It is named PIFF Plaza. Busan introduced the PIFF Plaza on their web site as a cultural street for tourists (Busan Culture and Tourism, 2002).

PIFF and the Cinema Industry

The result of PPP's efforts promoted the growth of the cinema industry and organizations in Busan. Busan started to support a cinema as an alternative industry to manufacturing. Busan Film Commission (BFC) and Busan International Film Commission Showcase (BIFCOM) show how much Busan promotes this industry.

Busan Film Commission

The Busan Film Commission (BFC) is a civilian and government supported non-profit organization to help support films that are produced in Busan, regardless of their genre or national origin. It was founded on December 1999, and it is the first film organization in Korea that offers production support services. BFC became a regular

member of The Association of Film Commissioners International (AFCI) in December 2000. Because of the success of PIFF, Busan has been introduced to Asian filmmakers as an attractive city, with seas, rivers, mountains, and modern buildings. BFC provides one-stop service: location resources, equipment support, traffic control, set construction, accommodation, transportation, promotion, Busan citizens' cooperation, etc (BFC,2002). Busan and film professionals thought if BFC offered perfect conditions to filmmakers, it would contribute to employment, economy, venture funds for films in Busan. Busan budgeted as \$853,242 (Kyoung-Sng il-bo, 1999).

BFC supported a film "Friends" which has been ranked as having the best box office rating in Korea. This movie shows how BFC gave full support to this film. During these days, buses on the regular route were changed around the shooting location. Furthermore, citizens' cooperation as extras, the police, the fire department, and transportation were liaised by BFC. It revealed the decisive role of BFC in the project. The economic ripple of the movie "Friends" in Busan announced: screened revenue is \$44,440(\$1=KW1,174), production effect is \$103,014,432(\$1=KW1,174), and 127.782 persons were employed. In 2001, the total economic ripple effect of movies in Busan follows: production effect is \$320,020,224(\$1=KW1,174), 397.64 persons were employed (BFC, 2002).

BFC established the Busan Cinema Studio in November 2001, which has 3 studios, equipment, and collateral facilities, such as workshop rooms, make-up rooms, and lounge areas.

Busan International Film Commission Showcase (BIFCOM)

BFC held the Busan International Film Commission Showcase (BIFCOM) in November, 2001 with 27 film commissioners from 9 countries participating. In this showcase, BFC introduced their roles as film commissioners and to the 3000 Asian filmmakers showed how they assisted Asian film industries including arranging about 200 business meetings (BFC, 2002). Film commissioners from 9 countries attended and exchanged information on shooting locations in BIFCOM 2001. BIFCOM accomplished 90 business meetings in 3 days (Kim, 2002).

The Ripple Effect on Movies in Busan

After launching PIFF, PPP, and BFC, Busan is perceived as a city where filmmakers can be supported by residents. According to Tables 12 and 13, the number of films, commercial films, music videos, and short films has been dramatically increased.

Table 12. The Number of Produced Films

The number of films	1924- 1986	1990-1999	2000	2001	2002, June
Complete films	19	11	2	20	4
Incomplete films					6
Films under consultation			3	12	16
Total	19	11	5	32	26

(BFC: http://www.bfc.or.kr/history/view_history_list.php, 2002)

Table 13. The Number of Produced Short Films, Music Video, CF, and others

Pictures: Commercial Films and Short Films

The number of pictures	2000	2001	2002, June
	8	28	7

(BFC:http://www.bfc.or.kr/history/view_media_list.php, 2002)

After launching BFC in December 1999, the number of films produced in Busan grew rapidly. Five films were produced in 2000, but the number of films in 2001 is 32. It is over six times as many as in 2000. The number of other pictures in Table 13 also significantly changed between 2000 and 2001.

According to the Department of Busan Policy Development, the economic ripple effect of pictures in 2001 was \$66,296,924: production effect was \$32,337,884: employment effect was 397,64 persons. This amount includes total expenditures for those films made and screened in Busan (BFC, 2002).

The Change of Image of Busan

The image of Busan has been changed from being culturally barren to a cinema and culture city. After PIFF, many worn-out cinemas were remodeled, and new ones built (Kim, 1999). Many international journals and newspapers started to deal with Busan as the Mecca of produced movies.

Attitude of Residents

Bazaar

The club who loves PIFF held a charity bazaar from October 12 to 17 2001.

Earnings from this bazaar, \$ 42,662, were given to PIFF. This club is a civilian organization consisting of alumnae and women economic ministers in Busan. The nearly 90 members announced that the purpose of this bazaar was for PIFF's financial stability and citizens interested in PIFF (Busan Shibo, 2001).

PIFF Club

PIFF Club is owned by Kyoung-soon, Lee who is a curator of Young-Kwang gallery in Busan. She opened a theme café titled PIFF, prepared documents, magazines, posters, newspapers, and sells professional cinema magazines, and books. Busan planned to support the PIFF Club and the PIFF public relations officer's work in fulfilling citizens' cultural desires and systematizing knowledge of cinema (Busan Shibo,2001)

Negative Attitude

Visitors and residents were exposed to loud noises and an unpleasant environment. PIFF established a large-sized electric light TV for screened films and made much noise at the PIFF plaza in Nampo-Dong, Busan. Furthermore, stores touted and sold their products in the street. Residents and visitors suffered the noise pollution (Busan Il-bo, 1999). Small wheeled snack bars with tents at the downtown, so-called 'food street', were unpleasant and obnoxious to visitors and residents during the festival (Jo, Son & Yoo, 1999).

CHAPTER 5 CONCLUSION AND RECOMMENDATIONS

This final chapter consists of a restatement of problems, a summary of methodology, a discussion of findings, recommendations for PIFF, and recommendations for further study. On the discussion of findings, each objective in the restating of problems will be mentioned.

Restatement of Problems

Pusan International Film Festival (PIFF) is a tremendously fast growing film festival in Busan, Korea. Some studies researched compared the relationship between an event and tourism and related industry, while this study researched the relationship between PIFF, tourism, and the cinema industry.

The purpose of this study is to describe ‘the impact of cultural events on the cinema and tourism in a community, Busan: Busan’s alternative industry to the cinema and tourism industry after the Pusan International Film Festival (PIFF).

This study will focus on the following objectives:

4. To understand the cinema and tourism industry of Busan before PIFF
5. To understand the Pusan International Film Festival and its effect on a community
6. To determine the negative and positive changes brought about by the cinema and tourism industries in Busan.

Summary of Methodology

The data collected by the researcher entailed an interview and data collecting from books, magazines, websites, and official and personal documents. Data were requested from PIFF, Michael Killoren in the Convention and Tourism Bureau at Seattle, Cannes Film Festival, Venice Film Festival, and five hotels in Busan from June, 2001 to May, 2002. First, the researcher interviewed Michael Killoren by e-mail. Michael Killoren, a director of cultural tourism in Seattle, and employed by the Seattle CVB was chosen because of the city's representative characteristic of cultural tourism. Questions involved an event, community, economic and sociocultural impact and role of CVB, and cultural tourism. Questions for the interview were designed not as a questionnaire style but as a dialogue style.

Second, the researcher sent both letters and e-mails to 'Association Francaise du Festival International du Film' for the Cannes Film Festival, 'Mostra Internazionale D'arte Cinematografica' for the Venice Film Festival, 'Conseil Regional du Tourisme(CRT)' for Cannes tourism, 'Tourismo of Veneto' for Venice tourism with questions asking for data of the festival. Questions were intended to gather information that could be compared to the findings of PIFF. Information was requested from film festivals to answer the impact of festivals on tourism, the change (history) of the cinema industry in festivals held, and residents' attitude toward the film festival. The data collected from their websites was also examined.

Third, the data from Pusan International Film Festival and Busan Culture and Tourism was collected by documents, books, magazines, web-sites. E-mails were sent to PIFF and Busan Culture and Tourism requesting data.

Fourth, five hotels, the Comodo, the Busan Paradise Beach, the Busan Marriott, the Busan Lotte, and the Western Chosun Beach, in Busan were researched as one method of measuring the economic impact of PIFF on Busan. Information requested included room occupancy, package programs related to PIFF, revenue, and the number of foreign visitors during PIFF.

Discussion of Findings

Findings are shown by reviewing each objective of the study.

Objective One: To understand the tourism and cinema industries of Busan before PIFF

Tourism in Busan before PIFF

Busan is the second largest city by population and the second most popular city in South Korea for tourists. The attraction of Busan depended on the natural scenery, such as the sea and the mountains surrounding the city. Furthermore, its geographical situation was an advantage. Busan is close to historical cities, Kyongju, and the Hallyo Waterway National Park. Another geographical strong point is easy access from Japan. The close distance between Japan and Busan also affected tourism in Busan in attracting Japanese tourists.

Korea's tourism predominantly depends on Japanese tourists. The Korean National Tourism Organization (KNTO) suggested cultural event tourism as an alternative plan to induce European, American and Chinese tourists because their interest in cultural tourism is relatively higher than that of the Japanese. If a plan was not implemented, Busan's natural attractions would not be enough to increase tourist numbers.

Table 14 is the number of foreign visitors in Busan and Korea, and the percentage of foreigners in Busan of the total number of foreigners in Korea.

Table 14. Foreign Visitors for Sightseeing in Busan and Korea

Year	Korea	Busan	Korea/ Busan %
1987	1,874,501	706,229	26.5
1988	2,340,462	999,243	23.4
1989	2,728,054	888,910	30.7
1990	2,958,839	828,976	35.7
1991	3,196,340	992,673	32.2
1992	3,231,081	963,252	33.5
1993	3,331,226	936,774	35.6
1994	3,580,024	961,768	37.2
1995	3,753,197	1,090,187	34.4

(KNTTO:Annual foreign visitors: Korea National Tourism Organization, 2002)

The Cinema Industry in Busan before PIFF

Busan was considered “barren” as far as the cinema industry is considered. Busan did not receive much attention from the cinema industry. Most of the industry has been concentrated in Seoul. Table 15 indicates the number of films produced in Busan from 1924 to 1995.

Table 15. The Number of Films Produced in Busan

The number of films	1924-1960	1961-1970	1971-1980	1981-1990	1991-1995
	9	5	2	4	2

(BFC:http://www.bfc.or.kr/history/view_history_list.php?movie_part=3, 2002)

There were only 22 films produced in Busan from 1924 to 1995. This number is not a significant percentage of the films produced in Korea. Seoul has 94 % of the filmmaking companies, most of the facilities and companies related to the cinema, and 40% of the films produced in Korea (Seoul Film Commission, 2002). Although Busan is the second largest city based on population and the size of its industry, there is not enough production to consider Busan the second cinema industry because of the lower number produced in Busan.

Objective Two: To understand the Pusan International Film Festival and its effect on a community after PIFF

Economic Impact on Busan

The most significant impact of PIFF on Busan is the economic impact. Table 7 in chapter 4 indicates the number of films and visitors to PIFF from 1996 to 2000.

Table 7. Final Data of the Number of Films and Visitors

	1996	1997	1998	1999	2000
Screened films	173	166	211	207	207
Screened countries	31	34	40	53	55
Invited guests (domestic/foreign)	224 (120/104)	450 (286/164)	659 (240/419)	555 (179/377)	3017 (2601/416)
Guests' countries	27	30	40	36	39
Audiences	184,071	170,206	192,547	180,914	181,708

The statistical number in every category was increased. The number of screened films and audiences were not remarkably changed between 1996 and 2000 compared to other categories. On other hand, screened countries, invited guests, and guests' countries were definitely increasing by the year. Between 1996 and 2000, the rate of increase in the three categories is significant: screened countries (77.4 %), invited guests (1246.9 %), and guests' countries (44.4 %). Films and guests invited are in a professional cinema industry. It is supposed that a cinema industry has been paying attention to PIFF by year, furthermore, PIFF is not only just a film festival but also a business.

On the other hand, ticket revenue and expenses have decreased from 1996 to 2000. Table 8 from chapter 4 is the final data of the numbers of films and visitors.

Table 8. Final Data of the Numbers of Films and Visitors

	1996	1997	1998	1999	2000
ticket revenue(\$)	411,919	494,494	639,068	537,542	537, 542

(unit: one US dollar)

(US dollar; \$1=KW1170)

The ticket revenue increased until 1998 and after 1998 it decreased in 1999 and 2000.

However, the amount of ticket revenue generally grew between 1996 and 2000.

Pusan Promotion Plan (PPP), as an industrially important part of PIFF, showed its importance to PIFF and the growth possibility in the film industry. Table 9 is the statistical data of PPP.

Table 9. Pusan Promotion Plan Data of Attendees

	1998	1999	2000
Official projects	16	17	22
Countries of projects	8	10	11
Guest attendance	270	300	500
Countries of guests	26	30	30
Project meetings	180	200	216

After launching PPP, the number of project meetings and attending guests had noticeable grown from 1998 to 2000. The growing rate between 1998 and 2000 is 20% (project meeting) and 85.1% (guest attendance).

The overall statistical data demonstrates the positive economic impact of PIFF on Busan. Especially, the number of guests in attendance and PPP data in all categories shows the positive role of PIFF in the cinema industry.

Residents' Attitude in Busan

The attitude of residents in Busan was strongly positive to PIFF and Busan. Since an event closely involves residents in a community, this reaction could stimulate further festivals in Busan. Although PIFF does not have any close ties with Busan itself, residents were proud of themselves as a host for PIFF. Volunteer activity was noted during PIFF. First, this activity had a high rate of participation for PIFF. According to the research by PIFF Office Daily, 70% of visitors to PIFF in 1996 were residents in Busan (1997). Second, they opened a bazaar for raising funds and a theme café titled

PIFF in Busan. These activities show that residents became very involved. Furthermore, Busan supported this theme café named PPP Club. The support from Busan encouraged the morale and participation by residents. PIFF induced residents to participate in the festival, and the support from government in Busan also sustained their activities.

Most of all, the Busan Film Commission (BFC) is a remarkable result of cooperation by a civilian population and the government. Citizens in Busan have been proud of themselves and their city. They believed PIFF enhances the value of their community as a quality cultural city.

Objective Three: To determine the negative and positive change of the conditions in the cinema and tourism industries in Busan after PIFF

The Negative Change brought about by the Tourism and Cinema

The negative change in tourism and cinema industry before and after PIFF was not indicated in this study. The researcher did not collect a negative impact of PIFF on the community. Although the negative attitude shows in chapter 4, this is not significant data to estimate a general negative impact. A negative impact has been revealed in the long term and social or sociocultural impact on a community and industry. This impact usually appears in a transition. However, PIFF held their first festival in 1996 and it has a short history. PIFF has not been disclosing any negative impact and the data about negative impacts also had not been collected. Furthermore, the researcher could not find any negative impact on the tourism and cinema industries. It supposes that although now the tourism and cinema businesses have been actively promoted in Busan, these industries were in the early stage of development.

The Positive Change brought about by the Tourism and Cinema

The positive change in the tourism and cinema industry was shown as a main finding in this study. The finding is explained in the tourism and cinema fields.

Tourism

Tourism and the event in Busan were supported by the Korean National Tourism Organization (KNTTO). This meant not only financial support but also a general policy and plan for tourism related to the event in Busan and Korea. PIFF was supported by KNTTO's 'Five year plan of tourism promotion' as KNTTO recognized high commercial values and potentials of cultural and art tourism. This plan officially justified the founding of PIFF and Busan as a cultural tourism product and tourism destination. KNTTO supported a \$29,813 (\$1= KW1,174) budget for the festival in 1999 (KNTTO, 1999). Table 10 shows the budget for cultural mega-events and tourism festivals planned by KNTTO. This official support of events from KNTTO proves that they could get mutual benefit from cooperation.

Table 10. The Tourism Budget for Promotion of Cultural Mega-events and Cultural Tourism Festivals.

	(unit: US dollar)					
	1999	2000	2001	2002	2003	total
cultural & tourism local self-governing communities (\$)	1,096,676	1,687,194	3,374,388	5,061,582	6,748,776	17,968,618

Busan designed the street around the theaters as a cultural area for PIFF. During PIFF, products related to PIFF were sales, such as accommodations, transportation, travel packages, and character products. Tourism companies and hotels planned some of the

products, and Busan and PIFF also offered their own products. Most of all, hotels had a variety of products relating to PIFF. Hotels offered a package which included a PIFF and ticket, an event and food titled PIFF in their restaurants.

Events can use tourism products in the tourism off-season (Killoren, 2002). This was proved during PIFF. Although Busan is famous as a summer vacation destination because of fine weather in the summer season, after 1997 the number of tourists during PIFF is higher than the number of tourists in the summer season. Table 11 indicates the number of visitors in Busan from 1997 to 2000.

Table 11. Visitors Arrivals

	(unit: one person)			
	August	September	October	November
1997	61,068	58,094	80,549	58,555
1998	73,211	63,050	82,232	62,231
1999	81,477	75,239	85,996	77,638
2000	84,497	90,934	97,708	86,478

The number of visitors in each year was recorded by the month. Although October in 1997, 1999 and 2000, and September and October in 1998 are not travel seasons, the number of tourists in these months increased after 1997.

Cinema

After PIFF, the cinema industry in Busan developed fast. With this Pusan Promotion Plan (PPP) as a turning point, the cinema could turn from an art into a

business. PPP developed into an Asian film market. Filmmakers came to Busan to exchange information and promote their films. However, this market was not enough for Korean filmmakers, because of a characteristic of PPP. PPP was successful but it was an international film market.

In 1999, the Busan Film Commission (BFC) had launched their business: the first film organization in Korea supported by the civilians and the government. Because of their one-stop services and the citizens' cooperation, Busan became known to Korean and international filmmakers. Table12 from Chapter 4 indicates the number of films produced in Busan from 1924 to 2002, and Table13 from Chapter 4 is the number of produced short films, music video, CF, and others.

Table12. The Number of Produced Films

The number of films	1924- 1986	1990-1999	2000	2001	2002, June
Complete films	19	11	2	20	4
Incomplete films					6
Films under consideration			3	12	16
total	19	11	5	32	26

Table 13. The Number of Produced Short Films, Music Video, CF, and others

Pictures: Commercial Films and Short Films

The number of pictures	2000	2001	2002, June
	8	28	7

Tables 12 and 13 show the change in the number of produced films before and after BFC. It proves how much conditions for making films have changed after launching BFC. The number of produced films in 2001 is 32. This number in only one year, 2001, is approximately 1.7 times of the number of produced films from 1924 to 1986 and 2 times from 1990 to 1999.

As many of the films were produced in Busan, those movies could film scenes of streets, people, natural scenery, downtown Busan. This is an indirect advertisement of the look of Busan. The attractions of Busan not only induced many filmmakers to produce cinemas but also induced additional visitors to travel. These economic ripple effects of the movie “Friends”, supported by the BFC, is \$149,316,688 (\$1=KW1,175).

Busan has changed its image from a tourist city to a cinema city. It has also developed from the positive attitude of residents. They held a charity bazaar and opened a theme café titled PIFF Club of their own. When a film was produced, they cooperated with film work even on the street and they did not mind acting as an unpaid actor or actress.

Recommendations for PIFF

The recommendation for PIFF is as follows: (1) develop a marketing strategy for the international visitor (2) develop scientific research for PIFF

First, PIFF is an internationally famous event both in name and reality. It has been six years since the festival was launched in Busan. Although media, cinema and tourism fields already paid attention to PIFF and the festival was known to the public, the

researcher did not acquire enough data to estimate how PIFF directly advertised information about PIFF, and how the services were offered to the public. PIFF needs special public marketing strategies. Especially, international visitors who are not only invited guests but also tourists should be considered as a significant factor in estimating an economic impact of PIFF in Busan, because an economic impact deals with only the net income from the host community (Crompton and McKay, 1994; Getz, 1994). For international visitors, PIFF could develop total packages with the Busan Culture and Tourism Organization, hotels, restaurants, and other tourism attractions.

Second, the scientific research for PIFF is needed for the PIFF itself and for further study. The research about an event needs a long time to estimate its total impact on a community because some events, especially mega-events, have often indirect and long-term effects (Fayos-Sola, 1998). PIFF would need an evaluation tool. The accurate data would help to understand PIFF as academic and business fields.

Recommendation for Tourism

A cultural tourism market involved with an event has a powerful potential. The attraction of cinema as a popular leisure activity was proved by this research. Korea has limited natural beauty and resources. Cultural tourism and event tourism could be a breakthrough for tourism in Korea. Fortunately, KNTTO's tourism policy promotes cultural events. It would be a favorable opportunity for the tourism and event industry. If the tourism industry goes in gear with government policy, event tourism could be effectively supported by the government and city through the tourism department, and also by the residents.

Characteristics of event visitors are well documented with the literature available in this study. Event-goers are generally young, and they have high salaries, a good education, time to spare, and a high interest in cultural activities. Marketing strategies should promote event tourism in terms of the majority of visitors' preferences. However, a marketer needs to consider a lower income young generation. Package programs related with travel and an event is one of the marketing strategies used for them. Furthermore, a cultural event is a reason for tourists to stay in a tourism destination (Gessel, 2000). Package programs could include not only accommodations, transportation and event tickets but also other cultural attractions, for instance, museums, cultural centers, theaters, and concerts in a local area. A tourism marketer and event manager need to work with local attractions.

The development of the local infrastructure is necessary. Especially, metropolitans cities often demand a high degree of improvement. Infrastructural and organizational developments could increase the destination's capacity and attractiveness (Getz, 1991). Simultaneously, local cultural values should be sustained and strengthened by local residents and the government.

Recommendation for the Cinema Industry

The cinema industry in Busan is booming after being supported by PIFF and PPP. The cinema was not just art and entertainment to Busan. The cinema was recognized as an industry to Busan. The cinema industry needed systematic plans to keep the business in a favorable condition. Most of all, the cinema industry in Busan needs to build an infrastructure for a stable cinema industry. According to the long-range plan,

infrastructure is a basic factor for future investment. For example, a film library, which keeps cinema films, documentaries, books, will play a role as working space, as well as, furthermore, a cultural space to residents. For screening films, Busan needs many cinema theaters. These cinema theaters should organize special times for art and independent films. Cinema theaters and libraries need a specialist who has a certification in the field of cinema. The cinema industry needs to support and invest in a film major at a university. This will assure continued awareness that a cinema industry produces quality talent. An industry and school can have synergy through the cooperation between them.

A cinema theme park and a cinema character product could help commercialization of the cinema in Busan. Because theme parks have complex factors, such as culture, entertainment, education, etc, people from all generations and all classes could enjoy it. A cinema industry can refer to 'Universal Studio', 'Disney-MGM studio', and 'Toei Uzumasa Cinema Village' for successful samples of cinema themed amusement parks. It may be difficult to find the funds needed to establish such parks. Busan and the Korean government should consider a cinema theme park not as a simple business but a cultural resource, and arrange support to build and manage this park at local and governmental levels. Busan Film Commission (BFC) has their cinema studio. If they open their studio to the public as a live-filmed field, this studio will be a tourism attraction. For educational purposes BFC also could open a cinema library to the public in Busan. It will help residents to strengthen their knowledge about cinema.

Recommendations for Further Study

As a result of the data collecting and review of related literature, the researcher has the following suggestions for future studies:

1. Although the researcher collected statistical data from PIFF and KNT0, the data did not record the method used for estimating the economic impact in this study. An accurate method for estimating economic data needs to be developed for further study. A different estimating method could yield a different result.
2. The further study of PIFF needs to concentrate on international visitors and non-local people. They would be target groups which give the most essential benefit to a local community.
3. This study deals with the positive impacts of PIFF. These impacts are composed of economic and industrial impacts. Further study needs to research negative and positive social, sociocultural, and environmental impacts. These factors could help to understand the general impact of an event. Sociocultural impacts are especially more complex than other impacts, because sociology and culture themselves comprise value, attitudes, behavior of human, even environmental and economical situations in a community. The concentration on sociocultural impacts would be more intensive and require a more efficient method of collecting data. However, this strategy should develop in a community. Event goals should understand the community's hopes and aspirations and what it can do for the community.
4. In Chapter 2, the data of Cannes and Venice film festivals identified mega-events. These data were intended to compare to the data of PIFF. The researcher selected these data because they are always ranked within the top five international film festivals. For

further study, other international film festivals also need to be researched to compare with PIFF.

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APPENDIX A
QUESTIONS TO MICHAEL KILLOREN, DIRECTOR OF CULTURAL
TOURISM IN SEATTLE CVB

1. According to your CVB's web-site, you show your interest in cultural tourism. I know that although many CVBs offer cultural event information to tourists, and they know cultural events are very attractive to tourists, they seldom mention "cultural tourism" itself. How did you become interested in cultural tourism?

2. I think if CVBs offer just information about a cultural event, there is no difference from other travel informational tools, such as other travel web-sites, magazines, etc,. What is your CVB's discriminate policy for making cultural events/tourism more attractive to tourists?

3. I think you really need a close relationship with cultural facilities, such as museums, theaters, etc,. How does your CVB cooperate with them?

4. Cultural tourism is getting popular in the world. It might prove there is a tremendous economic impact on a community. How about Seattle?

5. Heritage tourism might be really interesting to tourists, because of cultural differences between tourists' culture and tourism destinations' culture. So, tourism could be a tool and an advertisement for information about tourism destinations' culture.

Now, I am wondering if tourists could see *Picasso's* pictures and listen to Latin music in Seattle, what kind of benefit does "**Seattle**" and CVB have from this kind of cultural tourism other than economic impact?

6. Cultural tourism is really attractive to tourists, and also residents.

Can you tell me some sociocultural impact (positive/negative) of cultural tourism on the community and residents in Seattle?

7. Actually, big cities look very similar to each other. Also, the development of internet, media, and cultural exchange make cities more homogenous. However, big cities are the most popular tourism destination so far. I think this is because of city culture. What kind of city culture makes cities more popular?

On the other hand, because of cities' homogeneity, many tourism policy – makers use events for making a special cultural trait in an area. Can you tell me what you would consider before making an event policy in a city?

8. Some cities have international events with their city name, and they have tremendous economic profit from the events. For example, the Venice Film Festival, New Orleans Jazz Festival. These always are involved with tourism. Do you have any plan for an international mega event in the future?

APPENDIX B

LETTER TO THE VENICE AND CANNES FILM FESTIVALS AND TOURISM OFFICIES

Dear

I'm a student who studies hospitality and tourism at the University of Wisconsin-Stout.

I need your help for my study. The purpose of this mail is to get some information about cultural tourism and events: film festivals.

There are some specific questions about Film festival and Tourism related with film festival. I also will be glad if you give any kind of information in English, such as data, material, articles. If it is possible to send some information by e-mail, please do that. However, if you have only paper materials, could you send them to me? (Of course, I will pay).

This mail has attached questions.

I hope that you give me a positive reply.

Regards,
Hyun-jin kwon

Questions

1. Statistical data

- Total numbers of visitors, press, subscription sales, printed, professional accreditations
- Total numbers of films screened, directors, actors/actresses, countries invited to the film festival.
- Total amount of ticket sales, registration fees for producers, distributors and investors.
- Total numbers of people who used special accommodations; special conditions for the young, and special hotel room rates for the industry officers.

2. Special programs

- Package programs (accommodation, transportation, film ticket, sightseeing) related with travel to the Venice and Film Festival.

3. Cinema industry

- Support of the film festival's budget from government, and city.
- The change(history) of the cinema industry by Venice as Venice film festivals.
- The number of people who are hired during a film festival/or volunteers.
- The number of cinema facilities for the film festival in Venice, such as theaters, buildings, film museum, studio, etc,.

4. Articles

- Residents' attitude toward the Venice Film Festival.
- Any articles about a positive or negative impact of the Venice Film Festival on tourism.

APPENDIX C
QUESTIONS FOR HOTELS IN BUSAN

1. How many people used your hotel during the 6th Pusan Film Festival?

How many people used your hotel in October and November with the exception of the Film Festival?
2. The proportion of foreigner tourists to Korean tourists
3. What was your hotel's total revenue during, the film festival?

What was your hotel's total revenue in October and November with the exception the film festival?
4. Room occupation between duration of film festival and other days on October and November except film festival?
5. Did your hotel have any package programs related to the 6th Pusan Film Festivals?
6. Did you have any brochures or information for the film festival?
7. Do you want to participate in package programs with the Pusan film festival next year?
8. Did you employ anyone for the extra help during film festival?
9. Did you consider any improvement of services after/during film festival?
10. Which part of the hotel had the biggest revenue during the film festival in your hotel?

(room, beverage, casino, restaurant)
11. Do you think is there any positive and/or negative impact on the Pusan film Festivals besides the economic impact? (cultural, social, and environmental impacts)