

AREA REFORMATION OF A ROCK FESTIVAL

Assessment of Expansion Process

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Abstract <p>The purpose of this thesis was to investigate the functionality of the procedures utilized by the target organization concerning the festival area reformation. The target of examination was an outdoor rock festival, which was organized in a mid-sized Finnish town in the July of 2012. The main goal of the research was to determine the motives of the target organization for the reformation and to evaluate the execution of the process from the point of view of qualitative research. Pivotal perspectives of event management were chosen as perspectives of examination, which included logistics, financial, safety and security, customer satisfaction and environmental points of view. The research was carried out by interviewing key personnel of the target organization and in addition carrying out a customer survey during the actual event. The goal of bringing in various perspectives was to achieve a holistic picture of the reformation process.</p> <p>The research revealed that strong financial situation, internal willingness for change and customer feedback supporting expansion were the main motives for starting the reformation process. Results also present the fact that in order to stay competitive, expanding was the only viable option at this point for the festival. When assessing the process of reformation, gradually implemented expansion plan, spanning over multiple years, was determined to be functional way of approach for realization of the expansion. During the course of the research, some deficiencies were discovered also. Scarcity of measures for financial performance and lack of external evaluation were pointed out as matters of shortcoming. When investigating tangible imperfections, the lack of proper infrastructure within the expanded area was a major point of concern.</p> <p>This thesis has paved the way for other studies researching area reformations in event management business and it also provides a platform for additional research targeting the gradual expansion plan of the festival. In the future this thesis could work as supporting feature for outdoor festivals executing area reformation, although realization of the uniqueness of each festival is essential.</p>		
Keywords Event management, area reformation, expansion process, outdoor festival		
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Tiivistelmä <p>Tutkimuksen tavoitteena oli selvittää kohdeorganisaation toimintamallin toimivuus festivaalialueen laajennuksessa. Tutkittavana kohteena oli vuoden 2012 heinäkuussa järjestetty rock-festivaali, joka järjestettiin keskisuuressa suomalaisessa kaupungissa. Työn päätavoitteena oli tarkastella järjestävän organisaation lähtökohtia muutosprosessiin ja arvioida prosessin läpivientiä laadullisen tutkimuksen näkökulmasta.</p> <p>Tarkasteluun valittiin viisi tapahtuman järjestämisen keskeistä osa-aluetta, jotka ovat: logistiikka, taloudellisuus, turvallisuus, asiakastyytyväisyys ja ympäristöystävällisyys. Tutkimus toteutettiin haastattelemalla kohdeorganisaation avainhenkilöitä ja lisäksi suorittamalla asiakaskysely itse tapahtuman aikana. Eri näkökulmien tutkimisella tavoiteltiin kokonaisvaltaista kuvaa muutosprosessista.</p> <p>Tutkimuksessa kävi ilmi että, kohdeorganisaation vahva taloudellinen tilanne, organisaation sisäinen muutoshalukkuus ja laajennusta puoltava asiakaspalaute olivat motiiveina muutosprosessin käynnistämiseen. Tulokset osoittavat myös, että kilpailukyvyyn säilyttämiseksi, festivaalin laajennus oli ainoa oikea ratkaisu vallalla olleeseen tilanteeseen. Itse muutosprosessissa, portaittainen, usean vuoden kestävä laajennussuunnitelma todettiin toimivaksi lähestymistavaksi laajennuksen läpiviemiseen. Muutosprosessissa havaittiin myös puutteita, kuten taloudellisten mittareiden vähäisyys ja ulkoisen arvioinnin puute. Konkreettisia puutteita tarkasteltaessa esiin nousivat infrastruktuurin merkittävät heikkoudet laajennetulla festivaalialueella.</p> <p>Tutkimus on luonut pohjaa tapahtuman järjestämisen aluemuutoksia tutkiville töille, ja se antaa myös mahdollisuuden kyseisen festivaalin monivuotista laajennussuunnitelmaa käsitteleville jatkotutkimuksille. Tuloksia voidaan käyttää myös samankaltaisten suurien ulkoilmafestivaalien muutosprosessien tukena, joskin täytyy muistaa, että jokainen tapahtuma on uniikki.</p>		
Avainsanat (asiasanat)		
Tapahtuman järjestäminen, aluemuutos, muutosprosessi, ulkoilmafestivaali		
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1. INTRODUCTION

This thesis deals with the world of event management with a goal of providing an insight into venue management of outdoor events. The target event in this research is a large outdoor rock festival. This annual festival has been organized for forty one times and its taking place in a mid-sized city in Finland. The festival has kept growing since its early days and still, after forty years, the festival is going through some reformations and expansions in order to maintain its indisputable reputation amongst festival goers. When planning the 2012 event, the organizers decided to add more space to the venue by changing the location with one of five stages built for the festival in to a new more spacious location. In this thesis, the goal is to look into this reformation from different perspectives including financial, customer satisfactory, safety and security related, logistical and environmental viewpoints. After conducting the research on the subject with the thesis completed, it may work as a guideline to similar reformation projects in the future.

The author decided to go through with this project after several years of work experience and the goal of becoming a professional in the event management business. Practical training completed with the target organization, helping to organize the festival in the summer of 2011, played a major role in setting a basis for this kind of thesis. This thesis is based on the comparison of the theoretical basis provided by event management literature and the information acquired from the key organizing personnel of the festival via interviews. Compiling the results of this comparison will provide information on the benefits of the reformation done and guidelines for future expansions and reformations to come.

1.1. Target organization

The target organization was established in 1971 with the purpose to support and promote live music and local bands in the area of its home city. Within its forty year lifespan it has built one of most well-known rock festivals in the country. In addition the association is currently involved in numerous other activities, ranging from restaurant business to wildlife preservation.

The festival is the main product of the target organization, and it naturally brings in the biggest cash flow. As a non-profit organization, they use the profits of the annual rock festival to support other activities they produce throughout the year. Running a bar and a restaurant, organizing a rock music film festival, supporting local bands and organizing children's music festival are activities that keep the members of the association busy the whole year. (Joensuun Popmuusikot ry, Yhdistys, 2012)

Volunteer work is one of the basic principles that the association was based on and still is to this day. The key personnel of the association are full time employees, and in the restaurant they own they are also fully paid staff, but apart from that it is all volunteers when it comes to organizing the events. For example, in addition to the core staff, there are around 80 different managers with their own responsibilities for organizing the festival. They are all volunteers with no pay. The managers naturally get free tickets and some other benefits to the festival, but most of them are full-time employees so it is sheer volunteering. In addition to the managers, the whole festival area is built, run and taken down by more than a thousand other volunteers who choose to work for their festival ticket instead of buying it. Most of the managers have their own flock of these eager volunteers to help take care of their individual responsibilities.

1.2. Target event – The festival

Like its organizer, the festival was established at 1971 by a group of friends who were unsatisfied with the fact that their home town did not have any kind of rock festival. In that first year the festival was located in an island where its name is originated from, and it sold 500 tickets with the price of three Finnish marks (€0,75) a piece. Now-a-days, more than forty years later, the festival hosts around 27000 visitors on both of its main days with globally renowned artists as main acts.

As the target organization being a non-profit organization and their main goal promoting music and the great feeling it brings to people listening to it, also the target festival has never been about the money. 1991 the festival moved to a huge outdoor concert site from the tiny island where it originated, simply because the island was getting too small for this growing event. The new area was much like the island with plenty of grass and trees to give a relaxed atmosphere to the festival goers. Throughout the years this excellent choice of venue has given the festival its indisputable reputation as the festival with the best atmosphere in the country.

After -91 the festival has been staged at the outdoor concert site ever since, but the festival area has gone through some additional alteration throughout the years, for example adding a beach area with a new stage on it into the whole festival area in 2004.

1.3. Research problem

In this thesis, the phenomenon under research is a rock festival presented above. The phenomenon went through an expansion process, and the research problem relates to this transition. The author defined the research problem as follows: "Change has been implemented and it requires evaluation." With the research problem stating that the process of change is already in progress, it suggests that the methods of change have been determined and it is only the assessment that is required. Following this statement, this thesis is structured to assess the current state, the process of the reformation and the future of the event with relation to the theories provided by modern literature. The research questions were drawn up to help carry out this assessment are presented below:

- What were the benefits of the area reformation?
- Was the change implemented using right methods?
- Were the motives for the reformation beneficial?
- What could be done for the future?

2. EVENT MANAGEMENT THEORIES

In this thesis, the research is done by dividing both the theoretical and empirical material into five separate sections in order to get a more thorough look into the matter at hand. The five sections of research focus will be:

- Event management logistics

One of the key areas of event management, requiring pinpoint planning and sharp timing with tight schedules and numerous variables.

- Financial impacts of venue reformation

Whenever any kind of business is expanded, the emphasis on the economy of the company must be watched closely.

- Improving customer satisfaction with venue management

In the event management business customers vote with their feet, therefore making sure the changes happening are something that are going to contribute to satisfying the customers.

- Safety and security as a guideline for venue management

Matters which require constant attention even though seldom actually needed.

- Sustainable practices in event management

The event management business has a huge carbon footprint, so reducing the waste and load on the environment is essential.

2.1. Event management logistics

This part will grasp the complex subject of logistics and explain its indispensable value to the event management business. Logistics may not be the first thing in mind for people when they picture aspects that are needed for running events, but in matter of fact it plays a very crucial role for the outcome, especially when it comes to larger events.

The theory of this section is based on a book called “Festival and Special Event Management (2005, Third edition)” by Johnny Allen, William O’Toole, Ian McDonnell and Robert Harris, and the subject is viewed from a perspective of a large outdoor festival.

What is logistics?

According to Allen, O’Toole, McDonnell and Harris (2005, 377), the word logistics originates from the Greek word, *logistikos*, which stands for ‘skilled in calculating’. The word has been used in the military vocabulary ever since ancient Greek times, from where it has been adapted to the everyday business life later on. Likewise in military operations and modern logistics, the constant movement and supply of products has become a science of its own and especially within larger companies separate independent sections have consolidated into integrated logistics management. (Allen et al. 2005, 377)

Four steps of event logistics

Allen, O’Toole, McDonnell and Harris (2005, 378) divide the logistics of an event into four chronological phases: preparation, lead-up, execution and shutdown. In the following text, the most prominent aspects of these steps are presented. Also the figure by Allen et al. (2005, 378) helps to visualize the steps of event logistics.

Preparation

When looking into these four matters preparation is the one that takes most of the time. The work process for a two day event starts months before, because when the time comes all the tiny details of the whole process need to be in tact in order to run a successful event. According to Vallo and Häyrynen (2008, 147) planning phase takes roughly 75 percent of the total time from taking the event from start to finish. When looking at the model ‘Elements

of the logistics system' (Figure 1), preparation covers all the three chronologically aligned phases, each step needs to be planned ahead.

Even though responsibilities like marketing and ticket sales are handled by other than logistics management, they have a significant effect on the logistical planning of the event. The amount of sold tickets and the way they are sold has an effect on many logistical aspects. For example the difference for selling tickets at the entrance instead of beforehand online results in a notable increase in time spent on getting one customer inside the venue and in this case the entrance requires considerably more attention. Therefore it is common for bigger events to avoid ticket sales in the entrance and concentrate on selling tickets beforehand to ease the pressure from the entrance (Allen et al. 2005, 380).

Customer transport is one of the key elements in the logistics of an event and this matter needs thorough preparation naturally. It is the one area of logistics which is most involved with the customer interface. Transportation is a crucial thing to consider when choosing the venue, because each venue has its own characteristics and possibilities for fluent transportations. Logistics manager has to consider whether the customers come all at once or as a constant flow over longer period of time. Allen et al. (2005, 382) state that these two options are known in the event management business as *dump* when all come at once and *trickle* means customers arriving over period of time.

The core area of the logistics management is the venue and the supply of facilities for the event. In outdoor events usually most of the facilities arrive on location just before the actual event, but the preparation phase is where the logistics management need to consider what is needed and where to get it, and most importantly, in which order all the facilities need to be brought in and set up. Allen et al. (2005, 388) state that especially when starting a new event, it is advisable to research other similar projects in the same area and see where are they acquiring the needed facilities. This is also crucial for learning what the event actually needs. Like the statement by Pagonis say; "One of the hardest tasks, for logisticians and nonlogisticians alike, is to look at a list and spot what's not there" (Pagonis 1992, 73). Naturally when hosting annual events in the same region the organization develops a network of contacts which simplifies the acquisition significantly, but it is always profitable to tender various deals for better contracts.

Lead-up

In the lead-up phase it is time to start executing your plans from the first phase and during the lead-up one aspect summarizes the core of it; supply. Like the model 'elements of logistics system' (Figure 1) presents, supply of an event is divided into three categories; supply of customers, supply of product and supply of facilities.

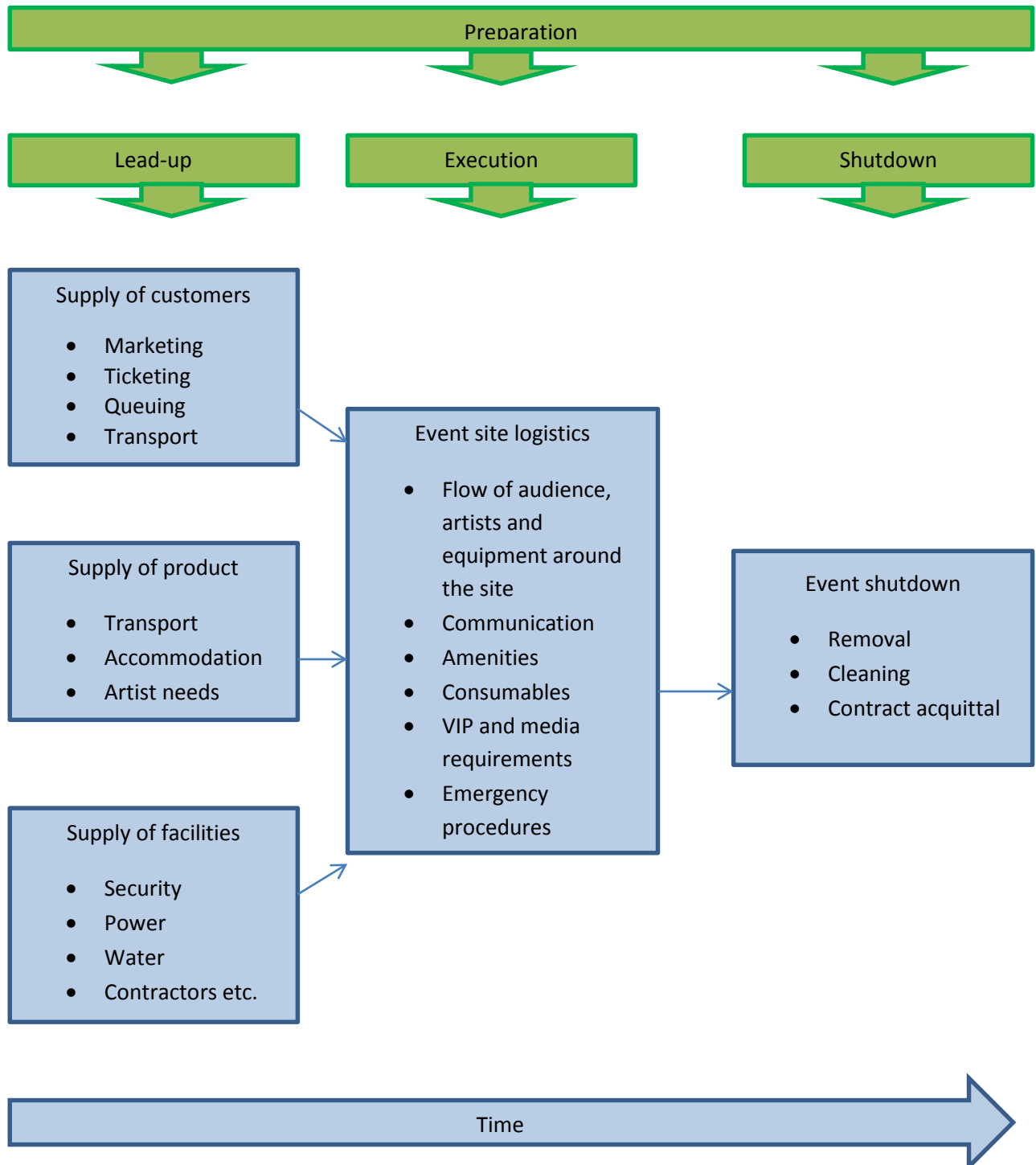
Like explained under the preparation part, supply of customers has a significant role in molding the event to its existing form. Customer supply is the main source for income in most commercial events so especially large outdoor events live and die by it. According to Allen et al (2005, 379-380), even though marketing is not under the responsibilities of the logistics management, the results of marketing governs the actions in which the logistics need to be carried out. For example if successful promotion on distant regions lead to sizeable part of customers arriving with their own vehicles because they live further away, increase in parking facilities is required. Usually with larger events the single biggest bottleneck is experienced in the customers' arrival to the event site. Making the entrance work fluently is a challenge and according to Allen et al (2005, 380) the stress can be greatly mitigated by number of ways, for example selling tickets beforehand or using *crowd control wristbands*. These bands enable staff rapidly to check attendants for tickets and for example with various colors different levels of tickets can be expressed.

Unlike in traditional business where the products are supplied to the customer, in event management the supply is reversed and the customer is brought to the product. Allen et al (2005, 384) state that "any event can be seen as a presentation of a product." Most of the time events do not only offer just one product, separate products range from performing artists to consumables and apparel. Every event has its variety of products, which is called 'product portfolio'. In an outdoor festival event the main focus is naturally on the performing artists and in order to do long-term event management business successfully it is vital to ensure that also your product is satisfied. According to Allen et al. (2005, 384) especially artists traveling from another country need special attention because in addition to transporting equipment, some items may need to be taxed in order to get into the country, like clothing merchandize and electronic recordings for example. Once inside the country, your product needs plenty of attention with transports and accommodation. It

must be kept in mind by the organizers that the artists are there to work, so the frame work for them needs to be intact in order to let them work as well as possible.

Allen et al. (2005, 387-388) state that supply of facilities is dictated by concepts of traditional business logistics, like storing consumables. Also with large event the flow of facilities into the venue is determined by the planning phase and here the organizers can definitely see the functionality of their initial plan. Setting up a festival site has to be done phase by phase so delay in one phase might set the whole production in halt. Similarly like the supply of facilities needs to be planned, also the needs of the actual facilities require thought ahead. Like suggested on the figure 1, stages and tents need electricity, food and beverage vendors need gas, water and fridgeration and so on. During lead-up tons of valuable material is been brought to the location so security is essential and it is discussed more thoroughly on a chapter of its own.

Figure 1: Elements of logistics system (Allen et al 2005, 378, Figure 12.1. (Blue parts are the original model; green parts are added to enhance it visually.))



Execution

Once the gates open and audience starts to flow in to the venue, the logistics manager duties tone down a little bit. In this part all aspects should be accounted for and the work shifts more from assembling and transporting to monitoring. Like seen on the figure 1, sections requiring monitoring include flow of audience, artists and equipment, communication, amenities, consumables, VIP and media requirements and emergency procedures.

Flow of the audience is naturally aspect which significance cannot be overemphasized. Smooth transition during an event has a great effect on the overall image of the festival for the customer and like Allen et al. (2005, 388) point out, audience flow also for emergency situations need to be taken into account. When an event is planned well, the masses move and stay under control on their own, but during an event logistics manager need to handle also transportation of the artists and equipment. There we have one more issue which success is determined by solid planning beforehand, and most advisable way according to Allen et al. (2005, 389) is to keep the complexity of transports of artists and their equipment in minimum. Much like the same way VIP's and media have their own requirements for special attention which need to be taken into consideration. Allen et al. (2005) suggest that reflecting the positive effects of having VIP's present to the additional workload they bring to the table is advisable. Media on the other hand has the power of making a huge promotional effect on the event itself on a long term basis so ensuring fluency of media logistics should be a priority for the logistics manager (395).

During the execution of the actual event, most workload for logistics is presented by amenities and supply of consumables. Although for larger events it is common that these aspects are been taken care of by their outsourced counter-parts, providing access and service for them is a matter of importance. People tend to get hungry and thirsty and when they consume products fulfilling these urges, they are eventually struck by another urge, to use a toilet. This life cycle of food consumption plays an unpleasant role in the micro universe of an outdoor event, which is not to be left over sighted. Allen et al. (2005) underline, that the amount, accessibility and cleanliness of the toilets are vital for the image which is formed for the customer from the whole event. Lack of toilets can easily lead to a

smelly disaster and result in audience leaving prematurely the venue unsatisfied. It is advisable to have one toilet for every 150 people, and increase the rate when alcohol consumption is involved (394).

Communication and emergency producers might seem a bit distant subjects to each other but for event management these two intangibles have at least one thing in common; both require full attention although not always constantly needed. Seamless communication is a necessity on pretty much all businesses in the modern world, but for event management its importance is exponential. Multiple processes running on an airtight schedule are a handful and therefore it is crucial to have various ways of communication at hand in order to enhance fast communication and able back-up systems if one fails, like Allen et al. (2005, 391) point out. Emergency procedures are yet another subject that needs to have thorough plans made beforehand, even though hopefully never carried out. These procedures are closely looked into at the safety and security chapter, but like Allen et al. (2005, 396) state, logistics manager should involve first aid station and emergency access road to the initial plans of the venue.

Shutdown

Like the previous two phases of successful event logistics, shutdown should be included in the planning done in the preparation phase and when the event is finished it is time to carry out and follow the initial plan. This way the final process of the event can be seen through with fast pace and without minimum amount of economic losses due to lost or broken equipment and extra rental fees.

Obviously first challenge in shutdown is getting the audience out of the venue with orderly fashion without any threat to the security of the masses. In an outdoor event the flow of audience out of the venue follows the same principles than its opposite, with the notable difference of absence of need for individual crowd control which makes the flow out much more fluent. Nevertheless, Allen et al. (2005, 398) remind the importance of making necessary risk assessment for emptying the venue, just in case.

After the venue is free from customers, the actual shutdown process can begin. Allen et al. (2005) state that quick and smooth shutdown is based on the distribution of tasks and responsibilities. Sub-contractors are rapidly on their way as long as they know how to get

their own equipment out. Like in the lead-up phase where facilities are brought in accordance of a schedule, similar schedule is advisable to be governing the shutdown process (398). When hauling the equipment and facilities out of the venue, having a precise 'what belongs to whom?' -list saves plenty of trouble and helps dealing with broken or lost items afterwards.

The final part for the logistics manager like for other managers alike is assessment. Allen et al. (2005, 400) emphasize the importance of written documents and files from the different phases carried out when it comes to assessing the event logistics as a complete process. These documents are compared and reflected to the actual events and occurrences, which provides suggestions for improvements for the next time event is organized.

2.2. Financial impacts of venue reformation

This chapter will review the key economic factors in event management and explain the phases and sources of the monetary flow. The economics of an event are dictated by same laws as in traditional business, even though usually the main income of the event only comes from one or few sources. Some events do not strive to achieve profit either. Their only economic goal is to reach the break-even point.

The theory in this chapter is based on two publications on the event management business; "Event Management & Event Tourism" by Donald Getz and "Festival and Special Event Management (2005, Third edition)" by Johnny Allen, William O'Toole, Ian McDonnell and Robert Harris. Theories are viewed upon from the perspective of a large outdoor festival.

Budgeting

"Budget is a plan expressed in monetary terms" (Anthony & Young, 1984, 357).

Like in any business, naturally in event business also having a thorough budget and operating within its limits is truly advisable. Smaller events with no goal of gaining profits might operate with an approximately formed budget, but in order to achieve self-sufficiency and continuum a carefully planned budget is a must. Getz (1997, 230) states that in event

management budgeting the first troublesome issue comes up with acquiring assets prior to the event, after all most or all of the income is not generated until the event itself takes place, and most of the expenses require funding before it. Therefore, exact budgeting is a necessity, not just for the organizers, but also for possible sponsors and investors who require proof of a solid financial plan before investing anything (Allen, O'Toole, McDonnell and Harris 2005, 324).

According to Getz (1997), there are two basic types of budgets that are mainly used in event management, which are the 'line-item budget' and 'program budget'. In line-item budgeting, separate sources for expenses and income are divided between apparent elements like labor, rents, supplies etc. and admissions, sponsors and so on. Program budgeting divides different areas, stages for example, of the event into separate sections, which allows the expenses of these areas to be compared with each other (230). Line-item budgeting gives the organizer a clear and simple view of the cash flow in the big picture, whereas program budgeting gives a more thorough view especially on the expenses of separate operating areas. Getz (1997, 231) also explicates that these two types of budgets can be combined to form a more accurate overall budget.

Getz (1997, 230) amplifies the importance of cost-revenue management as a tool to ensure the financial health of an organization. Cost-revenue management is a process which aims to identify all the cost and revenue sources and its goals including securing long-term revenue sources, focusing on revenue-generating activities and on the contrary controlling and reducing cost centers. In addition good practices of cost-revenue management include dividing financial responsibilities to other organizations for the purpose of lightening the load from the primary organization. According to Getz (1997), reaching towards these goals mentioned above enhance the events business-like operational capacity and make the difference between amateur and professional event management. Cost-revenue management should be used as a tool to capitalize the work put in to constituting the budget by maximizing profits and minimizing costs. A professionally organized event is able to benefit from the advantages of cost-revenue management and should aim for profit in order to obtain additional reserve funds to maintain self-sufficiency and to maintain possibility of expansion possible (230). "Events are businesses and should be managed as such" (Getz 1997, 230).

Cash flow management

Getz (1997) points out that event management provides one of its financial challenges with cash flow management, as mentioned in the budgeting chapter, with the fact that often majority of revenue is not created until an event takes place. On the contrary expenditures in event management tend to require assets before the event, which might create problems with cash flow if management does not make appropriate preparative measures (233). According to Getz (1997, 233), the essence of cash flow management is to divide the budget in chronological sections, months for example, and list all the expenses and revenues occurring during that period of time. This method helps the management to be well prepared for times with meager income and to take required actions. Occasionally it is necessary to postpone expenses or advance income and for these issues Getz (1997) suggests three methods to use with different stakeholders. Suppliers could be contracted in a way where the bills are due after the event takes place, which reduces the pressure from the cash flow greatly. This is called 'back-ending'. Sponsors provide monetary investment to the event so these assets would be possible to acquire in advance. Last but definitely not least, guaranteed credit from a bank or grant-giving organization provides stability and insurance for the cash flow (233). With budgeting it is crucial to calculate room for shortfalls and other unexpected occurrences and these three fore mentioned methods supports this control.

According to Getz (1997, 205,207,209,212,216) main sources of revenue for large outdoor festivals are admissions and sponsorship, which are supported by food, beverage and merchandize sales in addition to licensing fees paid by suppliers. Depending on the type of an event, some festivals might have the luxury of receiving grants from organizations contributing for a shared cause. With event management one of these sources of income presents significant essence, because of its effect on marketing of the whole event. This source is the admission fee, which final price and various alternatives needs to be thoroughly planned. Getz (1997) notifies that Mahoney (n.d.,b) has observed, that economic analyses used in pricing are not suitable for businesses like event management, because the cost of a 'product' is not easily *quantifiable*. This statement can be seen with events where addition of a single admission does not have a notable difference on the cost (212-213). Outdoor events are generally loaded with sizeable fixed costs, and helpful tool

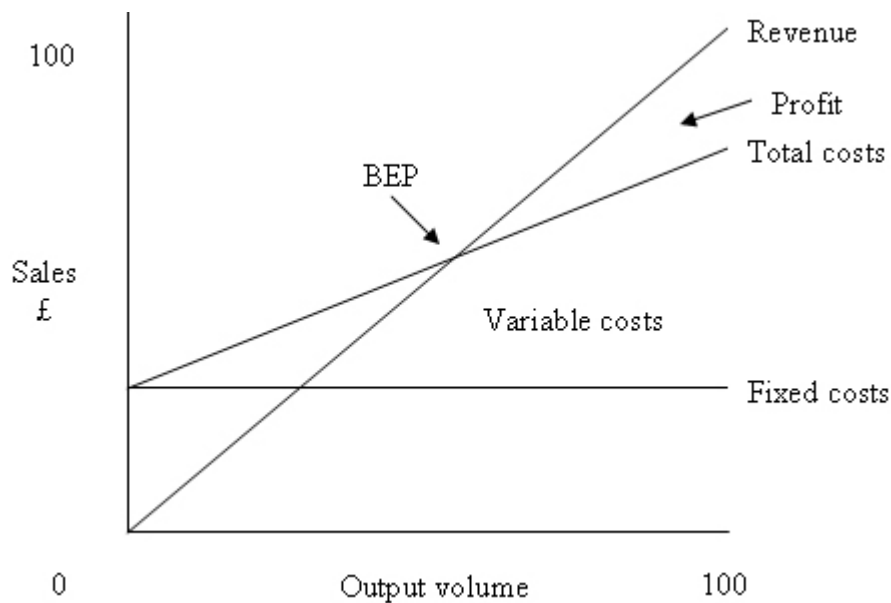
for determining relation for the expenses and income of an event is the *break-even chart* (Figure 3). Allen et al. (2005, 322) point out that this simple chart is especially effective when determining the point of how much income requires to be generated in order for the event to become profitable. This point is called *break-even point* and it moves higher up the chart whenever the costs are increasing, meaning more income needs to be generated. Getz (1997, 213) clarifies that this break-even analysis is helpful when setting the prices of admissions to events by comparing the costs and projected income with a simple formula (BEP=Break-even point):

Figure 2: Break-even point (Getz 1997, 214)

$$\text{BEP (in terms of the number of paid admissions)} = \frac{\text{Total fixed costs}}{\text{Price per unit} - \text{Variable costs per unit}}$$

So with this formula the organizer is easy to calculate what is the contribution from each sold ticket to meeting the fixed costs (Price per unit – Variable costs per unit) and what is the break-even point in terms of number of paid admissions. Naturally, when the break-even point is reached, the amount of each sold ticket contributing to the fixed costs starts to contribute to profits. The author of ‘Business teacher’ website (Break-even chart, 2011) reminds that careful revision should be carried out before deciding on the price of admission fee because the break-even chart does not consider the volume of demand.

Figure 3: Break-even chart (Businessteacher.org.uk. Break-even chart, 2011)



Measures of financial performance

In event business like all businesses alike, the management is required to stay in top of the financial position throughout the process, which is possible by using few helpful measures of financial performances. One of these measures is *solvency*, which is presented as one of key elements for financial measurement by Getz (1997, 237). Getz (1997, 237) states that solvency is a simple method of indicating organizations capability of self-sufficient and independent financial operation. Solvency is determined by a calculation of:

Figure 4 (Getz, 1997, 237)

$$\frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Figure 4 displays that the solvency is calculated by dividing organizations current assets with its current liabilities and according to Getz (1997) the result of this calculation should be 1 or above in order to indicate the financial health of the organization as a positive value.

Current assets points out to assets which the organization can transform to available funds

within a year and *current liabilities* are bills and loans which need to be paid within the same year vice versa (237). Maintaining good ratio in solvency is a solid method for an organization to be prepared for unexpected occurrences demanding rapid relocation of assets and neglecting it greatly restricts the organization's capability for development, as Getz (1997, 237) points out.

Viable measures of financial performance are also *return of investment (ROI)* and *return of assets (ROA)*. These two measurements demonstrate solid facts on the relation between incoming and outgoing funds over a certain period of time. Getz (1997) states that ROI is especially beneficial for organizations implementing traditional business practices and it can be calculated via simple following formula:

Figure 5: ROI (Getz, 237)

$$\frac{\text{Revenue}}{\text{I Investment}}$$

Revenue is formed by all the incoming assets towards the company including sales, rents, interests and all other aspects that increase the owner's equity before any costs are subtracted from it (What is revenue? Definition and meaning, 2012). *Total Investment* naturally states the amount of assets invested in the current matter within the same organization during a certain period of time. Better the ratio between *revenue* and *total investment* given by Figure 5, more the organization is getting for its invested money's worth, which is pointed out by Getz (1997,237).

Figure 6: ROA (Getz, 237)

$$\frac{\text{Revenue}}{\text{Assets}}$$

Return of assets (Figure 6) has the same principle than ROI, except it is comparing *revenue* to *assets* instead of *total investment*. According to Getz (1997) this change in comparison

gives the organization a more overall picture of the whole organizations financial state and it is more useful to organizations with multiple uses of assets at hand. Also non-profit organizations, like many events for example, find this comparison more useful, because reaching break-even point might be their only financial goal (237-238).

2.3. Improving customer satisfaction with venue management

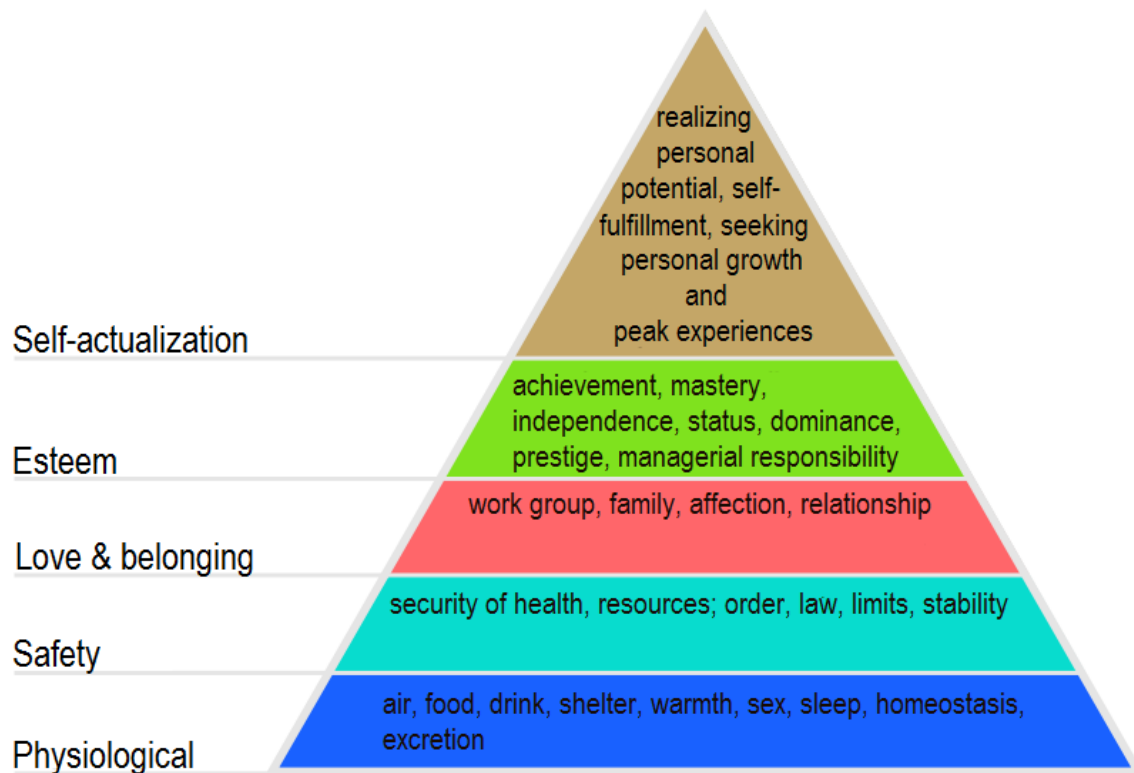
This part of the theory will probe into the forces affecting customer satisfaction in event management. When pursuing continuity with an annual event, the past years of the same event always work as an automatic marketing tool for the next year, both with positive and negative effects. Therefore a constant effort for improving customers experience is a necessity.

The theory of the customer satisfaction is based on Donald Getz's publication "Event Management & Event Tourism". Large outdoor festivals provide the perspective for this chapter.

Why attend?

The reasons making people attend festivals are numerous. Modern day market research has dug in deep to an individual's mind in order to determine the answer to the question why. According to Getz (1997, 272), a few behavior-related psychological theories help to explain the motives for people to attend events. One is the widely used Maslow's hierarchy of needs (Figure 7), which states that people are motivated by unsatisfied needs and when one level of needs is satisfied, the needs of the next level awaken. This theory can be implied to all human behavior but in event management the 'Love and belonging' and 'Self-actualization' levels often contain the needs that customers are seeking to fulfill when it comes to festivals. Naturally, the needs of the bottom two levels require attention when a person is attending an event, but these needs like shelter and food or order and limits are the basics for most events and often automatically provided.

Figure 7: Maslow's Hierarchy of Needs (Psychology-101.com, Maslow's Hierarchy of Needs)



Another widely known theory of travel motivation which Getz (1997, 275) brings forth is this 'seeking-escaping dualism', which was originally presented by Seppo Iso-Ahola in his book "Towards a social psychology of recreational travel (1983)". Getz (1997, 274-275) clarifies that this seeking-escaping theory states that "*leisure and travel behavior is stimulated by both a desire to escape undesirable conditions and, simultaneously, to realize desired experiences.*" So practically speaking according to this theory it is natural for people to once in a while have the need to escape the formalities and patterns of their everyday life and strive to obtain some seldom achieved experiences, a concert for example.

According to these two fore mentioned theories providing customers the possibility to achieve unique experiences through added value is a factor that event managers should aim for. Difficulty comes with the variety of personalities; one man's trash is other man's treasure, and this statement is certainly true with intangible experiences. Getz (1997, 280) reveals a study done by Getz and Cheyne (1996) which investigates the motivation of customers attending events and what makes an event 'special'. "Three overlapping dimensions were revealed; uniqueness (i.e., unusual opportunity); quality (well run; reputation; caliber of participants; size; international scope; stars and celebrities); and

atmosphere (especially for socializing)” (Getz, 1997, 280). This study unveils the amount of separate factors impacting persons experience and when these possible motivators are multiplied with the number of expected participants, the outcome is so overwhelming that providing every possible scenario should be favored by the motivational factors of the majority. Therefore some events and businesses alike tend to market their product towards certain segment or segments in order to achieve as homogenous clientele as possible considering the motivation to attend.

Customer survey

Acquiring information from customers is necessary for successful continuous event management and according to Getz (1997, 280-281) customer survey is easy and cheap way to do so, at least on a basic level. Access to surveys and services providing them is relatively easy today, but Getz (1997, 281) states that compiling specific survey for each separate case should be favored over copying another survey or putting together from many. The reason for this lies in the fact that when conducting a survey the questions must be thought through exactly to provide the information what is needed. Getz (1997, 281) has amassed a simple guide on how to compose customer survey and in this guide the following suggests what aspects could be covered with a survey;

- determine visitor needs, motives, and benefits sought;
- permit market segmentation and targeting;
- assess the effectiveness of communications and sponsorship;
- evaluate customer service and program quality;
- determine visitor spending and tourism impacts;
- obtain ideas for product and market development.

With event management for example survey providing information on the matters above could help to detect the effectiveness of marketing strategy or just satisfaction level to basic services and program quality. This kind of feedback is vital to businesses like events because ‘front office’ performance can be measured only during the actual event which might take place only during three days once every year.

2.4. Safety and security as a guideline for venue management

Similar to logistics, aspects of safety and security are not always visible to the customer during an event but nevertheless, they play a significant role for the outcome. In a modern day event management safety and security of outdoor events are strongly governed by rules and legislations which provide the basis for a functional event, but investing considerable amount of attention to these matters is advisable in order to not only have an safe event, but also satisfactory and memorable one for the customer.

Theory of the safety and security chapter is based on a book called “Music Event; Management and Promotion (2008, third edition)” by Chris Kemp, Richard Chamberlain and Russel Stone and supported by “Yleisötilaisuuden järjestämisopas (2009)” from Jari Lampinen and “Mitä, miksi, kuinka? Käsikirja tapahtumajärjestäjille (2004)” from Hanna Iiskola-Kesonen. Following the topic similar to the previous chapters, outdoor festivals are the target of reference.

Crowd control and accessibility

Concerns of safety and security start already at the choice of venue and with large outdoor events one aspect of great importance is accessibility. Kemp, Chamberlain and Stone (2008, 5-6) point out that especially for the artists and their crews find it relieving when the access to the venue is relatively easy so loading and unloading of equipment happens fluently and above all safely. Access to the venue is usually the first physical impression for the customers from the event and therefore quick and painless entrance for them should be a goal for the management to aim for. In large outdoor events achieving quick entrance for thousands of people requires great number of fences and security personnel to guide customer queues and oversee the process, which are visually presented by Kemp et al. (2008, 5-9) with pictures of security personnel monitoring customer access through multiple access gates. The whole venue should have proper barriers and fences set up fulfilling the need of each point and one vital phenomenon concerning crowd control should be taken into account, which is the flow of audience. According to Allen et al. (2005, 389) the fact that in an event with multiple points of attraction, from time to time the majority of the

people within the venue will shift from one place to another in a short period of time, which needs to be taken into consideration in safety and logistics plans.

Hazards and first aid

Within all large events some unwanted incidents will occur and even though these might concern less than a percentage of the audience, event organization needs to take these issues seriously. Naturally petty crime like theft and vandalism can be prevented only to a certain point and it is inevitable to happen at least in a small scale. Lampinen (2009, 16-17) suggests excessive co-operation with authorities prior and during the event is recommended in order to gain all necessary assistance from them with unwanted occurrences. The responsibility to provide first aid at the venue is mandatory by law with public events in Finland. First aid is just one part of the rescue plan which is required from all events and businesses exceeding certain limits of people in their venue, as it is pointed out by Lampinen (2009, 18). Providing an event with required amount of professional first aid personnel is an investment which surely is worth every penny, just like Kemp et al. (2008, 6-1) amplify when they underline the importance of able and dedicated staff.

Legislation and permits

Within the growing business of event management the government controlled legislation has followed and modern day festivals have relatively strict guidelines to follow. As stated by Iiskola-Kesonen (2004, 87) the organizer carries the final responsibility of the safety in the event, therefore perceiving legislation more as a guideline than a nuisance is definitely a solid way of approach to event organization in general.

Finland is sometimes sarcastically said to be the promised land of rules and legislations and even though this might be true, event management in Finland does not hold legislative obstacles as long as management is aware of permits needed to apply. Iiskola-Kesonen (2004) lists that events need various amounts of permits and primary ones are permit from the police to organize such an event and rental agreement with the municipality or other venue owner. In addition subjects like security permits, alcohol and food licenses, construction safety and above all; safety and rescue plan are required (87-89). Safety and rescue plan is a similar general safety protocol like risk assessment which covers all safety related issues in events. The plan is standard procedure in events in Finland and it takes risk

assessment a bit further with its joint cohesion with authorities. As it is visible in the Figure 8 below, the safety and rescue plan can involve additional areas outside direct influence of safety and security related issues like infrastructure and public relations, which however can be linked to safety non-directly.

Figure 8: an example of content in a safety and rescue plan (Turvallisuus- ja pelastussuunnitelman sisältö, Lampinen (2009, 18))

Example of content in a safety and rescue plan (translated)

- Estimated participants
- First aid and first aid preparedness
- Service routes
- Wiring
- Security and crowd control
- Announcements
- traffic control and parking
- Permits and notifications
- Potential hazard and preparative measures
- Content of program
- Fire safety and rescue roads
- Evacuations routes, back ups
- Risk assessment
- Food and supplies
- Stands and corridors
- Power, water, sewage and other infrastructure
- Name of the event
- Responsible organizer of the event
- PR and guidelines for participants
- Professionalism and skills of staff
- Actions after accidents
- Liability insurances
- Communications
- Toilets and shower facilities
- Signs and directions
- General knowledge and structure of the organization

Risk assessment and management

Kemp et al. (2008, 5-30) underline the importance of risk assessment for the health and safety at events and they divide the assessment of risks under three headings; severity, likelihood and risk class as it is shown by the following figure (Figure 9):

Figure 9 (Kemp et al. 2008, 5-30)

Severity is split into:	Likelihood is split into:	The risk class is split into:
<ul style="list-style-type: none">• Equipment damage• No injury• Trivial injury• Minor injury• Major injury• Fatal injury	<ul style="list-style-type: none">• Impossible• Remote• Possible• Probable• Likely	<ul style="list-style-type: none">• High• Moderate• Minor• Acceptable

As is pointed out by Kemp et al. (2008), a promoter or venue manager is required to fill in a risk assessment form for every event for the authorities, but it is advisable for the organization to also have their own risk assessment made using the headings mentioned in figure 9 to achieve a full awareness of what incidents might happen and how to prevent them. In addition, it is mentioned that risk assessment should be constantly revised throughout the process, not stored away after planning phase (5-30). Even though organizers are as careful as possible, accidents do happen, and in these cases profound risk assessment is a sound proof of the necessary preparative measures taken by the people responsible in order not to be blamed.

2.5. Sustainable practices in event management

Sustainability is one of the most revolutionary trends of the past decade in any business and it has also started to have its effect on the event management business. Large events have a notoriously large carbon footprint. This fact has awakened the professionals of this field to change their practices for the better.

The theory in this sustainability chapter is provided by a book titled “Sustainable Event Management: A Practical Guide” by Meegan Jones and the point of view once again is outdoor festivals.

Sustainable event management

Sustainable practices have slowly infiltrated in the everyday businesses of the western world with a fluctuating success but struggling to take over due to the loss of competitiveness for some organizations, or that is a general misconception on numerous cases. Especially in event management, the sustainable practices have rapidly started to take over, not just because the managers’ environmental awareness, but because they actually provide financial advantage. Meegan Jones states in her book (2010, 7) that when promoting sustainable practices, it is advisable to accentuate them as a tool to gain competitive edge. Many events have already come to realize this and are renewing their strategies accordingly. Jones (2010, 8) also points out that gaining a financial advantage is not the only benefit, a concern for the planets welfare is increasingly close to the general public’s heart, and therefore promoting eco-friendly manners in an event will boost the marketing on its own.

Events bring together people but also organizations, so it is not sufficient that the event’s core organization is using sustainable practices, next step is to review the suppliers and associates. According to Jones (2010) when more and more companies become environmentally oriented, they start to demand greener policies from their suppliers too, which causes loss of business for those who have not managed to change their practices to the more green way. This phenomenon has created a positive effect on the competition of event businesses, when most sustainably advanced organizations have leverage over others (9). One significant matter that any environmentally aware organization should strive for is

that the sustainable practices are seen on every aspect of that organizations daily work. Jones (2010, 11) suggests that organization should draft a 'sustainability policy' which should be given to all personnel and associates affiliated. The policy's objective would be to clarify the methods, processes and reasons of work within all concerning parties with a common way of reaching more sustainable event.

Energy usage

When a large outdoor event occurs, a small, temporary city is built for the requirements of the workers and customers. This city requires plenty of power to run and it produces massive amounts of waste and it happens usually in a short period of time. Traditionally in event business the question has been where to get the power and how to get rid of the waste, naturally with a price cheap as possible. With the revolution of sustainability the energy and waste issues in event management also have become one of the major aspects to go through changes in an increasing manner. Jones (2010) states that the most significant matter of sustainability in events is the use of non-renewable energy resources, like fossil fuels. In modern event management organizations not only aim to reduce use of non-renewable energy sources, but to reduce energy consumption altogether (77). According to Jones (2010) one effective way of reducing consumption is thorough planning of efficient use of power. Many events use generators to provide energy and generators have a bad habit of using fuel even though no power is being used, so having some sort of timetable for the generator use helps to cut down the fuel usage (85-86).

It is a fact that some energy must be used for the event to take place so in order to be sustainable this energy can be acquired from renewable sources. When it comes to fuels Jones (2010) suggests that using bio-fuels is a very functional option for events, after all the total consumption of an event is marginal compared to other businesses due to the restricted period of time when it takes place. Wind and solar energy are taking over more ground on the energy business, and especially solar panels are easy to use for temporary energy gain, as long as there is sunshine available (86-96). Renewable energy sources are brought to the market with increasing pace and business like event management with relatively small consumption of energy options are many and more are being developed. Therefore any manager of event organizing business should remember to keep their eyes

and ears open for any upcoming inventions and practices to further their events environmental affect for the better.

Waste management

Large events are notorious for their huge carbon footprint, when compared with the short time-span these events take place. The main contributor with energy usage for this downside is the load of garbage produced during large events. Mass-produced food and beverages are most conveniently served with disposable products and transporting huge amounts of goods and materials to one location results in massive piles of packaging materials like cardboard and various containers. Jones (2010, 51) states that setting certain guidelines for food and other vendors considering products used can ease off the load from the organizers. For example prohibiting use of disposable cups in favor of hard plastic ones is a great way to cut produced waste and costs simultaneously. Waste management has taken huge steps in recent decade which has brought forth a possibility to actually sell your waste. Separated properly energy producing and recycling facilities make good use of various kinds of waste, therefore any manager should get acquainted with these possibilities before paying contractors to haul away your heaps of valuable waste (Jones 2010, 8-9).

3. INTERVIEW AND SURVEY RESULTS

The empirical part of this thesis followed the basics of qualitative research with interviews with the key personnel of the client organization. They were chosen with the theory of theme-interviews in mind, which states that the people who are most connected with the researched phenomenon are the best candidates for interviews (Kananen 2010, 54). The interviews were conducted in a semi-structured manner via e-mail in order to enable the participants to carry out a thorough reflection on each question with the goal of achieving the highest quality of data within the answers. The questions followed the structure of the literary review, with the same five main focus areas as in the theory. The customer satisfaction section is supported by a customer survey done at the actual event. The target organization personnel included in the interviews were a producer and a festival area manager.

Research method

The aim of the study is centered on comparison between theory and practical methods used, therefore best possible material from practical work done is received from people running the process itself. According to Carson, Gilmore, Perry and Gronhaug (2001, 61) the most common qualitative methods to collect primary data include focus-group interviews, in-depth interviews, observations and surveys and with this research all these fore-mentioned methods are somewhat included, with the exception that the interviews will not be held as an interactive discussion. Semi-structured interviews are chosen by the author in order to achieve free flow of information from the interviewees considering the questions presented. This is done with the goal in mind to achieve as vast as possible range of data from where to compile text for the comparison and the conclusions. This semi-structured theme interview is presented by Robson (2002, 278) and its goal is to give leeway for the author for the purpose of gathering vast amount of usable data for multiple purposes. The qualitative research method is chosen because the subject of area reformation in event management does not have extensive study done under its name; therefore qualitative research is only feasible option (Kananen 2010, 41).

Reliability and validity of the research

In order to ensure the quality of the research, it must meet the requirements of reliability and validity. Reliability stands for stability within the research, if the same research is carried out again; the results will be the same (Kananen 2010, 69). Within this thesis the reliability leans on the fact that the empiric study was centered on target organizations personnel who have very high level of knowledge and expertise concerning the matter. The author saw this method as a reliable way to ensure high quality of research, after all, the subject at hand has not been exposed to extensive research, therefore experts on the field was the best choice. One challenge presented to reliability is the mind of the people. For example same questionnaire can be made with same people answering, but the results come out differently. People have the ability to change their minds irrationally and minor details can alter opinions greatly (Kananen 2010, 68). The survey in this thesis has the potential to become a victim of such alterations of the human mind, but on the other hand when the target of research is certain event's one occurrence, not annual, the results tell the truth of that particular moment in time. When looking at the outcomes of this thesis, reliability is secured especially with tangible matters like infrastructure, because it has been proved with references to physical evidence. With intangibles, financial performance measures for instance, the results operate more as an suggestion from the author, not as a hard fact. Nevertheless, elements of reliability are shown with rationalized conclusions supporting the statements.

According to Kananen (2010, 69) validity refers to the evaluation of which are the correct subjects for research. In a larger scale research lays a threat of sidetracking away from the pursued goal, which is a mishap that will weaken the validity of the research. Validity is commonly divided to two separate parts, external and internal validity. External validity is the most important, which refers to the generalization of the results. When the results can be deemed general, they can be used in similar cases as a valid research material. Internal validity investigates the cause-effect ratio. In other words, is the effect found actually created by the cause which is presented? In this thesis internal validity is supported by the fact that the target of the research was agreed with the organization and shaped according to the general literary concerning the business. External validity of the thesis is rather frail due to the nature of the event business, where identical products are a true rarity.

Therefore, fragile validity in this thesis can be seen as a minor weakness, but this was a conscious risk taken by the author when choosing this kind of topic. Festival area reformation has little to none actual theory written specifically on it and the author saw this fact more as a challenge than a threat.

3.1. Solid finances and desire for change as a motivation for reformation

The goal of the interviews aimed to gain knowledge of the five aspects mentioned in the theories, but the author also presented a question regarding the initiative motives to proceed towards area reformation. This single question resulted in very useful information about the background of the reformation. The producer and the festival area manager revealed that the main motive for the area renovation was the urge to make a change. The festival area had gone through minimal changes in the past years, which had sparked an atmosphere of renewal within the organization. The second major point made in the first answer of the interview was that the reformation of 2012 was merely a test in order to determine the capability of the area for expansion, which is to come during the following years. Here is what the interviewees told about the reformation plan (translated):

“Step-by-step plan was made for the introduction of the back-area (area behind the main stage), so the year 2012 was a test year and during the next years the area is going to go through more development gradually. In the summer of 2013 the (new) area will host our largest tent with a stage and numerous other activities because the results (of 2012) proved that the area is well suited for festival use.”

This statement reveals how positive the organization sees the whole expansion process and the eagerness for them to carry on with their expansion plan. Occasionally, with businesses like event management, the only way to truly determine if something is going to work is to try it out and this is a prime example of it.

3.2. Lack of infrastructure as a challenge for logistics

Going through an area reform for an outdoor festival naturally results a plenty of extra work for logistics personnel, and with this reformation there was no difference. According to the answers of the interview, the biggest challenge that the reformation presented was the lack of infrastructure in the new area. Electricity, water source and decent service roads were missing and to make matters worse, the area is on a small hill with steep slopes on the sides. This resulted in the organization to face a major challenge right away in the planning phase but it was managed to overcome through temporary solutions, like use of an aggregates and positioning the stage next to the only available road. One matter what the producer and the festival are manager also pointed out was concern for the endurance of the roads in the new area under large vehicles. These roads were mainly intended for light traffic use only and don't have pavement on them. Luckily there were no heavy rains during the buildup time so the roads stayed operational during the course of the festival. In the future proper service roads in the new area are essential for the development of the festival, one thing the organization should definitely put focus on.

When it came to movement of the masses, the organization wanted to make sure there were no bottle-necks with the new area, so the passage to the area was made considerably wide in relation to the size of the expanded area. Moreover, according to the interviewees, adding new land area took pressure of the festival area as a whole which increased the space for individual customer. This decision stemmed from numerous customer feedbacks received previously, which stated that the festival area was too crowded on some spots. The producer and the festival area manager underline that the guidance concerning the expansion was shown extra effort in order to achieve painless transition from old to new for customers and suppliers. Hand guides and internet pages were equipped to provide sufficient information on the matter and signs and volunteer workers were guiding people on the location. Especially during the lead-up phase when vast amounts of equipment were brought in, the guidance for the suppliers was emphasized.

Logistics is a sector that tones down a bit when the actual event starts and monitoring is usually the prime task during it. Monitoring was in mind for the organizers also in this case,

which they carried out closely during the actual event. The interviewees clarify in the interview, that constant monitoring was done with the key point of how the masses divide across the whole festival area, and how the new area plays its part in this relation. With the people inside the festival area the positioning of separate installments was observed and development ideas gathered for the future. One significant matter for a festival is to make sure the artists are brought to the site on time and with the relocation of one of the stages, this might have caused trouble. Luckily the staff of the festival uses its own personnel for artists' transportation and these employees were informed with the new location and the route to get there well ahead. Challenge with the lack of decent service roads was tackled with well-planned routes and timetables, for example some of the service transportation was carried out during times the festival area was empty of customers, which naturally gave plenty of space for the personnel to conduct their work.

After successful build-up of an outdoor festival, the shutdown process is the same with or without new areas, when looking into the main features. Having some sort of plan and a timetable to extract all equipment out of the area and getting all of it to their respective owners are objects under main focus. Having conducted an area reform the organizers of the festival wanted to make sure to benefit from the work, therefore series of ways for documentation was executed during the whole process. Photographs, memos and timetables were taken and collected concerning all aspects of the festival over the course to ensure holistic perspective for future development.

3.3. Thriving finances, but always room for improvement

Expansion is a must for most long-lived businesses and within large outdoor event management it is definitely ever so common. The target festival of this research has gone through numerous expansions throughout its forty year history, starting out from one day event for few hundred people, into a multi staged festival for over twenty thousand visitors, stretching over three days. The producer and the festival area manager happily state in the interview that the target organization has been striving financially in recent years, which is an ideal situation for a non-profit organization. Safe amount of disposable cash in the bank gives the organization freedom to channel its funds to numerous sources of focus according their own will and planning expansion for its main event, the rock festival, is relatively stress free with solid financial founding. Financially afloat or not, budgeting and planning should never be discarded. Therefore the interviewees emphasize that precise budget molding was carried out for the purpose of fitting the costs of the reformation within the budget. Naturally the costs went up but these were accounted for with increase of ticket sales and upgraded supply of services, which the enlarged area made possible.

As mentioned above, the target organization enjoys firm financial position which has given it freedom and independence to govern its actions by itself. Most of the suppliers are local businesses, which have been involved with the organization for years, therefore trust and familiar methods of work between the companies has been established. These two fore-mentioned facts have made it possible to contract suppliers without strict payment clauses for the organization. For example, an event might need payment in advance for some services in order to keep cash-flow fluent, like it is addressed in the literary review chapter. With the absence of cash-flow problems due to the surplus of financial income from the past years, the interviewees state that extensive measures for preparedness toward financial deficits are unnecessary in a larger scale. When asked about divided responsibilities concerning the reformations finances, there was no other organization involved when it comes to financial matters. In addition the interviewees acknowledge that the final responsibility is always with the organizer, which is distinctive for businesses like event management.

Processes of the festival are based on mostly volunteer-run, non-profit organization; therefore monitoring financial performance does not require extensive measures. When it comes to the target organization, they keep close observance on their cash-flow and aim to analyze profits and expenses. Complexity is hardly an issue when it comes to financial sheet of once a year festival with few small other events; therefore it is understandable the organization might not use multiple measures of financial performance. Main source of income from the festival is naturally admissions and when asked about determination of ticket price, the producer and the festival area manager informed, that break-even chart is used with estimated admission sales and calculated expenses in reference.

3.4. Strong base of regular customers as a foundation for success

Outdoor festival's single most important stakeholders are unquestionably the customers attending. The competition for the attention of these customers has never been higher with new events been presented every year. Each festival needs to have something unique to offer and when the producer and the festival area manager were asked about what is that uniqueness their festival has to offer, they told that the festival aims to provide comprehensive experience to each customer. This is achieved by versatile program within the event, supported by additional services provided. These are targeted to enhance the most valuable aspect of the festival, which according to the interviewees is the atmosphere. The festival has a renowned reputation as an event with performers differing from the main stream, showing respect to artists regardless of their days of success or genre.

The producer and the festival area manager explicate that the supporting services, which some are provided elsewhere from the actual venue, also help to provide unique experiences. For instance each year at the starting day of the festival an actual "rock-train" is scheduled to the timetable of Finland's national railways in order to transport the people attending the festival from the capital to the city where the festival takes place. The atmosphere starts to build up even though the customers are still hundreds of kilometers away from the festival site. In the festival venue customers are presented with five different stages presenting various kinds of bands; domestic and international, old ones and fresh

faces, familiar from radio and bands you have never even heard of. This versatile setting provides a possibility for customized experience for the attendees, some seeking to find new tunes to brighten their day, some eager to hear the legendary oldies with old friends.

Market research in event management is as important as in any other business, and the producer and the festival area manager state that the target organization carries out customer surveys annually during their festival, in order to monitor the quality of their product. The interview reveals that receiving feedback on the crowdedness of the venue was one of the reasons to affect the start of the reformation plan in the first place. Also the festival has previously enjoyed a reputation with plenty of grassy fields for people to relax in, but the size of these areas had been decreasing due to additional services taking space, so living up to that reputation also had its effect to the expansion.

3.5. Regular customers promoting event with word of mouth

During the event, the author carried out a small customer survey (appendix 1) in order to get first hand results from the new expansion of the venue. The answers totaled in seventy participants, which were all randomly selected festival goers with each of them familiarized with the new area of the venue. Following charts present the statistics of the survey.

Figure 10: Number of visits for the customer

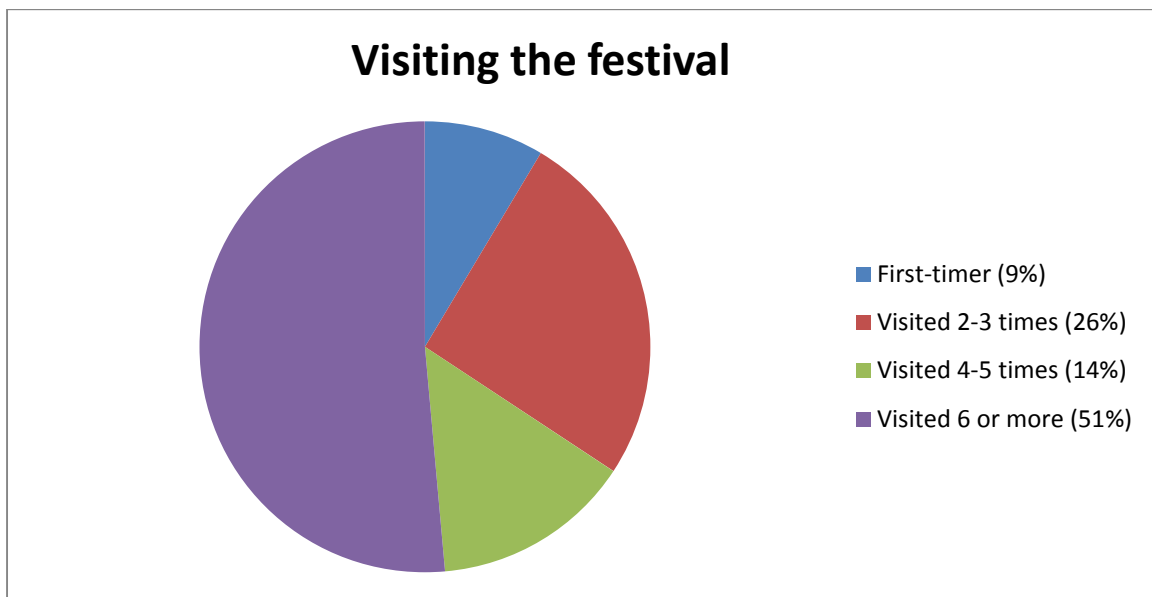


Figure 10: "Number of visits for the customer" displays an interesting result with more than half of respondents stating themselves as regular customers with six or more visits. Even though, due to the small scale of the survey, this result cannot be verified as a fact concerning the whole festival, it clearly suggests that the festival has managed to gather loyal base of regulars attending the festival repeatedly. The region where the event takes place is one of the most rural areas in Finland; therefore it has little regional competition on the large outdoor festival genre. This kind of status has made it possible to gather loyal fan base especially with people originating from municipalities nearby the festival site. This fact is seen on the survey also, when most of the customers (22 out of 36) who had visited the festival six or more times, were inhabitants of the hosting city or its neighboring towns. In addition, the number would be even higher if those customers who had previously lived in or around the city would have been counted.

Figure 11: Marketing channels; where did the customer learn about the reform?

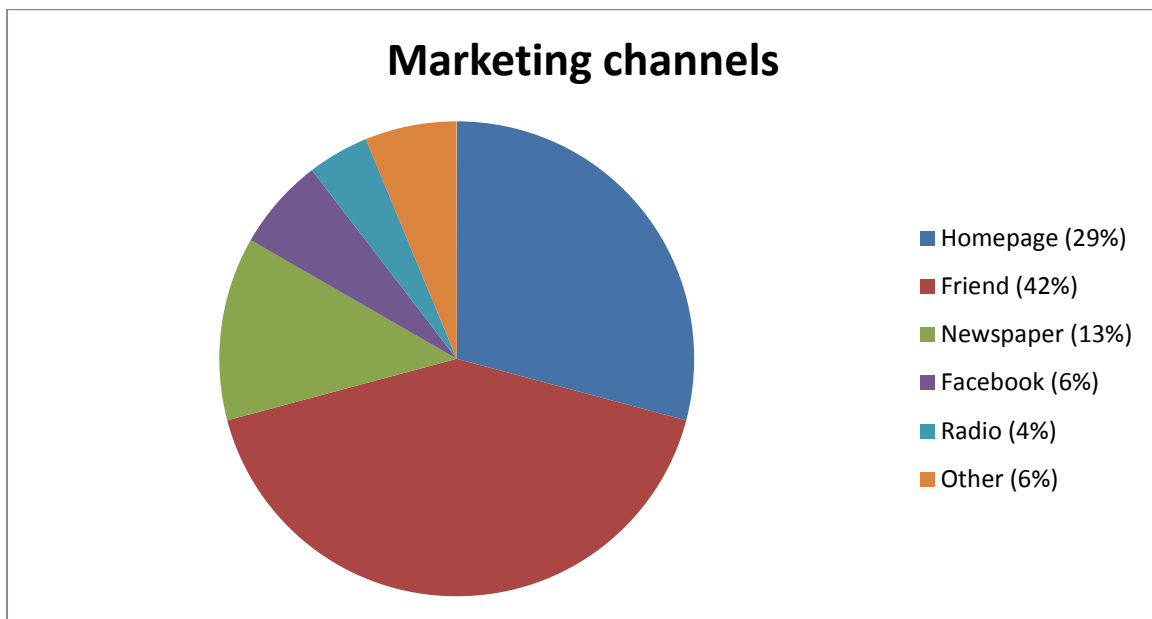


Figure 11: “Marketing channels; where did the customer learn about the reform?” displays the variety of the most common marketing channels, where yet again a surprising result can be underlined. This result is of course the significant percentage (42%) of word of mouth marketing taken place concerning the reformation. Comforting information for the organizers is provided by the relatively high percentage (29%) of customers visiting the internet page of the event for information acquirement. The combined percentage of newspaper and radio sources suggests towards the customers living in and around the host city, after all most of marketing for the festival via these channels is done locally.

One part of the survey sought the relation between expectations and reality towards the reformation and results were following (Both expectations and reality was divided to five different stages of approval, first one being the most negative and the last most positive):

- Average stage of expectations throughout the respondents: 3,51
- Average stage of reality throughout the respondents: 3,83
- Median in both aspects was 4.

This statistic tells that the expectations of the customer base answering the survey were relatively high at the start. One issue causing this might be due to the fact that these customers had seen previous expansions happen for the festival which turned out to be

successful ones. The change between the expectations and reality is a slight increase, which is a good result when considering the high value of the expectations and the fact that this reformation was only the first year of a larger expansion, sort of a test measuring its success.

Another part of the survey asked the participants to evaluate few of the features, and their meaning for them personally, included in the reformation. The features were rated with a scale of 1 to 5, where 1 stands for meaningless and 5 very important. Table below displays the results, first column pointing out the feature and the latter column the average of the whole sampling.

Figure 12: Added features with evaluation

More space to the festival area	3,43
Grassy field on a sunny spot	3,74
Repositioned stages with more room around them	3,57
Lounge	3,34
Nice view over the lake and the beach	3,43
Change is good!	3,94

The features included in the figure 12 above present surprisingly equal amount of importance to the answerers of the survey but one fact certainly stands out; the most supported feature of the reformation is the actual change, not any physical part of it. This indicates that these festival goers enjoy new aspects with a familiar festival, which probably is connected to the desire to have new experiences. This table also supports the earlier customer feedback received by the target organization, stating that the customers require more space within the venue and especially grassy fields where they can sit and enjoy themselves. However the “Lounge”, a tent with sofas for the customers to relax and watch artist interviews and documentaries, got the least amount of interest within the participants, even though it is the only feature bringing in something completely new. This might be indicating the lack of marketing considering the lounge, which resulted people being unaware of the feature.

In the final part of the survey, the attendees were asked to contribute their own ideas for the “Lounge”, what would they like to see there in the future. Noteworthy suggestions listed below:

- Fan meetings
- Autograph signings
- Jacuzzi
- More sofas
- Performances from the previous years of the festival shown
- Free food
- More space for the lounge

The ideas in the list above are definitely worth consideration for the organization. Bringing interaction between the artists and the fans on the table would certainly enhance the experience for the festival goers. Reminding that the reformation done in 2012 was an initial test for a bigger expansion, probably the lounge area will undergo major expansion also in the near future, which naturally includes few of the suggestions mentioned above.

3.6. Requirements for safety and security remain the same

Issues concerning safety and security do not face monumental changes when the festival area grows. Naturally when size of the area grows and volume of the customers increase, the numbers of security personnel and crowd control equipment need to increase also. In the interview the producer and the festival area manager confirm that this is exactly what they did, even though crowd control in the new area only required additional fencing. Also one matter of safety was informing the city’s authorities about the reformation and plans and check-ups were carried out with them well in advance, the interviewees enlighten. Safety and rescue plan needed some revising too, so evacuation and rescue routes were drawn for the new area in co-operation with the city’s authorities. The interviewees happily point out that expansion helped to decrease safety and security risks as the land area grew

in relation to the amount of attendees, providing people more space, which naturally reduced risks caused by overcrowding in the festival area.

The organizers of the festival have perfect situation when it comes to their venue. Huge grass filled park area with pathways crossing everywhere surrounding a stage, neighboring a beach and a camping site. All of this, except the camping site, is city owned so the rental fee for the over two week period it is needed is relatively small; the city wins anyway when festival goers spend on the services within the city. Naturally when the festival area expands, the fee goes up, but it definitely does not restrict the growth of this particular festival. This minor detail was the only change brought by the reformation when legislation and permits are considered, the expansion was relatively small in scale so all the permits needed were the same than previously.

3.7. Pioneer in sustainable practices

The festival has taken up on the challenge to carry its weight towards greener tomorrow and during the recent years they have managed to reduce their carbon footprint significantly, which is seen on their website as the interviewees point out (Iloaarrock.fi, Ympäristö, 2013). Even though the producer and the festival area manager state that sustainable practices don't present significant changes either way on the organizations economics, the studies presented in the organizations website reveal decrease in environmentally affective areas like transportation costs and print materials, which shifts the balance both financially and environmentally towards positive figures. The target organization also aims to challenge festival goers to act responsibly by promoting issues like public transportation and recycling when attending their festival. These issues are not seen on the balance sheet of the organization, but nevertheless save money and the environment at the same time in general. According to the interviewees, the suppliers of the festival have been eager to take part in renewing work methods towards more sustainable ways. Most products are manufactured with ethical and sustainable principles, using eco-friendly and recycled materials. For example decoration and furnishing is done by using recycled clothing, furniture and such (Iloaarrock.fi, Ympäristö, 2013).

Electricity usage is one huge factor for outdoor events causing excessive costs and load on the environment. With the new area lacking infrastructure, the staff of the event had to use an aggregator to provide electricity within the expanded area, which resulted in an increase in usage of fossil fuels. According to the organization's website, which was referred by the interviewees, 90% of the electricity used during the festival is produced with green principles in mind using wind, water and wood based energy production technologies. Promoting towards sustainability within the festival area is also done, for instance vendors operating in the festival area are able to get a discount from their rent if their electricity usage is low (Ilosaarirock.fi, Ympäristö, 2013). In general, expanding the festival area didn't bring significant changes to the sustainable practices of the festival. During past few years the organization had taken major steps on their work methods towards greener practices, which has been rewarded with few awards, and these same methods were applied in the new area, the interviewees' state. One good example of these methods is with waste management, whereas instead of general trash bins scattered all over, in the festival there are centrally located recycling spots where each type of trash has its own bin and there is a volunteer guiding customers.

4. CONCLUSIONS AND SUGGESTIONS

In this research, the current state and expansion plans of the festival, organized by the target organization, are being reflected with the theories of modern event management literature. Unfortunately, the material received through the interviews for the empirical study turned out to be quite slim and lacked depth, which inevitably affected the quality of the analysis.

From time to time, the theoretical methods presented seemed a bit distant from the equivalents used by the organizers of the festival. One might see this resulting from numerous reasons; first being the non-profitable nature of the organization, second the vast experience of the people in charge, which allows the organization to operate in practical terms. The second reason is supported by the third one, which is the size of the festival. Even though it reaches an audience of over twenty thousand people, it is relatively easy to run with over a thousand volunteers at disposal and with a flexible schedule for build-up and shutdown. The festival also takes place in a small town in a rural area where the contacts with suppliers were established years ago. Furthermore the Finnish working mentality is leaning towards practicality above all, so it is easy to determine with these facts why the festival operates as it does. Practical methods with familiar surrounding are a pleasant environment to work in but it poses a hidden threat. Even though the festival has been doing great for years it is always advisable to sit back and evaluate. Proper objective evaluation is a matter that is challenging at least when done by someone who is too close to the target. Therefore an external party of evaluation with professional experience is highly recommended to be used occasionally.

The solid financial position, the great reputation in the target segment and a potential physical environment for expansion almost demand the festival to expand. With the customer feedback stating need for change and more room, expanding is the only considerable choice to go for at this point. Luckily the organization has already responded and is going through a gradual expansion plan already. This expansion plan was started by a test year, which was a target of this thesis and which can be seen as an excellent method of

verifying the true capability of the initial plan when it comes to event management. As the interview revealed, the experiment proved to be a success and according to the plans of the next year of the festival, the new area has expanded even further and now it will host a massive tent instead of a small stage. Provided by this expansion plan, the customers of the festival, get something new to explore every year for a few years to come, which is definitely advancing the ability to offer unique experiences through a great atmosphere and cozy venue. These unique experiences might be brought even further with the opportunities what the *Lounge* offers. The survey results stating what customers would want to be added to the lounge present few viable options to enhance the customer experience. Especially fan meetings with autograph signings by the artists hold the potential to offer a truly once in a lifetime experience for a customer. However, this requires a different kind of contract with the artists so the financial value of such an addition must be revised.

Expanding the festival naturally requires more admissions to cover the costs, which was done according to the interview, but the actual measurement of financial performance is a matter the target organization could put extra effort on. The interviewees revealed that a break-even chart is been used to determine the ticket price, which is a truly recommended, but the financial performance is merely observed through the cash flow and budget. The applicable tools of measurement that the organization could use are the ones presented in the literary review: solvency, return of investment and especially return of assets, because the target is a non-profit organization. These tools have the potential to give more accurate results of what is happening in the field of finance within their organization, which automatically helps when drawing up plans for the future.

The target festival has the advantage of experienced people within its ranks and a good network of contacts. Therefore most aspects of the festival affected by the change were handled with ease, for example safety and security. The interview reveals that good practices had been implemented previously and it was painless to transfer these same practices to the new area. Naturally, a few suggestions arose, when looking into the practical issues the interview brought forth, which needs to be addressed. The most concerning issue with logistics was the lack of infrastructure in the new area, which definitely needs to be taken care of. Setting up a huge tent and all the other installations require truckloads of equipment brought in, and at this point, the quality of the service

roads needs to be sufficient. Also plumbing and electricity improve the usage of the area greatly so the infrastructure of the expanded area should be the most important issue for the next year. This might be causing some challenge because the area is owned by the municipality, and running this renewal quickly could pose difficulties. Therefore it requires extra attention.

As a final note, the festival and its staff deserve recognition for their work improving the processes towards a more environment friendly organization. The festival can be seen as a pioneer in Finland as result of its work, and it has already gotten a few environmental awards to back up its claim as an eco-friendly event. Events such as this touch the lives of thousands of people, and the example it provides for individuals and organizations alike is one to change society's operational methods for the better. It could be an idea worth considering for the staff of the festival to take their expertise on environmental work for other people to make use of. They could even earn a few more euros while doing it.

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APPENDICES

Appendix 1: Customer survey (Finnish)

Asiakaskysely vuoden 2012 Ilosaarirockissa aiheena festivaalialuemuutos

Ikä:	Sukupuoli:	Kotipaikka:

1. Monetta kertaa Ilosaarirockissa asiakkaana?

1.	2.	3.	4.	5.	6+

2. Olitko tietoinen Ilosaarirockin aluemuutoksesta?

Kyllä olin	En ollut

3. Jos olit, mistä sait kuulla asiasta?

Ilosaarirock.fi	Muualta netistä	Sähköposti	Kaverilta	Radio/TV	Lehdestä	Joku muu, mikä?

4. Millä lavalla aiot käydä katsomassa eniten keikkoja?

Päälava	Ylex	Sue	Rento	Rekka

5. Minkälaiset olivat ennakko-odotuksesi aluemuutoksesta ennen alueelle tuloa? Kuinka todellisuus vastasi odotuksiasi?

	Odotukset:	Todellisuus:
Todella huono idea		
Turhaa häsläystä		
Ei suurta merkitystä minulle		
Ihan kiva juttu		
Loistava uudistus!		

6. Arvioi seuraavia uuden festivaalialueen tuomia osa-alueita 1-5 asteikoilla, jossa 1 tarkoittaa tärkeydessä vähäpätöisintä ja 5 erittäin tärkeää sinun mielestäsi.

Lisää tilaa koko festivaalialueelle	
Nurmikenttä aurinkoisella paikalla	
Lavat uusissa, tilavammissa paikoissa	
Ilosaari Lounge	
Hienot maisemat järvelle ja rannalle	
Muutos on hyvästä!	

7. Ilosaari Lounge on kokonaan uusi ulottuvuus Ilosaarirockissa, jonne ihmiset voivat tulla rentoutumaan, lataamaan kännyköitään ja katsomaan vaikka dokumentteja sekä artistihaastatteluja. Mitä muuta loungeen voisi lisätä sinun mielestäsi?
