

***AN EXAMINATION OF MID-SIZED EVENTS AND FESTIVALS
FROM THE PERSPECTIVE OF REVENUE GENERATION
BASED UPON CURRENT PRACTICE***

by
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CHAPTER I

INTRODUCTION

“Markets continually change, as do their tastes, interests, fads, and priorities. Thus, event marketers should be alerted that there is no guarantee that their events will be always successful, without an effective marketing plan to continually analyze changes in market segments and the direct influence they have on event participation” (Hoyle, 2002, p. 181)

This research begins with the assumption that event organizers and marketers in small cities have some difficulties in putting emerging strategies of event marketing into practice. Many trends and forces in the event management and tourism field have suggested that the growth of event marketing has evolved quite rapidly. Contrary to previous major marketing practices for events and festivals, the scope of contemporary event marketing has expanded to incorporate new marketing paradigms such as ‘Relationship Marketing’ due to the increased involvement of corporate businesses in festivals.

The marketplace is becoming more competitive and there is greater interest in issues such as the life cycle of festivals, and the possibility of saturation within a given area (Getz, 1997). Many local festival managers are not taking full advantage of their assets due to a lack of a market research or professional skills. According to

Walle, “there exists certain constraints on local committees and clubs involved in organizing special events, such as lack of guidelines for event planning, management and marketing and lack of practical training programs to provide the essential ‘how to’ information” (1995, p. 23). In fact, the field of event management has gained professional status thanks to the increase in professional education programs focused on event management. In order to be competitive in this market, event organizers must manage themselves like a business. As Goldblatt (2002) noted, event marketers should constantly review the trade and general business literature as well as information about general emerging trends to maintain a competitive position (p. 27).

It is widely recognized that many aspects of event marketing are strongly related to the corporate field because of their growing dependency on corporate sponsorship which is a significant source of event revenue. Thus, it is getting crucial for the event managers to be strategically partnering with businesses or community partners, along with investing more time and effort into researching potential sponsorship opportunities, in order to achieve their revenue goal. From this perspective, small or medium sized local festivals are constantly being challenged by changing marketing practices. To that end, it is more important for event organizers in small cities to be attentive to emerging marketing practices and

trends in the event and festival field in order to be sustainable in the competitive market, even when it may be demanding for them to catch up or apply new management strategies.

THE BROAD CONCEPT/CONCEPTUAL FRAMEWORK

“Intangible benefits such as growth in community spirit and cooperation can result from the host community being vitally involved in event planning and production” (Walo et al, 1996, p. 97). This research project was designed on the basic theory that local events and festivals are valuable to the community not only for the positive social advantages they produce but also for the economic benefits that the festival can eventually bring to that local community.

The number of special events in the United States is increasing and it seems that everybody recognizes the growing significance of cultural festivals and special events in terms of their economic and social impact on its community. Concurrently, many researchers have examined various aspects of event management. Some of these studies have attempted to prove the economic impact of festivals by presenting the quantifiable data that can represent the extent to which special events contribute to the local economy. Research claims that many local special events would not be viable without the assistance of volunteers in

planning, organizing, marketing, and production. These activities can create significant, long-lasting contributions to the development of the local community (Williams, Dossa & Tompkins, 1995).

Even if the notion about the economic and social contributions of local festivals is widely recognized, it is also evident that the biggest constraint for special events, especially for the small local festival, is to generate sufficient revenue. Getz (1997) notes that event organizers have been forced to become more professional and aggressive in finding resources and more efficient in their use. Accordingly, those who manage money best are likely to prosper, whereas others face increased uncertainty and possible decline (p. 35).

As a result, it has become evident that the success of events and festivals largely depends on the individual ability of event organizers to acquire resources from the community, either from individuals or the business sponsors. Along with the economic impact, social and cultural benefits that can be generated by local events and festivals have always been recognized, especially through public park and recreation agencies. As Peterson & Crayton stated (1995), the key to both the financial and community success of festivals or major events is the participation of sponsors. Therefore, another broad concept embedded in this research is that the event organizers and marketers should be proactive in marketing and selling their

events to their stakeholders and especially corporate sponsors. As Goldblatt (2002) pointed out, "Many event managers still confuse sponsorship with benevolence which donors contribute without any expectation of commercial benefit" (p. 268).

Unlike the donation for a fundraising event, the sponsorship for the event is "a commercial transaction which involves the marketing services provided by the event organizer in exchange for the sponsor's cash or in-kind donation" (Goldblatt, 2003, p. 268). Likewise, as the sponsorship is trade with commercial business, there are some corporate standards that event marketers should learn and pursue in order to keep pace with business partners. For example, as Walle states (1995), "Event marketers need to present some kind of convincing evidence regarding the probable results of corporate participation"(p. 231). He added that the potential sponsor will be in a position to better evaluate the opportunity and justify an outlay of funds by providing some form of impact assessment. The significance of an economy impact statement in gaining the attention of potential stakeholders has been declared by many researches in the recent past. Peterson & Crayton (1995) state that an official economic impact studies can show that the festival is a profitable, legitimate business. And more practically it can help a festival gain the sponsorships necessary to run a successful major event (p.187). Taken together, the fundamental concept supporting this research is that it is crucial for event

organizers to have a professional and aggressive approach in obtaining sponsorship: they should be creative, strategic, and assertive in 'selling' their events.

PURPOSE OF THE STUDY

The purpose of this study was to examine the revenue generation function of local cultural events and festivals in order to be able to compare their practices to current practice standards found in current literature in the field of festival and event management. In order to do so, three local festival were examined.

BASIC ASSUMPTIONS

This study assumes that the Eugene Celebration, Asian Celebration, and Lane County Fair are the most established cultural festivals in Eugene, Oregon. The Asian Celebration was in its 20th year in 2005; the Eugene Celebration is in its 23rd year; and the Lane County Fair was in its 121 year. Even if there were a number of annual events and festivals presented by various committees and organizations over then years in Eugene, most residents and city officials in Eugene would agree that these three festivals are the most recognized annual cultural events in Eugene.

This study assumes that the festival and event management field has been developing quite rapidly, especially in terms of the event marketing, more

specifically in revenue generation. In particular, the attention of the corporate sector in the events and festivals field has been increasing with the growth of the sponsorship dollars that are invested in the events and festivals. Another assumption in this study was that many of the medium and small sized local festivals have less capability to generate revenue than mega-sized festivals in major cities, and would therefore be interested in revenue generating practices.

And last, this study assumed that event organizers and directors working for these three festivals would be likely to participate in this research and would share their opinions and experiences related to the revenue generation for their events.

DELIMITATION/LIMITATION

● Delimitations

The researcher was only able to interview and observe directors or development managers of medium and small sized cultural festivals in Eugene and Springfield, Oregon. In addition, the use of several words: events (e.g., special events, and festivals) in this research were delimited to non-profit cultural festivals for the public, excluding mega-sized, commercialized and sports events. The use of the term events marketing was also be delimited to represent all of the activities that are required for generating revenue, such as sponsorship, fundraising, and

target marketing for ticket sales. Lastly, the use of “marketing” is, in most cases, delimited to the activities closely related to revenue generation, such as sponsorship, ticket sales and other fundraising activities.

- **Limitations**

As most qualitative studies which have limitations about findings that cannot be directly generalized to the larger population being studied, or for whom a communications program is being designed, this research has that limitation, in its analysis of data gathered by questionnaires and interviews. Therefore, findings reported in this research can not be generalized to other events or festivals.

In addition, the most recent information about the current practices in event management was not available mainly because literature in the event and festival field was relatively outdated and scarce.

DEFINITIONS

Cultural Events & Festivals: The events and festivals that offer cultural experience to the public.

Revenue Generation: Activities that produce financial resources for running festivals and events that are obtained from sources such as like entrance fees, fees for exhibitors, individuals or corporate gifts.

Special Events: *the onetime or infrequently occurring event outside the normal program or activities of the sponsoring or organizing body. To the customer, a special event is an opportunity for a leisure, social, or cultural experience outside the normal range of choices or beyond everyday experience (Getz, 1991, p. 44)*

Sponsorship: *Cash and/or in-kind fee paid to a property (typically in sports, arts, entertainment or causes) in return for access to the exploitable commercial potential associated with that property. (Skinner & Rukavina, 2003, p. 2)*

SIGNIFICANCE OF THE STUDY

The findings of this research were expected to be beneficial to the subjects participating in the research by providing an objective assessment of their revenue generation practices. In addition, this research can be a useful reference for the managers running medium sized events or festivals by suggesting current trends and standards of event sponsorship and fundraising.

CHAPTER II

LITERATURE REVIEW

The purpose of this study was to examine the revenue generation function of cultural events and festivals in order to be able to compare their practices to current practice standards found in the literature. This chapter was to provide a review of literature that is organized around significant trends (or practices) regarding the revenue generation of local events and festivals. This review will consist of the major and sub categories ranging from the context of the problem to the topic areas.

Analysis of Current Situations in Medium-Sized Local Festivals

According to the "Foghorn Newsletter" of the University of Wisconsin Extension (July, 2004), "Many festivals are roughly break-even in revenue generation and have quite an appetite for public funds." However, in fact, cities and municipalities find it more difficult to provide public funds for festival costs and often request festivals organizers to pay for services provided by local governments. On the other hand, "large and successful festivals have less difficulty in finding corporate donors to pay for these services; smaller festivals find sponsorship much more difficult. Many smaller festivals are free to the public, thereby limiting capability to generate revenue"(Foghorn, July, 2004).

One of the trends found in many emerging local festivals is the one that was

designed for the purpose of boosting the local economy. “Main street revitalization can also be a positive economic spin off from festivals and special events. Appearance improvements made for an annual celebration have year-round benefits and can create stimulus for improved downtown retailing and service industries.” (Foghorn, July, 2004).

As for the general trends in event management, Joe Goldblatt (1997) noted that three trends—economic, uncertainty, rapid technological advancement and increased competition—have caused a major paradigm shift within the event industry. According to Goldblatt, this shift occurred during the mid-1980s as the event industry was feeling overly confident and rapidly expanded. Now, the industry is in an era of economic uncertainty, technological change, and escalating competition, and does not know how to cope or plan. This shifted paradigm, accordingly, has required event organizers and marketers to be competently prepared for the social, economic, and political challenges that confront established professions such as medicine, accounting and law. Goldblatt (1997) stressed that the event professionals who are able to respond to challenging economic times with sound financial practices will produce and sustain consistently profitable events. Goldblatt (1997) stated that the event and festival field, in general, had moved from birth to growth to maturity and now faces complacency which can be followed by

decline or by reinvention and sustained growth through education and strategic planning.

Social & Economic Significance of Festivals in Communities

According to Goldblatt, "Festivals and fairs have shown tremendous growth as small and large towns seek tourism dollars through these short term events. Some communities use these events to boost tourism during the slow or off-season and others focus primarily on weekends to appeal to leisure travelers" (1997, p.7). He also said that fairs and festivals provide unlimited opportunities for organizations to celebrate their culture while providing deep meaning for those who participate and attend, no matter what purposes their events serve.

The significance of having festivals established for the community has been supported by many literatures from various perspectives. According to Mary Barr (1998), "Marketing and special events can draw people into downtown, ringing the cash registers of downtown retailers, museums and service-related businesses, and bringing money to municipal coffers in the form of increased tax revenues"(p. 16). Johnny Allen (2002) affirmed "All events can enhance the quality of life of a neighborhood, by adding to its sense of place and residential amenity"(p. 29). According to Crompton (1995), special events can generate substantial economic

costs, often forgotten in the euphoria surrounding the event.

To sum it up, as Walo (1996) stated in his research:

“The direct and indirect benefits of a local special event include increases in employment, extra services, infrastructure, and improvements.....Intangible benefits such as growth in community being vitally involved in event planning and production” (p. 97).

Trends in Revenue Generation of Local Festivals

Most of the event management literature that was published in the last ten years has emphasized that revenue generation is an important management function that contributes to the success of events. “Acquiring adequate resources is the major management function, and for many events it is a preoccupation” (Getz, 1997, p. 56). Getz also offered specific ways of gathering resources, and how the event organizers should embark on the resource development.

“Acquiring resources must be closely related to general public relations strategies, as resource acquisition will often depend on developing a strong image and network in the community. Another way to look at this linkage is to say that tangible resources and political/community support are two sides of the same coin” (Getz. 1997, p. 187).

Revenue sources, entrance fees, fees for exhibitors, individual and corporate gifts, and marketing promotional fees provide sources of revenue generation for local festivals. Among them, increasingly, corporate sponsorship was central to the stream of many new and continuing events. Thus, most of event management literature/guidebooks now dealt with sponsorship as more than just one part of the promotional mix. There were some claims that sponsorship was fast becoming the fourth arm of marketing. Peterson & Crayton (1995) stated that "The festival's primary source of a fund to finance in-house events is through corporate sponsorships"(p. 186). Hoyle (2002) stated strongly that there is a growing need for professional event organizers to manage sustainable and successful festivals in competitive surroundings.

"Successful event marketers in the 21st century understand how to quickly, effectively, and profitably respond to or create demand for their event.....If you (event marketers) are late, or provide poor quality, or do not achieve a satisfactory profit margin, your event competitors are waiting in the wings to capture the market you have left behind" (Hoyle, 2002, p. 176).

In fact, as the event field has been increasingly professionalized, event marketing has made a rapid improvement in terms of adopting business-like marketing tactics.

In the 2005 Northwest Festival & Event Conference, one of the presenters, Bob Gobrecht, had a presentation titled “Ten Winning Revenue Trends for Festivals & Events.” The trends that he pointed out were applicable to medium sized local festivals. The first one was that building a strategic partnership with other organizations, whether it is a corporate or a nonprofit, draws a lot of attention as he illustrated with many successful cases. Gobrecht stated the importance of searching for a partnership opportunity that can be strategically used for generating more profits and in doing so, provided the example of a partnership between the Seattle Sea Fair and the NCAA Final Four.

Another trend Gobrecht suggested was that it was crucial for event organizers and marketers to create renewable revenue streams with strategic thinking. He said that the Northwest Folk Life Festival was able to generate stable income by selling buttons to their members and attendees. In addition, the Seattle Sea Fair had success in selling sponsorship by adding a premium to their hospitality for sponsors and their clients.

A last as general trend in event marketing was advanced by Hoyle (2002). He claimed that the paradigm in event marketing was about to change, so event managers should carefully research their target market and then, carefully and skillfully, develop and implement a marketing strategy to cope with the constant

change in marketing needs. He also suggested that

“While it is possible to borrow marketing methods from one type of event and use them within the context of another, each type of event generally requires a precise marketing strategy that enables you to rapidly capture the attention of your target market, quickly and thoroughly provide them with enough information to make a positive decision, and then effortlessly influence them to invest in your event” (p. 74).

Trends in Sponsorship

International Event Group (IEG) stated that festival sponsorship is flourishing, with events reporting an average income growth of 31 percent from 1998 to 1999. Sponsorship was the largest revenue source for most events, accounting for an average 41 percent of the budget at festivals with budgets of \$1 million or more and 66 percent at events with budgets under \$1 million. In-kind sponsorship accounts for an average 44 percent of total sponsorship revenue. Joe Goldblatt (2002) also claimed “In recent times, there has been noticeable shift in sponsor dollars away from sporting events and toward arts events. The reason for this shift is that sponsors are seeking more highly targeted upscale demographics and the arts audience delivers that marketing segment”(p. 267).

However, unlike commercial events agencies, festival organizers seem to be several steps behind in implementing emerging marketing trends in corporate fields and then developing the strategic approach to keep pace with corporate needs. For example, according to the research undertaken by Mayfield and Crompton (1995), many festival organizers do not undertake customer-oriented research, believing in their own ability to know what their customers want, or lacking the resources to do it. Their research suggested that the culture of organizations managing festivals often leads to product orientation, rather than a marketing orientation, in which case market research was undervalued. Even so, it has been difficult for many event organizers, especially the ones in small local event agencies, to carry out contemporary marketing processes because even if they had adequate skills for planning competent strategies, there are may be minimal remaining resources that could be invested to implement them. Therefore, again, it is important that event organizers for small and medium sized events and festivals should be knowledgeable about current trends, not only in event management but also in corporate marketing.

Peterson & Crayton (1995) suggested that an economic impact study can be a powerful tool to develop and maintain sponsors for festivals. It provides concrete evidence of the festival's financial status and the ability to attract spending tourists,

and provides invaluable publicity for participating firms (p. 22). And many authors, including Getz (1997), suggested that market research was essential to determining customer satisfaction and competitor factors, therefore exchanging important information with stakeholders and sponsors was important.

According to IEG (June, 2000), successful companies in the 21st century will be those that create experiences around the products and services they offer. If companies are still selling goods or services, rather than experiences, the next best thing for companies is to associate with an event. To this end, IEG noted that more companies were looking for creative sponsorship opportunities with which they could tie their companies to these unique experiences. For example, the Huntsville's Festival of the Arts, a community arts festival, gained more than double sponsorship revenue (\$160,000) and acquired the first multi-year deal in its 16-year-old history. This outstanding success was realized due to the proactive decision of a executive director, Lea Ellison. She examined why her festival's sponsorship package was 'underpriced' compared to the ones in other cities, and collaborated with a marketing department of Huntsville, Alabama in analyzing festival attendees. In addition, Ellison developed sponsorship tiers, giving top level sponsors the option to title a stage and entertainers. Other exclusive benefits included targeted placement of on-site logos, and reserving high traffic areas for

top sponsors which could provide a exclusivity beyond that which the sponsor had previously requested.

Trends in Ticket Sales/Marketing

“Marketing events is the process of employing the marketing mix to attain organizational goals through creating value for clients and customers. The organization must adopt a marketing orientation that stresses the building of mutually beneficial relationships and the maintenance of competitive advantages” (Getz, 1997, p. 249).

Although most cultural festivals whose targeted audience is the general public were either free for admission or sell tickets for less than five dollars, Getz stressed that it was important for event marketers to figure out a better way to make people buy their tickets, preferably in advance of the event day. Gobrecht (2005) suggested a number of tactics that were used in increasing ticket sales for events and festivals: new ticket products, new ticket packages, new price points and new ticket merchandising. He also said that even small event organizers should consider building a ticket support system to expand the audience base to the younger generation.

CHAPTER III

METHODOLOGY

The purpose of this research project was to examine the revenue generation function of cultural events and festivals in order to be able to compare their practices to current practice standards found in the literature. This chapter will provide the methodologies used to conduct this research along with a description of its data collection procedures.

This research used the case study approach as a major strategy for conducting qualitative research. It was evident that the case study would be the most desirable approach in exploring the particular local festival and their marketing activities profoundly. According to Newman (2000), “case studies are efficient for the cross-sectional research and also they are helpful for researchers to analyze from the micro level to the macro level of the research subject”(p. 33). In addition to the in-depth case studies of three festivals in Eugene and Springfield area in Oregon, the researcher focused on the data collection about emerging revenue generation practices among other festivals through literature reviews and reviews of other written materials in order to extract critical implications for managing medium sized festivals in small to medium sized cities.

RESEARCHER

As a researcher emphasizing the study of certain cases, this researcher intended to be the explorer and observer, rather than an evaluator, and aimed to shed light on evident issues without considering the fundamental issues that may have caused those problems. As Robert (1995) recommended, this researcher maintained an ongoing interpretive role which is required for researchers conducting qualitative case studies.

Because this study was a quantitative study, the researcher identified the current revenue situations and practices of medium sized cultural festivals through interviews, being as objective as possible in order to obtain the most accurate data, and eventually achieve a research outcome that can possibly be applied to those festivals in a real context. Robert (1995) stated that every qualitative researcher has the intent to promote a subjective research paradigm. In this case, the researcher was careful in analyzing the data in order to minimize the limitation that would cause misunderstanding and misinterpretation due to any lack of awareness of the researcher's own intellectual shortcomings.

DESIGN OF THE STUDY/METHOD

In conducting the case study of three medium sized cultural festivals, the interview was used as a major data collection method. In-depth interviews were conducted with major key informants of the festivals under investigation. Prepared questions were used for these interviews and focused on collecting the following data: the sources of revenue, information on the sponsorship management, previous marketing strategies for increasing ticket sales and information regarding the challenges and opportunities of revenue generation for each festival. In addition to these primary questions, each participant was asked further about their distinctive revenue situations and other related issues they were facing in regard to marketing and sponsorship for their festivals. Upon designing and executing the interview, the researcher examined articles and speeches about sponsorship and other factors that affected the revenue generation of festivals. However, major issues and concerns that the researcher identified through this preliminary literature review did not affect the interview as personal bias, but was used as a comparative document in analyzing data in the phase of data analysis after the interviews.

Along with identifying the revenue issues that medium sized festivals experienced, the researcher investigated the private and official documents of each

organization when they were made available. The document review was to help the researcher further identify and assess practices related to revenue generation including sponsorship proposals, marketing documents, evaluation and other materials, which can reveal the current capacity of fund development for the specific festivals.

SITES & PARTICIPANTS

Three to five local festivals in Eugene and Springfield areas in Oregon were explored prior to the selection of study participants. All of these festivals had a number of common characteristics:

- Running for more than ten years
- Nonprofit or Public organizations
- Have a minimal staff (less than three people)
- Have a similar market for ticket sales and sponsorship sales.

Three festivals from among these five explored were selected to participate in this study and additional organizational information was collected from each participant. Following human subject approval to conduct the interviews, three individuals agreed to be interview subjects, (a copy of the Human Subject forms are in Appendix D). Those interviewed included a previous executive director, a

marketing manager, and a committee member, and all were identified through organizational websites and telephone books. The researcher made initial contact with all of these participants through a telephone call and a follow-up email message. In that telephone call, the researcher briefly explained the purpose of the study and answered questions that some of the participants had. Right after completing the telephone call, the researcher sent recruitment letters via email (the recruitment letter is attached in the Appendix A and B), and set up interviews with each participant to take place a few weeks later.

INTERVIEW

It was determined that collecting data through interviews would serve to the purpose of this research. The literature review provided preliminary information and knowledge about current issues regarding revenue generation in medium sized events and festivals. The information acquired through the publications and journals that were published within last seven years helped set up the categories of issues for this research. This categorized information led the researcher to generate preliminary questions that would be raised during every interview. The major inquiry overarching every interview questions was:

To what extent are local mid-sized events and festivals in Eugene able to address new

revenue generation needs in the context of changing practices in the event management?

In consideration of answering this major inquiry, the researcher posed eight to ten short questions to the subjects in person. Questions included sources of revenues, information about sponsorship, marketing strategies for increasing revenues (ticket/sponsorship/donation), and challenges and opportunities in revenue generation. The full preliminary interview questions are attached in the Appendix B. As for the interview procedure, each interview was documented by a MP3 recorder along with written notes. The interviews occurred in the offices of participants for two subjects and in a public place, a café located in a local bookstore, for one subject. Each interview took about one hour in duration.

DATA ANALYSIS PROCEDURE

Recorded participant interviews were transcribed yielding three separate interviewee scripts. Three scripts were combined with internal documents given to the researcher at the time of the interviews. Then the researcher compiled the scripts and the documents into one large file of data. At this point, the researcher examined the data in order to identify common themes and to establish categories that would be useful in coding information found in the data.

CHAPTER IV

ANALYSIS OF DATA

The purpose of this study was to examine the revenue generation function of cultural events and festivals in order to be able to compare their practices to current practice standards found in literatures about festival and event management. This chapter is to provide the analysis of data gathered through interviews and documents. By examining each and every response from interviews and synthesizing these data to the subject category, the researcher intended to generate some discussion on issues and trends around revenue generation in mid-sized festivals.

INTERVIEW PROCEDURE & DATA REVIEW

The three interviews were conducted between April 12th to April 23rd. In order, the first interview was conducted with Executive Director for the Eugene Celebration (EC). The second interview was conducted with Marketing Manager for the Lane County Fair (LCF). The third interview was conducted with a key volunteer of the Asian Celebration (AC).

Each interview took place in the office of participants except the interview with AC, which occurred in a bookstore café. As for the interview documentation,

the researcher used a MP3 player for recording, along with note taking. However, during the interview with LCF, part of the interview was not recorded due to a malfunction of that electronic device. To compensate for this error, the researcher conducted a second interview by asking a couple of major interview questions, through email exchange.

In addition to interview data gathered from interviewees, the researcher asked for and received paper documents related to festival management, including budget sheets, sponsorship evaluations and programs/brochures. Some of the documents have been copied and attached in the Appendix E, F and G.

Summarized Data Research Questions

Eugene Celebration

1. What are the challenges or opportunities you have found in increasing or maintaining ticket sales?

What I see the trends industry wide in the ticket sale, there are some consolidation going on, where people are more willing to pay for a large scale event than they are supporting the smaller events, so small events are tending to be fewer or smaller events. The cost of creating new events has gone up because the cost of insurance has gone up, because municipalities are not backing events as much as before, and so that the shift of burden of liability on to the promoters or to whatever the organizations creating events, so the environment as incubator to create new civic celebration is becoming more hostile and less inviting, so fewer people are starting new events. Smaller events are starting to go away, because they don't meet the people's expectation, and large events are consolidating, and bringing other events into them and becoming bigger, so this kind of parallels with the corporate world where the merger and acquisition large corporation, except for those events that can be very nimble and they can react to the change of market place. If they are based on

the model, for example the food and music festival that has the food and music, if the music they are getting, nowadays the talent cost is so high, so most midsized festivals cannot hire the national level talents.

2. What revenue trends have you identified as you manage your festival and observe other middle sized festivals these days?

The trend is more toward the customer experiences, exclusive seating or hospitality area, high-end parking. These are the places where you can get the baby boomers to actually spend they money to enhance their experience. For the revenue generation for medium sized festivals, they need to explore VIP treatment.

And, one thing that I thought by looking at other festivals, they are not good merchandisers, clothing and souvenir, they typically overbuy and undersell, because they only sell once a year. So they typically lose money even if they plan to earn the money. A merchandise program is not effective in most of medium sized festival. Licensing is the way to go!! (For example, UO).

3. What challenges exist in a mid-sized festival in small city like Eugene, OR in terms of revenue generation, especially selling sponsorship?

There are not many headquarters and corporations in Oregon. However, I would say that they face the different localized and regional economic condition. I would say that medium size festivals suffer more from the continuity of staffs and professionalism of staffs and their ability to sell the sponsorship at a regional level. Large city and large events have the professional staffs who approach it as a profession, they are trained and they are good what they do and they know what they need to deliver and they get out and make it happen, whereas, small and medium sized events and festivals have a high turnover, if they get very professional staffs, they move on after couple of years, if they only stay on three years on average, and they are turning over three times in a decade and out of three people, usually only one has a expertise in that area. They suffer more from the professionalism rather than the fact that large corporation do not exist in small cities. The argument is that small and medium sized festival doesn't. I would not be too quick to blame the city where there are corporations. They do not pay professionals enough money to keep them doing an excellent job at that festival.

1. Are there any strategies that have been successful in terms of attracting more vendors, selling more tickets and sponsorship?

Vendors: The Lane County Fair typically has many more requests for commercial vendor booth space than the available supply. The Fair has approximately 250, 10 x 10 vendor booth spaces; however, many vendors purchase multiple 10 x 10 spaces. The same applies for food booths, where space is available for approximately 30 food vendors, only.

Tickets: Ticket sales strategies that have been implemented successfully include developing a group discount ticket package where purchases of 20 or more tickets produces a saving on each ticket. Discounts are increased for purchases greater than 25, 99, and 300.

Sponsors: To avoid sponsor clutter, we try to maintain a maximum of 15, which we currently have. For 2005, we have a 100% return rate. To increase sponsor revenues, our strategy is to upsell sponsorship packages and create more value for the sponsors. To do this, we meet to discuss the sponsor's goals and objectives, and find ways for the Fair to help the sponsor reach their goals.

2. What are the new programming activities designed to compensate for high-cost performances?

Due to the rising concert artist fees, the Lane County Fair compressed the concert series from six days to five days in order to maintain a high caliber line-up of artists within an entertainment budget that has not increased to keep pace with the rising cost of concerts. This strategy has continued to enable the Fair to maintain attendance over the full run of the fair and positively impact all revenue streams (admission, concert tickets, food and beverage concessions and carnival concessions and sponsorship), even though attendance may drop slightly on the day where no concert is scheduled. On the day that does not feature a concert: the Fair has relied on creative programming. For the 2005 Fair, the closing day of the Fair will not have a headliner concert. Instead, the strategy is to create a Family Day and schedule activities that are appealing to this target audience. Sunday at the Fair will open with a free pancake breakfast one hour prior to the official opening of the Fair. Families that donate a non-perishable food item for Food for Lane County (a local charity) will receive free admission and a free pancake breakfast with sausage and beverages. For those who miss the early morning breakfast, the Fair's "Day" sponsor (The Register Guard) is offering free admission for youth when presenting a Register Guard Family Day coupon

from the Sunday newspaper. Once on the grounds, families can enjoy the Dock Dogs Competition, as seen on the ESPN Outdoor Challenge television program, the SpeedFest at the Fair NASCAR exhibit, a Horse Dancing competition and much more.

3. How do you think about the high turn-over rate and lack of training found in professionals working for small & medium sized festivals?

High turnover in professionals comes about for a variety of reasons. For some nonprofit organizations, unless there is a built up reserve in the bank, a rainy day or some other unanticipated problem may create budget hardships that result in staff layoffs or turnover. My comment about lack of training and high turnover pertained to events using exclusively volunteers to produce an event. For the Asian Celebration, turnover has been low, however, for many of these dedicated volunteers, they are experiencing “burn-out” because no-one has stepped in to help. Part of the problem is that it takes time to recruit new volunteers and mentor them effectively, and to help them feel comfortable enough to take over chairing a committee. It happens slowly, but it can be done.

In my opinion, successful event organizers are aware of their target audiences, the relationship of pricing to these audiences, quality of their product and how to effectively market their product. You have to ask “Why would someone come to this event” and use those answers to help develop and market the event.

In other organizations, staff who are not trained to produce and manage events will not be as successful in maximizing revenue production because they do not understand the intricacies of event production, which requires attention to details, timeliness and follow through.

Gone are the days of putting on a festival and expecting people to come. There is a lot of work involved in developing an event that motivates a person to want to come, spend money and experience an event.

Asian Celebration

- 1. Has your revenue generated by selling admission been consistent throughout the years? What are the factors you considered for setting the admission price?**

Admission has not been consistent; we change the range of it from 3 to 5 dollars and last year, we charged only 2 dollars, so the admission revenue was down, but other revenue was up because more people were there, such as food and drink. We charged more on the booth space last year slightly more by hoping to offset, but the profit was slightly less than the past because of the projected shortfall at the gate. However, the purpose of this event is to breakeven, just to pay expenses. We have some money reserved, rainy day funds.

The Rainy day fund is around \$20,000. Most years, we make between four to eight thousand dollars. In 20 years counting this year, we were in the red. But that's all due to the reduction in the ticket fee, and all the other expenses went up, rental costs. That was anticipated. We are pretty much on target. Once, we had our festival free to the public. But it brought some problem in crowd control and security. The people normally don't make trouble if they pay for the admission. But we are trying to keep the entry fee as low as possible, like when we had a major corporate sponsor, Sony Corporation and Bi-Mart. Two to three dollars is the optimal entry fee in consideration of the benefit of sponsor.

2. What challenges have you had in securing corporate sponsors for the Asian Celebration every year?

Sony was kind of organization in town that committed to community activity. The name of banks is not that big, because we have many banks in town. It's kind of a challenge to fill the void of big corporate sponsor after they have left. And the other challenge is to have make the celebration renewed, because if everything is the same every year and got boring to sponsors. The one of things that I like to do is to challenge the committee to think differently. We had success in last year's festival, because we tried something different. One of the challenges in committee is that we have to have the poster and theme not for a next year, for the year following, so that we can send the merchant, entertainer and sponsors the thank you letter including the theme of the next event.

3. What are the challenges and opportunities you have identified as you were involved in managing the Asian Celebration for 16 years?

There has always been a challenge in convincing sponsors. The type of event we have, cultural celebration, is something that most organizations, corporations need in their business plans. We kind of use that as a method of encouraging them to think about supporting cultural events. Because we have got quality and diversification and all the buzz words that come up that people are more tuned to. However, there is a point in our organization. We need to look at ourselves from the objective view. We are not doing this job

as our main occupation. Somebody in our organization needs to keep looking for new, refreshing ideas. Otherwise, when we approach sponsors, it would seem that we are providing same stories that we gave last year. Every year, we have to cultivate this kind of things. This year, for a next year 21st celebration, we have already been granted some grants from foundations by pushing the idea of cultural diversity in a community. We believe that we got this fund through food and entertainment. But the program has to be evolved including new activities every year by obtaining more funds and sponsorships.

PREDETERMINED CATEGORIES FINDING

The researcher did an analysis of the interview data and documents retrieved from the three interviewees from the Eugene Celebration (EC), the Lane County Fair (LCF), and the Asian Celebration (AC). This analysis was based on the subject areas that were introduced in the literature review documented during the interview. Subjects are predetermined categories, including revenue sources, ticket sales, sponsorship and challenges and opportunities. Though some major questions for the interview were designed to identify issues and trends that commonly existed in mid-sized events and festivals, it was evident during the interviews that a number of common areas of concern were also brought by the three interviewees.

While assigning interview data to the predetermined categories, the researcher was cautious to avoid a biased interpretation of information. Once data were assigned, the researcher was able to generalize findings that appeared relevant to predetermined categories. Table-1 (below) summarizes those findings.

Table-1. Themes Associated with Predetermined Categories

<u>PREDETERMINED CATEGORIES</u>	COMMON AGREEMENT OR THEMES	UNIQUE THEMES
REVENUE SOURCES	<p>Among the major categories of revenue sources: admission, sponsorship, vendor fee, ticket sales comprise most of the entire revenue. (EC: 55%, LCF, AC: 25% in approximate.)</p> <p>EC: ticket sales: 55%, sponsorship: 20%, registration fees: 10%, donation, membership, etc: 15%</p> <p>LCF: ticket sales: 30%, sponsorship: 10%, carnival fees: 30%, vendor fee: 20%, parking, donation, etc: 10%</p> <p>AC: ticket sales: 30%, sponsorship and advertising: 25%, vendor fees: 40%, donations, etc: 5%</p>	
TICKET SALES	<ul style="list-style-type: none"> ● Ticket sales are reliant on and affected by many internal and external factors: weather, programs and marketing. ● It has been more difficult to increase ticket sales due to increasing competition with other entertainments and the rising cost of booking head-liner performers. 	<ul style="list-style-type: none"> ● Setting the price of admission is important and requires considerations on many issues related to security and sponsorship.
SPONSORSHIP	<ul style="list-style-type: none"> ● The revenue generated by sponsorship has been on a slight increase. ● Many professionals and volunteers working for small and medium sized festivals lack training and adequate skills for selling sponsorships. 	<ul style="list-style-type: none"> ● Having new, creative programs every year is important to renew and obtain sponsorships. ● There are still more marketing and sponsorship opportunities that can be developed, even in a small city like Eugene.
CHALLENGES & OPPORTUNITIES	<ul style="list-style-type: none"> ● (Challenge)Producing and programming the same quality of festival as in the past has been more difficult due to the escalated cost of production and talents. ● (Challenge)High turn-over rate of event professionals, volunteers and lack of training and professionalism in professionals. ● (Opportunity) Maximizing the revenue from the sponsorship. 	<ul style="list-style-type: none"> ● Getting support from the municipality has become more difficult: more regulation and heavy restrictions on festival initiatives. ● (Opportunity) Potential in increasing the attendance through programs for the niche audience group and partnering with other organizations. ● (Opportunity) Identifying other revenue source, such as foundation grants.

Revenue Sources

All three local mid-sized festivals identified ticket sales, sponsorship, and vendor fee as key revenue sources. For example, the EC generated about 55% to 60% of total revenues from ticket sales, and LCF and AC generated 25% of their total revenue from ticket sales.

As for sponsorships, 15% (LCF, AC) to 20% (EC) of total revenue was generated through business sponsors in their community. Lastly, the rest of revenue dollars came out of charging commissions to commercial vendors selling food, beverage and crafts and registration fees to community participants and vendors for having private booths or having their parades involved in the festival.

Ticket Sales

In the case of the EC, the executive director noted that festivals relying heavily on ticket sales for revenue are pressed hard to sustain themselves these days because there are many external factors that have an impact on the attendance rate. He stressed that it was important for festivals such as EC to forecast the audience attendance as accurately as possible in the process of budgeting. In addition, EC said that they were very careful in budgeting for ticket sales by not setting the attendance expectation higher than usual, unless there was a specific

reason to anticipate a boost in ticket sales, such as a blockbuster performance that would guarantee higher attendance rate. He mentioned that he was always attentive to the market place and local economy in doing ticket sale assessment.

For those festivals counting on admission less than others, maintaining or increasing ticket sales has been more difficult than the past because of the competition with other entertainment options. In the case of LCF, they tend to boost their attendance rate by implementing some ticket sale strategies including discounted ticket package for a group purchase of 25, 99 and 300. In addition to direct sales marketing, LCF tries to market their events through creative programming by targeting younger audiences and niche markets (i.e., the special interest groups). To this end, AC made a slight reform in its programming by adding a number of childrens activities and having new performances. According to AC, they are making efforts to modify their traditional programs in order to attract new audiences, but not so much as to lose loyal attendees.

As for setting the ticket price, AC discussed some aspects to be considered other than balancing numbers on budget. He said that the Asian Celebration charged no admission for celebrating its 10th year anniversary. However, he realized that having the festival free to the public may cause some problem in crowd control and security. In addition to the purpose of filtering the violent crowd,

charging some dollars for festival admission would be beneficial for creating opportunities for advertising and sponsorship. When the Asian Celebration had Bi-Mart for a title sponsor, the advertising event for Bi-Mart, providing a festival ticket to their customers, was not successful because the admission that year was only two dollars. AC suggested that it is significant to set the right price for admission in order to create a successful festival and to avoid a deficit after all. His remark was very convincing alongside the fact that the Asian Celebration ended up losing money for the first time because they discounted admission from five dollars to two dollars.

Sponsorship

Sponsorship practices for each festival examined showed similar approaches. The number of sponsors and the amount of dollars generated by EC and LCF were between \$ 100,000 and \$113,000 from 15 to 20 sponsors. AC generated about \$15,000 from about 10 sponsors. As for the renewal rate of sponsorship, three interviewees all said that about 80% of their sponsors were coming back next year and that the void of 20% was usually replaced by contracting new sponsors. LCF said that LCF had a success of making 100% of return rate in 2005. LCF added that she was trying to add more values to sponsorship packages by selling them at a

higher price. LCF also put much effort in providing its sponsors with extensive evaluations, including audience survey, media exposure, the number of the audience, and by conducting festival sponsorship assessment by the IEG, a national sponsorship consulting agency, which evaluated LCF for a dollar value as property.

There were a couple of issues that were brought up during the three interviews on the subject of sponsorship. First, as EC strongly stated, many professionals working in medium-sized festivals in small cities are more likely to lack the professional training required for proposing and selling sponsorships to local businesses compared to the ones in large festivals in big cities. Even though, small cities like Eugene do not have as many corporations and businesses as other big cities, EC said that there are plenty of local businesses that have the potential to tie their names to local festivals, thus, the capacity of selling sponsorship should depend more on the ability of event marketers rather than the business environment. Considering that selling sponsorship requires a great level of professional training, including marketing research, creating a strategic proposal and serving fine hospitality, it is evident that most medium-sized festivals having one or two staff has, in general, a low capacity to compete for obtaining sponsorships.

Another issue raised through the AC interview was that in order to renew

sponsors, it is significant to update programs or create new ones and have these programs ready to present to sponsors in a year advance, along with providing evaluation. AC said that it had been a challenge for him to attract sponsors with same old programs every year. Thus, he was trying to design the festival in a different format in collaboration with other committee members, and it definitely helped the festival obtain as much as was expected from sponsors. However, it seemed that it is still a challenge to be responsive to the needs of corporate sponsors within the capacity of a volunteer-led organization.

Challenges and Opportunities

Participants in this research were asked to identify emerging challenges in generating revenue and opportunities. Unsurprisingly, every participant easily identified a number of major difficulties they confront nowadays in financially sustaining their festivals by keeping up with the expectations of their audiences.

All three interview participants indicated that producing and programming the same quality of festival as has been in the past has been far more difficult because of the escalated cost of production and booking talent. Due to the rising cost of artist fees, LCF said “the Lane County Fair compressed the concert series from six days to five days in order to maintain a high caliber line-up of artists

within an entertainment budget that has not increased to keep pace with the rising cost of concerts.” Even if they could compensate headliner concerts with creating new program such as a Family Day, it is evident that the rising cost of talents has an impact on ticket sales. To touch on this issue further, EC stated that the rising cost of creating new festivals has caused small sized festivals to end up perishing or to try to be bigger by merging with other festivals.

EC also made a comment that the external environment to create new civic celebrations in terms of getting support from the municipality is becoming more hostile and less inviting. In addition to that, as he said, there have been more regulations, thus putting more heavy restrictions on festivals than ever. For example, over the last two years, the Eugene Celebration has had to change their “footprint” (i.e., the festival layout) because of the fire department requirements and increasing fees and permits.

Another challenge for the Eugene Celebration was that the management of the festival ended up being taken over by a private event agency, which made inherent less fluidity of funds because of maintenance of the organization, i.e., paying salaries, rents, etc. After having two deficit years due to external factors, (i.e., bad weather and 9.11), the Downtown Event Management, Inc (DEMI) used up contingency funds and decided to release the Eugene Celebration to another

agency instead of getting loans and holding on to the festival. As one would have thought, outdoor public festivals like the Eugene Celebration, particularly one of which more than half of its revenue is generated by admission, is extremely vulnerable to the weather and other external issues. In addition, unlike the Lane County Fair and the Asian Celebration, which have year-around incomes or are run by volunteers, it was evidently more difficult for the DEMI to sustain its festival by paying for fixed costs.

Two interviewees identified that small and medium sized festivals have a problem in training and keeping their professionals compared to large festivals. LCF said that high turnover in professionals is due to the common situation of nonprofit organizations running festivals which are not financially stable enough to maintain their staff year-round, thus they easily depend on the volunteers, who are more likely to turnover. In the case of AC and the fact that they have been successful with a volunteer committee, there is recognition that it would not be possible without the commitment of a core group of committee members who have been involved in the festival for more than 15 years. There is currently discussion taking place about whether or not AC should hire paid staff rather than rely on volunteer members in order to manage the festivals.

As for the emerging opportunities in revenue generation, these interviewees

indicated that sponsorship dollars have been increasing slightly every year and AC has found a new revenue source in grants from foundations. Regarding selling sponsorships, EC strongly suggested that even medium sized festivals have a great potential in packaging and selling property to business sponsors if they can be creative and strategic. EC also said that the right targeting of merchandising of festival souvenirs has a possibility of adding some extra revenues to medium-sized festivals.

CHAPTER V

RECOMMENDATION & CONCLUSION

The purpose of this study was to examine the revenue generation function of cultural events and festivals in order to be able to compare their practices to current practice standards found in the literature. In this chapter, based on the findings and discussions generated so far, the researcher will discuss implications and recommendations derived from this study.

Summary of procedures and findings

Data were mainly obtained from the in-depth interviews with three professionals who are in charge with generating revenue for the mid-sized festivals in Eugene and Springfield in Oregon, and documents that were received from those interview participants. Then, having analyzed those data, the researcher was able to determine specific needs for the festival sites that were studied in this research and a number of significant issues that have considerable impact on the mid-sized festivals in terms of revenue generation.

The findings gathered from qualitative methods, were organized into predetermined categories. The findings that were categorized included Revenue Sources, Ticket Sales, Sponsorship, and Challenges and Opportunities. Findings

revealed both emerging trends surrounding event marketing in small and mid-sized festivals, and clarified issues that were identified in revenue generation for local festivals.

Implications

As the purpose of this study was to compare the current practices of mid-sized festivals to the current practice standards found in the literature, having a comparative analysis between the findings based on the interviews and the set of trends and successful practices identified through reviewing the current literatures and attending workshops and conferences, was crucial to the outcome of this research. This analysis can not be applied specifically to every finding as it was limited to subject categories, but it will generate an assessment of current revenue generating practices that were identified in this study.

The selling of sponsorships has gained greater importance as a source of revenue than in the past. All three interview participants agreed upon the significance for event managers to obtain the adequate skills and knowledge required to convince corporations and businesses to financially support their events. In fact, EC and LCF perform very well as far as creating the sponsorship packages that sell at different levels and following up with their sponsors. Review of some of

their documents about sponsorship, which included sponsorship proposals, contracts and final reports designed for sponsors, showed that EC and LCF are trying to be responsive to the need of their sponsors in order to get them to renew for the next year. However, it seems that they tend to continue the same practice of filling in the last year's budget for sponsorship, and may not be making attempts to seek new sponsors or add more value to existing sponsors. After going over the sponsorship proposals for the past five years in EC, there was no evidence of change in benefits provided to sponsors, and the set of benefits offered for each sponsor was not any different from the other. The example of the Huntsville's Festival of the Arts which achieved success in doubling their sponsorship revenue is worthy to consider. Their efforts related to researching the marketing needs of sponsors, expanding services to a higher level, and trying to provide more exclusivity than the sponsor had requested were instrumental in that success. Even in a small town like Huntsville, Alabama, the festival was able to generate double as revenue due to their extended endeavor to increase their sponsorship revenue and a proactive approach such as attempting to collaborate with marketing department of a local University.

This research also revealed that mid-sized festivals tend to suffer more from

the high turnover rate of staffs and their lack of training as professionals. As stated above, more than a few festivals are still run by a committee consisting of volunteers, and there is no wonder why it is hard to expect the festival be managed consistently with a long-term objective. Considering that the success of ticket sales and sponsorship increasingly depends on whether the staff is professional enough to be responsive to various external factors which is hard to predict nowadays, the festivals operated by a volunteer-committee is likely to fall behind the competition in terms of holding the attention of both audience and sponsors.

Getz & Wicks (1994) reinforced the importance of professionalism in the event sector and noted that event managers have not yet achieved professional status. They noted that there were signs of professionalism associated with the rapid growth in the number of events offered and the increased demand for skilled management staff in the events area. "In general, the demand is being met by promoting event volunteers into paid positions or hiring people from related fields (Getz & Wicks, 1994)."

There were two emerging trends revealed in this study that medium sized festivals should consider adopting that would increase efficiency and diversity in their marketing and sales. First, as it was claimed by Gobrecht (2005), in his

presentation, and by EC in his interview, that festival merchandise that is designed creatively and well-targeted to the major audience group could generate income along with sales of food and beverages. Having a collection of festival merchandise can help a festival to solicit donations or memberships, as seen by the example of the Northwest Folk Festival which increased their membership by giving out customized buttons. Another trend that was identified in the literature, and also mentioned in interviews related to a tactic for increasing ticket sales. It was suggested to develop a ticket support system by creating a new ticket package, new price points, or new ticket merchandising. As the interviews showed, LCF had successfully implemented a group discount ticket package and further developed this package again last year. According to Getz (2002), events and festivals need to regularly audit their internal procedures and make certain that they are developing new business by positioning their products and services as quality, dependable, and reliable resources for their audiences (p.21).

Recommendations

This study intended to provide medium sized festivals with some recommendations with regard to the revenue generation by examining their current practices and comparing them with current trends and strategies. As a

result of this study, these recommendations can be offered.

First, it is important that professionals and committee members train themselves to be more competent as revenue generators by attending workshops or reading articles or books not only about event and festival management but also from corporate marketing and entertainment. Most medium sized festivals tend to be organized by a small number of people who make important decisions related to programming and marketing, yet the success of festivals largely depends on the extent to which the executive director or other core staff members are competent in securing adequate resources to maintain or upgrade the quality of the festival. Therefore, it is highly important for professionals in charge of revenue generation to constantly keep up to date with information in the festival field.

In addition, event managers should consider benchmarking successful practices in festivals related to successful revenue generating activities. Strategies such as producing festival merchandise that can generate sustainable income or partnering with other nonprofits to expand the capacity of attracting an audience are known trends that generate revenue. Of course, every festival has different circumstances and so the successful marketing strategy for one may not work for another festival. However, those event managers who carefully research their markets and then adapt successful practices working elsewhere to their own

festival may find that it is well worth it to take a risk.

Lastly, event managers for medium sized festivals should be more proactive in increasing revenue and seeking out alternative revenue sources, and not be content to just manage the budget from existing sources. Unlike large-scaled festivals, medium sized festivals tend to follow the same process as they did in the previous year. Professionals working for medium sized festivals first need to realize that there are many sponsorship opportunities that they can secure and that there exists more possibilities for increasing ticket sales. Event managers need to work on creating new marketing plans with the objective of increasing ticket sales and selling more sponsorship after carefully evaluating the last year's results.

Conclusions

This study has helped to identify and clarify the current practices of medium sized festivals in generating revenue. This study has the potential to help event managers to recognize their current revenue generating performance by comparing them with current trends and emerging strategies used to increase revenue for events and festivals.

Findings of this study are congruent, in many parts, with the discussion in the literature as far as the challenges that most medium sized festivals are facing in

order to generate adequate revenue. Most of all, as many professionals identified, the current paradigm in events and festivals, large scale events and festivals are more successful, whereas small and medium sized festivals tend to suffer from the challenging revenue producing environment necessary to creating or sustain festivals. As Getz (2002) stated, there is substantial evidence that many festivals fail or undergo crises that threaten their existence (or that of the producing organization), and that this phenomenon is widespread. Thus, it has become more important for event organizers to understand the potential causes of failure and to be able to generate ideas in order to generate more revenue and to improve the quality of their festivals.

As previous research has identified, there are a number of trends and successful cases that can be customized and modified by event organizers from medium sized festivals that could increase their event revenue. This study cautiously claims that the medium sized festivals relies heavily upon the extent to which festival managers are attempting to upgrade their performance in every aspect of managing festivals, not only to win the competition for audiences and sponsors, but also to survive in the rapidly changing times which require event professionals to constantly develop their marketing tools and practices for generating revenue.

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APPENDIX A.

RESEARCH CONSENT FORM (EMAIL INTERVIEW)

Dear,

I appreciate your accepting to be the interview participant in my research, An Examination of Mid-Sized Events & Festivals from the Perspective of Revenue Generation Based upon Current Practice. Your research participation by responding to the questions as well as, in advance, understanding the purpose of this research will be of a great assistance for this study.

As for the confidentiality protection, pseudonym will be assigned to your names by a code list, and this code list will be destroyed no later than December, 2006. Thus, if you do not agree to the use of personally identifying information, this will allow me to guarantee your anonymity.

Please read the following consent form. If you have any question or concern about this interview procedure, please contact WooHee Kwak at 541.968.7973 or via email at wkwak@darkwing.uoregon.edu

If you want to contact the advisor of this study, contact Dr. Gaylene Carpenter at 541.346.5600 or via email at gcarpent@oregon.uoregon.edu.

If you have questions regarding your rights as a research subject, contact the Office of Human Subjects Compliance, University of Oregon, Eugene, OR 97403, (541) 346-2510.

Thank you,

I consent to participating in the study titled An Examination of Mid-Sized Events & Festivals from the Perspective of Revenue Generation Based upon Current Practice that WooHee Kwak has explained the purpose of the study, the procedures to be followed, and be expected duration of my participation. I agree to the following.

- I consent to the use of audiotape during my interview.
- I consent to my identification as information in this study.
- I consent to the potential use of quotations from the interview.

- I consent to the use of information I provide regarding the organization (s) with which I am associated.
- I wish to have the opportunity to review and possibly revise my comments and the information that I provide prior to this data appearing in the final version of the research document/any publications that my result from this study.
- I wish that my comments to be identified and recorded during the interview.

I acknowledge that I have read and I understand the information provided above, that I willingly agree to participate, and that I may withdraw my consent at any time and discontinue participation without penalty

APPENDIX B.

SAMPLE RECRUITMENT EMAIL FORM

Dear,

Hello, I am WooHee Kwak, the second-year graduate student in the Arts & Administration, in the University of Oregon. I am writing to ask your assistance with my research titled An Examination of Mid-Sized Events & Festivals from the Perspective of Revenue Generation Based Upon Current Practice. This research is conducted for the purpose of understanding the current situation of medium sized local festivals in their revenue generation function as well as measuring their performances of obtaining the revenue from the possible sources in the community.

I would like to recruit you as the interview participation for this research, because I found that you have been managing the locally renowned festival in Eugene, "Asian Celebration". It will be beneficial for this research to have your responses to the questions that the researcher will prepare in advance. The interview will not exceed two hours in duration. It is possible that an additional interview may occur, if that is necessary for the research, with your consent. As for the location, the interview will occur either in your office or in a public place that you will feel comfortable.

Please have enough time to consider before deciding whether or not consenting on this recruitment. If you have any questions regarding the research, contact WooHee Kwak by calling (541) 968-7973 or via email wkwak@darkwing.uoregon.edu. If you have any questions regarding your rights as a research subject, please contact the Office of Human Subjects Compliance at the University of Oregon, (541) 346-2510. Thank you again for your help.

Best wishes,

WooHee Kwak
Arts & Administration Program
University of Oregon University
<http://darkwing.uoregon.edu/~wkwak/>
541/968.7973

APPENDIX C.

PRELIMINARY INTERVIEW QUESTIONS)

1. What are your sources of revenue? What is your fiscal year of budgeting process?
2. How much percentage does sponsorship make among the entire revenue of the Eugene Celebration?
3. What kind of documents/materials do you have for promoting/marketing the Eugene Celebration to the potential sponsors or local partners including vendors? (*check their sponsorship package, research material*)
4. What advantages & disadvantages do you think the Eugene Celebration has in terms of obtaining sponsorships from the community?
5. What are the most supportive business sponsors for the Eugene Celebration in this community? How have you approached and made a partnership with them? Did you make some strategies for obtaining their funds? What kinds of contracts did you work with them?
6. What are the challenges that the Eugene Celebration currently faces in terms of revenue generation?
7. Are there any new revenue sources that you have identified for your event?
8. Where do you get information about revenue generation for events? What professional sources do you have for guiding your approach in obtaining resources?
9. How many people are involved in your resource development process? Are your board members participating in this process?
10. If you have a long-term plan or strategy of generating your revenue, explain about that.

APPENDIX D.
HUMAN SUBJECT CLEARANCE

APPENDIX E.
EUGENE CELEBRATION

APPENDIX F.
LANE COUNTY FAIR

APPENDIX G.
ASIAN CELEBRATION