



Characteristics and analysis of the Culture and Arts sector, specifically the performing dance sector in Bulgaria

Hristina GEORGIEVA ¹

¹ University of Economics - Varna, Bulgaria, hristina.georgieva@ue-varna.bg

JEL: M3, Z1

Abstract

The culture and arts sector is often described as a "motor sector" in academic literature. Dance schools, within this sector, offer a unique blend of educational and artistic experiences to their clients, encompassing both instructional classes and the creation of original dance performances. However, cultural and arts organizations are not solely business-oriented but also play a significant role in shaping cultural identity and providing educational opportunities. In Bulgaria, there is a lack of a standardized system for accounting for the number of dance schools and cultural organizations. These entities range from private micro-organizations, such as sole proprietorships, limited liability companies, foundations, and associations, to state and municipal organizations, with the latter forming a small percentage of the sector. Statistical data about cultural organizations and their activities are fragmented and can be found in the annual reports of the National Culture Fund (NCF), registers of the Ministry of Culture, and data from the National Statistical Institute (NSI). This study highlights the complex dynamics within the Culture and Arts sector in Bulgaria, especially in the context of dance schools, and underscores the need for targeted efforts to rekindle public interest and engagement in dance arts.

Key words:

Market, marketing, culture and art sector, dance market.

© 2024 University of Economics – Varna

Citation: Georgieva, H. (2024). Characteristics and analysis of the Culture and Arts sector, specifically the performing dance sector in Bulgaria. *Business & Management Compass*. University of Economics Varna, 68 (1), pp. 5 - 13. DOI: 10.56065/gr8bt572

Received: 17.01.2024

Revised: 12.02.2024

Accepted: 14.02.2024

Published: 31.03.2024

1. Introduction

In the academic literature, the Culture and Arts sector is often referred to as a 'motor sector' (Byrnes, W., 2014; Tomova, B. & Andreeva, D., 2012). In Bulgaria, there is no unified system for accounting the number of dance schools or other organizations in the field of arts. A significant portion of the registered dance schools, not only in the country but also in many other countries, are private micro-organizations structured as sole proprietorships (SP), limited liability companies (LLC), foundations, associations, and non-profit organizations (NPO). There are also state and municipal organizations in the Performing arts sector, but they constitute a very small percentage of the total operating organizations in the sector. Numerous characteristics and external factors contribute to the inherent complexity of these organizations and their products. The object of the present article is the art and culture market in Bulgaria, more specifically the dance art studios, and the subject is their characteristics and changes during the last ten years. The aim of the present article is to analyse the current state of the Culture and Art sector in Bulgaria and the effects of some external factors such as COVID-19 on the number of visitors of music and dance performances in Bulgaria, on the number and types of funded projects and organizations by the National Culture Fund and different municipal culture programs. The Google Trends tool was used to analyse online searches in the sector through Google for a specific period of time. Finally, are pointed some lines of future development.

2. Literature review. Dance Art Organizations. Characteristics.

The products of dance schools are intangible, taking the form of services that are not one-dimensional. On the one hand, the dance schools should be considered as organizations that provide their customers with educational artistic classes; on the other hand, they should be regarded as organizations that offer a comprehensive, new creative product in the form of individual dances or complete performances and concerts. Organizations in the performing arts field are not solely engaged in business, culture, or education alone. There are a lot of characteristics that make this type of organizations and their products so complex. One of the unique characteristics of the products in the field of the arts is that, unlike other businesses that strive to satisfy the needs and meet the desires of consumers to the fullest extent possible, the creation of art products usually does not permit such an approach. This is because it would compromise the expression of the artist/choreographer/dance director, which, in turn, is a key feature of products in this sector (Kerrigan, F. et al., 2004, p. 60; Rentschler, R. et al., 2002; Mokwa, Dawson, & Prieve, 1983; Zaggelidou, E. et al., 2013, p. 223; Obreshkova, N., 2004, p. 53; Byrnes, W., 2015, p. 428). Varbanova, L. emphasizes that the arts “exist to lead, not to follow the preferences of the audience” (Verbanova, L., 1997, p. 114). Another specificity of products in the arts domain is that they aim to evoke emotions and experiences in consumers. An artistic product is one that consumers admire for its beauty and/or the emotional reactions it induces in the audience (Solomon, M. R., 2018, p. 519–521). A defining criterion for labelling a product as a 'quality product' in the arts field is exceedingly difficult. For most experts in the field a quality product is one that has the ability to elicit specific emotions in viewers, thereby significantly influencing consumer behavior. However, some artists choose not to compete in the mass market, and sometimes a 'bad'/'strange' artistic product for the mass audience becomes an alternative, yielding better results directed towards niche consumers (Fillis, I., 2002, p. 139). In this context, Gustav Klimt (1899), citing Friedrich Schiller, in his painting 'Nuda Verita,' notes, 'If you cannot please everyone with your deeds and art, please a few. It is bad to be liked by many.' The subjective assessment of a good or bad product is most prevalent in the arts field.

Consumers receive the product directly during its creation—on stage or in the dance studio (in cases of live performances rather than online). With the advancement of technologies, there is potential for expanding the audience through live streaming of stage performances or uploading recordings to various platforms. However, in this scenario, the essence of performing arts is substantially altered, specifically the experience of witnessing it live on stage. For dance schools, this encompasses the theatrical or concert hall, as well as rehearsal spaces. Consequently, this circumstance restricts the number of markets and consumers that the

school (or another service-oriented organization) can effectively reach (Jhanji, H., 2021, p. 5).

Private micro- and small organizations in the Arts sector operate with an exceptionally limited marketing budget and often cannot afford to appoint a dedicated marketing specialist, leading to a myriad of challenges (Bennett, R., 2014, p. 59). Typically, this function is assumed by the school's owner, artistic director, or another member of the artistic team. It is assumed that due to a lack of marketing knowledge, a significant portion of decisions is made based on personal judgment and "internal feeling" (Fillis, I., 2002, p. 132). In his study, Bennett (2014) found that participants (artistic directors also performing marketing functions) neglect considerations such as branding (discussed only in four cases), image building, customer service, and a broad range of product advertising opportunities, which significantly impact consumer behavior (Bennett, R., 2014, p. 65). Primarily, three elements of the promotional mix—advertising, public relations, and sales promotion—are typically employed by dance schools (Zaggelidou, E., et al., 2012). For organizations in the Arts sector, personal contacts and relationships with consumers, the "interplay between artistic philosophy and marketing practices," exert the most significant and positive influence on consumers (Fillis, I., 2002, p. 132).

Simultaneously, other studies affirm that financially affluent consumers are more inclined to attend theatrical productions and exhibit greater interest in artistic creations compared to individuals with lower incomes (Warne, R. T., & Drake-Brooks, M. M., 2016). This can be largely explained by Maslow's theory, as individuals belonging to higher social classes typically have their lower needs fulfilled and can progress towards satisfying higher-level needs such as self-actualization.

3. Material and Methods. Analysis of the dance market in Bulgaria

In Bulgaria, there is no unified system for accounting the number of dance schools or other organizations in the field of arts. Fragmentary statistical information related to the activities of organizations in the cultural sector can be found in the annual reports of the National Culture Fund (NCF), in the registers of the Ministry of Culture and various municipalities in the Culture sector, as well as in data from the National Statistical Institute (NSI). These sources provide insights into the activity, consumer interest, and the desire to attend cultural events, as well as the entrepreneurial activity of organizations in the sector over the years. Data provided by NSI related to the number of dance and music organizations are significantly limited, as they only include philharmonics, folk dance ensembles, and orchestras, but there are no statistical data for other music and dance genres and the corresponding organizations operating within them.

According to data from the register of State Cultural Institutes in the field of music and dance arts maintained by the Ministry of Culture, there is one State Opera and Ballet in Sofia, Ruse, Plovdiv, Burgas, and Stara Zagora, two Music and Drama Theatres in Sofia and Veliko Tarnovo, and one state folklore ensemble in Sofia.

To analyse the market of dance arts, the number of dance schools in the country as of 2023 was examined through publicly available registers of municipalities in the country and by sending inquiries to the respective municipalities. Among the 265 municipalities in the country, the registers of 22 municipalities were scrutinized, and in cases where such registers were not publicly available, emails were sent to each of them. The selection of these 22 municipalities was based on criteria such as the largest area, the highest number of populated places within the municipality's territory, and, correspondingly, municipalities of regional cities were included in the analysis. Once again, the lack of a standardized system for accounting for cultural activities in different municipalities became evident.

4. Results

As above mentioned out of a total of 265 municipalities in the country, the registers of 22 municipalities have been examined. The results show that the only municipality in the country with a published register of private amateur schools in the field of culture on its territory is the Municipality of Plovdiv. The total number listed in the register is 21, of which only 4 are units operating in different areas of dance art. However, data on their changes over the years is not available. In their register for community centers, the Municipality of Burgas and the Municipality of Gabrovo also maintain a record of activities within them. The number of dance groups in the municipalities conducting activities with a community center in 2023 is 16 for the Municipality of Burgas

and 27 for the Municipality of Gabrovo. Data on dance organizations operating in private venues are not provided. Following an inquiry to the Municipality of Burgas, information on active dance schools in the municipality as of 2023 was obtained - a total of 77, operating in various dance genres. The Municipality of Veliko Tarnovo also has a register of community centers, but not all of them mention the activities carried out. Only 4 community centers in the municipality are mentioned as conducting activities in the field of dance art.

Data provided by NSI related to the number of dance and music organizations are significantly limited, as they only include philharmonics, folk dance ensembles, and orchestras, but there are no statistical data for other music and dance genres and the corresponding organizations operating within them. Data on the number of performances and schools have also been provided by the Municipality of Burgas. Despite the limited data, the impact of COVID-19 on attendance and the number of performances in the country is clearly evident. From 2019 to 2020, the number of performances and attendance has decreased threefold. Based on the above data, the following model of the negative impact of COVID-19 on the revenues of dance organizations has been derived (Figure 1).

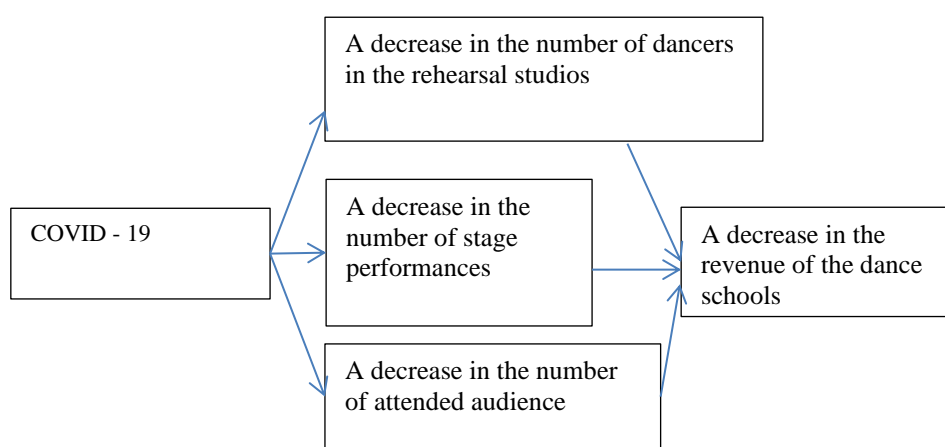


Fig. 1. The impact of COVID-19 on dance organizations

Source: Developed by the author

Despite expectations for a significantly slower return to normal levels of the number of visits and performances, according to NSI data for 2022, visits have recovered to their pre-COVID-19 levels, even surpassing the levels of 2019. From 2012 to 2022, however, the number of stage performances of dance and music schools decreased by 66%, and visitors in 10 years decreased by 76%. In fig. 2 is shown the trend pattern of the number of visitors of dance and music stage performances, which clearly outlines a downward trend in the interest in dance and music in the country.

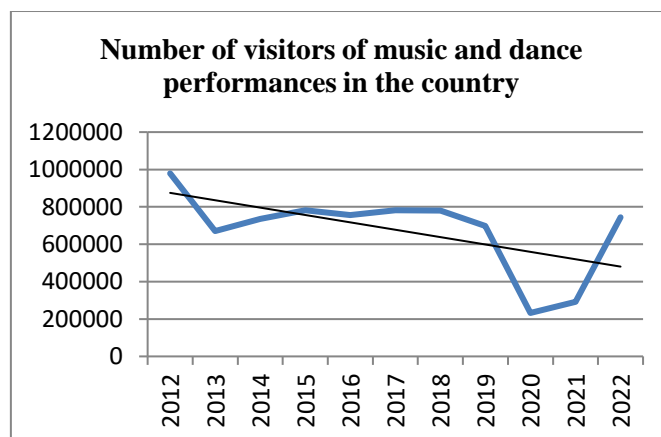


Fig.2. Number of visitors of music and dance performances in Bulgaria

Source: NSI

The reduced interest in the performing arts, particularly in dance art, has been identified in a report by Kutin, L. and his co-authors (2022). The report indicates that in 2022, there were more than 10,000 theatrical, musical, and dance performances and concerts in the country, of which less than 2% were in the field of dance (Kutin, L. et al., 2022). Tomova, B., & Andreeva, D. (2012) note that organizations in the field of Culture and Arts are part of a quasi-market, meaning an "unreal market where organizations within it would not survive without state support (Tomova, B., & Andreeva, D., 2012)." The National Culture Fund (NCF) provides funding to cultural organizations and artists through various programs. Regular programs for project proposals for financial support include "Mobility," "Socially Engaged Arts," "Creative Development," "Translations," "Audiences," "One-Year Grant," "Subsidies for Projects of National Significance," "Critique," "Debuts," and "Creative Europe." Dance organizations and artists can benefit from most of these programs.

For example, the "Mobility" program aims to expand the scope of art organizations and individual artists by financing travel for activities outside their usual place of performance (a specific city or country). In 2022, for instance, 253 candidates applied, and 71 of them were approved for funding, with a total amount of 439,972 leva. Table 1 presents the beneficiaries of the program from the performing arts sector - dance, music, and theatre - between 2017 and 2022. In Table 2, the total number of received and approved projects by the NCF from all fields of Culture and Arts and all programs, as well as the disbursed amount, are presented.

Table 1
Beneficiaries from the field of Performing arts funded under the "Mobility" program from 2017 to 2022

Year	Music	Dance	Theatre	Total number
2017	22	5	19	46
2018	20	8	23	51
2019	22	13	19	54
2020	0	0	0	0
2021	13	5	27	45
2022	19	9	10	38

Source: Compiled data by the author from the annual reports of the National Culture Fund from 2017 to 2022

Table 2
Projects received and approved under all programs of the National Culture Fund from 2017 to 2022 for all fields of Culture and Art

Year	Received Projects	Approved Projects	Allocated Funds (BGN)
2017	810	210	696693
2018	577	243	890 825
2019	575	301	1311489
2020	4032	3147	21821757
2021	4653	2351	23385042,82
2022	6363	3420	39055748,75

Source: Compiled data by the author from the annual reports of the National Culture Fund from 2017 to 2022

Similar summaries have been made by the author for all programs of the National Culture Fund from 2017 to 2022 (inclusive), and the following conclusions and generalizations can be drawn. From the available data, the rapid changes in the sector following the onset of the COVID-19 pandemic are quickly noticeable. The imposed restrictions during the pandemic, especially limitations on travel opportunities, are reflected in

the "Mobility" program, which entirely ceased operations in 2020. While the number of beneficiaries has rebounded post-COVID-19, there remains a 17% reduction in beneficiaries in 2022 compared to 2017. Apart from the "Mobility" program, in terms of the data, it is clear that the most significant increase in the number of received projects between two consecutive years is observed precisely between 2019 and 2020, indicating the need for external financial support for the sector after the onset of COVID-19. From 2019 to 2022, the number of received and approved projects increased by just over 10%, and the allocated financial resources from the National Culture Fund increased by about 29%. For example, under the "Audiences" program, approved projects from the Performing arts sector increased by nearly 90% from 2019 to 2020. From the available data, a general trend across all programs is the low participation of dance organizations and artists in submitting project proposals and, consequently, in approved projects (see Table 3).

Table 3

Beneficiaries from various programs of the National Culture Fund for the year 2022 in the Performing arts sector

Program	Dance	Music	Theater
Mobility	9	19	10
Socially Engaged Arts	2	4	13
Creative Development	5	14	5
Audiences	0	0	1
One-Year Grant	5	14	5
Subsidies for Projects of National Significance	0	4	1
Critics	0	3	2
Debuts	2	5	13
Total	23	63	50

Source: Compiled data by the author from the annual report of the National Culture Fund for the year 2022

The data shows that, across a total of eight financial support programs provided by the National Culture Fund, the approved projects by organizations and artists in the field of dance arts are nearly three times fewer than those in the field of music and just over two times fewer than those in the theatre arts. Due to that data, it can be suggested the necessity of outlining the different visual arts as distinct art forms, thereby enabling more precise allocation of marketing efforts to the requisite areas.

The above suggestion is also supported by the annual reports and the "Culture" municipal funds funds of the larger municipalities in the country, namely Sofia, Varna, Plovdiv, and Burgas. The results of their review showed that there is a relatively low level of activity among dance schools in terms of applying for funding. This is in comparison to organizations operating in other cultural sectors, including other performing arts like music and theatre. According to the sources mentioned above, between 2 and 9 dance organizations apply for funding annually in different municipalities. Given the lack of consolidated data on the exact number of dance organizations in a specific territory in the country, it is not possible to determine the exact percentage of organizations applying for funding from the municipality.

From the annual reports of the respective municipalities' "Culture" funds, it has been established that the legal forms of the dance schools approved for funding are mainly Limited Liability Companies, Private Limited Companies, Associations, and Foundations.

In many of the funding programs for creative organizations, both at NCF and individual municipalities, there is a requirement for a minimum of 5% of the allocated funds to be dedicated to advertising and promoting projects. This includes print advertisements, online advertising through various social media platforms, television or radio advertising, public relations (PR), and more. This condition is aimed at promoting not only the specific funded project but also the dance organizations themselves, expanding their audience and consumer base.

In many of the funding programs for creative organizations, both at the National Culture Fund and individual municipalities cultural funds, there is a requirement for a minimum of 5% of the allocated funds to be dedicated to advertising and promoting projects. This includes print advertisements, online advertising through various social media platforms, television or radio advertising, public relations (PR), and more. This

condition is aimed at promoting not only the specific funded project but also the dance organizations themselves, expanding their audience and consumer base.

The Google Trends tool was used to analyse online searches through Google for a specific period of time. Data were obtained for the following keywords and phrases: "dance," "dance studio," "dance lessons," "children's dance". For key phrases like "dance performance," "dance school for children," and "dance lessons for children," the platform did not provide data, stating that "there is not enough data to display" from 2012 to 2023 (Fig. 3).

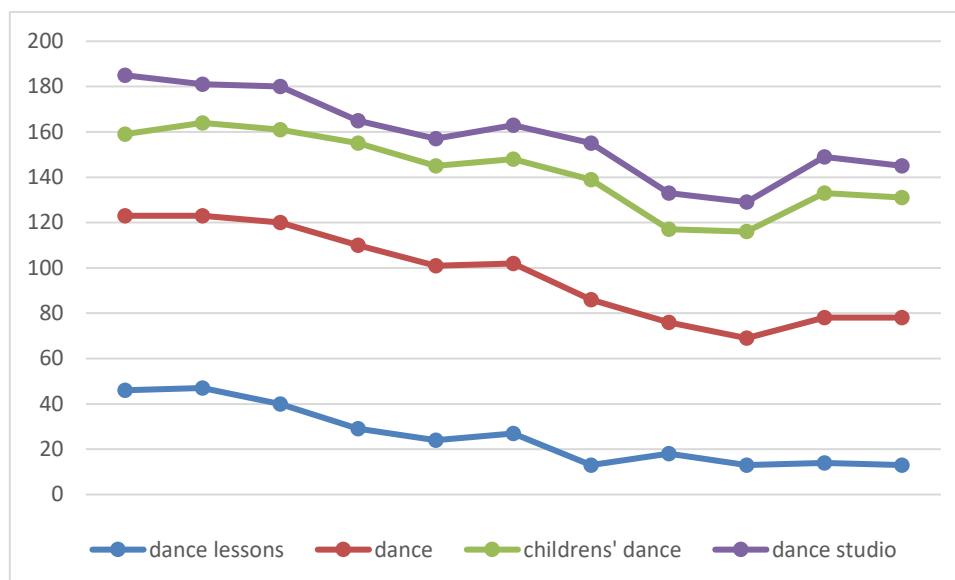


Fig.3 Search by keywords "dance lessons", "dance", "childrens' dance" and "dance studio" in Bulgaria for 2012 - 2023.

Source: Developed by the author on a database from Google Trends¹

The downward trend across these dance-related keywords from 2012 to 2023 may suggest shifting cultural preferences, changes in educational patterns, or evolving entertainment trends. Further research should be done to gain a more comprehensive understanding of which factors influence consumer behaviour in the dance field in Bulgaria. Interestingly, the regional analysis was only available for the keyword 'children's dance', revealing searches concentrated mainly in Sofia, Plovdiv, and Varna. This implies that smaller cities might demonstrate relatively lower interest in these topics, particularly in the online domain.

5. Conclusion

The restrictions imposed in response to COVID-19 had a significant impact on organizations across all sectors of culture and the arts, particularly those in the field of the Performing arts. Organizations that faced the most significant challenges due to the restrictions were dance schools working with children. During the COVID-19 pandemic, they fell under the restrictions imposed by the Ministry of Culture, the Ministry of Sports, and the Ministry of Education simultaneously. The cessation or limitation of activities during the pandemic put both the survival and financial sustainability of organizations in the Culture and Art sector at risk. This includes dance schools, theatrical productions, musical events, and more. The restrictions also affected their suppliers in both the creative and non-creative sectors. According to Travkina, E. & Sacco, P. (2020), the pandemic led to the restructuring of economic relationships, with a trend toward hybrid economic activities between the cyber economy and the real economy (Travkina, E. & Sacco, P., 2020).

¹ The used words were in Bulgarian due to the language of the targeted consumers.

For an extended period, organizations were working with no more than five children at a time, which made it impossible to create comprehensive and finished creative products. In this context, social distancing and the inability to work on location in rehearsal halls and on stage led to significant changes in the way artists interacted with each other and with their audience, as previously discussed. The rapid integration of technology into the sector became necessary to continue at least part of the organizations' activities and ensure their survival. Even after the restrictions were lifted, some people were hesitant to return to public places and have face-to-face contact with others. Fear of proximity became especially pronounced in the case of dance schools because of the constant physical contact between dancers. This problem was exacerbated when working with children, as children and adolescents were eager to return to classes, but their parents were often apprehensive.

In this regard, the National Culture Fund introduced six additional programs to address the crisis. However, the data reveals that dance organizations receive significantly fewer approvals compared to music and theatre organizations.

In a complex and ever-changing environment, this study sheds light on the multifaceted challenges faced by the Culture and Art sector, particularly in the realm of dance. Based on the presented data, it can be concluded that the interest in the Performing arts and especially in the Dance art in the territory of Bulgaria is extremely weak. It is necessary to stimulate the attendance of both stage dance performances by the public and training dance schools in order to popularize the art of dance in the country. Moreover, there is a critical need for Art and Culture organizations to substantially enhance their online visibility, facilitating accessibility for potential consumers. By It calls for strategic actions and innovative approaches to reignite public enthusiasm and engagement in dance arts, ensuring their enduring presence in Bulgaria's cultural tapestry.

References

1. Andreasen, A. R., & Belk, R. W. (1980). Predictors of Attendance at the Performing Arts. *Journal of Consumer Research*, 7(2), 112. <https://doi.org/10.1086/208800>
2. Bennett, R. (2014). How small charities formulate marketing responses to major reductions in income: A study of nonprofit contemporary dance companies. *Qualitative Market Research*, 17(1), 58–76. <https://doi.org/10.1108/QMR-10-2012-0045>
3. Byrnes, W (2014). *Management and the Arts*.
4. Clarke III, I., & Flaherty, T. B. (2002). Marketing fine art on the Internet issues and ideas. *International Journal of Nonprofit and Voluntary Sector Marketing*, 7(2), 146–160.
5. Colbert, F., & St-James, Y. (2014). Research in Arts Marketing: Evolution and Future Directions. *Psychology and Marketing*, 31(8), 566–575. <https://doi.org/10.1002/mar.20718>
6. Crossick, G., & Kaszynska, P. (2016). Understanding the value of arts & culture | The AHRC Cultural Value Project.
7. Fillis, I. (2002). Creative marketing and the art organisation what can the artist offer. *International Journal of Nonprofit and Voluntary Sector Marketing*, 7(2), 131–145.
8. Jhanji, H. (2021). *Services Marketing*.
9. Kerrigan, F., Fraser, P., & Özbilgin, M. (2004). Contemporary issues in marketing and consumer behaviour in arts marketing. Elsevier Butterworth-Heinemann. <https://doi.org/10.4324/9780080472058>
10. Kutin, L., Yalamov, T., Arnaudova, M. (2012). Monitoring of Performing Arts in Bulgaria. (in Bulgarian).
11. Major, S., & Connell, A. (1998). *From Arts Management to Creative Industries*.
12. McCarthy, K. F., & Jinnett, K. (2001). A New Framework for Building Participation in the Arts.
13. Rentschler, R., Radbourne, J., Carr, R., & Rickard, J. (2002). Relationship marketing, audience retention and performing arts organisation viability. *International Journal of Nonprofit and Voluntary Sector Marketing*, 7(2), 118–130.
14. Ricotta, A. G., Fan, S. K., & Dwyer, R. J. (2019). How artistic directors motivate the consistency of artists' performance. *Arts and the Market*, 9(2), 162–177. <https://doi.org/10.1108/aam-05-2019-0019>
15. Solomon, M. R. (2018). *Consumer Behavior: Buying, Having and Being*. <http://www.pearsonmylabandmastering.com>

16. Tomova, B. & Andreeva, D. (2012). The cultural and creative industries as a factor for sustainable development. (in Bulgarian).
17. Travkina, E., & Sacco, P. (2020). Culture shock: COVID-19 and the cultural and creative sectors. http://www.worldcitiescultureforum.com/assets/others/WCCF_Report_June_28_FINAL_v4.pdf
18. Turgeon, N., & Colbert, F. (1992). The decision process involved in corporate sponsorship for the arts. *Journal of Cultural Economics*, 16(1), 41–51. <https://doi.org/10.1007/BF02275976>
19. Varbanova, L. (1997). *Sponsorship and Philanthropy in the Arts*. Sofia, University Publishing House 'Stoianov,'.
20. Warne, R. T., & Drake-Brooks, M. M. (2016). Comparing the persuasiveness and professionalism of newspaper, blog, and social media sources of information in marketing and reviewing theatre. *Arts and the Market*, 6(2), 166–186. <https://doi.org/10.1108/aam-03-2015-0004>
21. Wiggins Johnson, J., Preece, S. B., & Song, C. (2016). How are arts organizations responding to critique in the digital age? *Arts and the Market*, 6(1), 17–32. <https://doi.org/10.1108/aam-10-2013-0020>
22. Zaggelidou, E., Tsamourtzis, E., Malkogeorgos, A., & Zaggelidis, G. (2013). The effect of marketing on dance activity. In *Journal of Physical Education and Sport* (Vol. 13, Issue 2, pp. 220–230). <https://doi.org/10.7752/jpes.2013.02037>
23. Zaggelidou, E., Tsamourtzis, E., Malkogeorgos, A., & Zaggelidis, G. (2012). Dimensions of Market Demand Associated with Dance Schools. *Sport Science Review*, 21(3–4), 101–118. <https://doi.org/10.2478/v10237-012-0012-8>
24. <https://ncf.bg/bg/arhiv-programi> - National Culture Fund
25. www.nsi.bg – National statistical institute