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**LAUNCHING A SUCCESSFUL MUSIC FESTIVAL**

Master Thesis in  
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**ABSTRACT**

This study is focused on the following topic, launching a successful new festival. The theoretical and empirical researches about the strategic and the tactical launch decision in new product development were analyzed and related to academic literatures about the festival industry and event industry. Furthermore, it also analyzes how these decisions can affect the performance of a new product launched on the market. In order to investigate the topic, a theoretical framework is used, the model of 6W's.

The framework mentioned above consists of six main points. It includes five questions: "why", "what", "where", "when" and "how". The last point is the result, which is the success. This model is adapted from previous literatures about strategic and tactical launch decision according to new product performance.

The methodology used for this study is qualitative. The data collected in the empirical part is done through interviews. The interviews realized take the form of semi-structured and unstructured interviews. Since the topic is wide, it is the right choice in order to get more qualitative information. Content analysis is the method applied. Furthermore, the author has some experience about the topic, so the personal knowledge and contacts have helped.

In order to launch a new successful festival the following main points have been identified. The importance of the market choice, domestic or international. The goal settings fixed, such as motivation to create a festival, the format and how the manager sees the festival. Then there are the characteristics which include concept and content. Furthermore, we can say that festival is similar to a product but it has also similarities with service, so the term productization is more appropriate. In order that the festival reach success, the target group have to be well defined and adapt to them. The launching process is crucial, and the marketing through communication and brand value have an important role.

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**KEYWORDS:** Festival; Launch; Decisions; NPD; Successful.



## 1. INTRODUCTION

Nowadays event industry is an important factor which functions as a form of exhibition and performance for urban planning and local economic development (Smith 2010: 161 – 162). There is a growing trend towards large-scale of events in sports, cultural, religious, business-oriented or political. They all share the following features: to provide attendees with memorable experiences, to build social capital for communities, to increase tourism and to generate economic growth (Group & Limited 2011: 9).

Events planning is related to tactical and strategic decisions, which are included in the new product development (NPD). In every kind of company it is important to implement the right strategy. The reason to use one is to sustain value creation for the customers, but also for the shareholders. The first challenge is to define what kind of value they are looking for and the way to share it with people. Some organizations are too much focused on customer service and some other on the financial aspects. They only care about to demonstrate the best value to customers so they do not pay attention to financial goals, on the contrary side, some pay too much attention to the short term interests for shareholders, for example. So, if a better strategy is applied for both side, the company has more chance for success (Fréry 2006: 71 – 72).

The study uses articles about events and festivals, but it is mainly focused on music festivals. To avoid confusion it is important to make a distinction between these two. Event term involves many different kind of happenings. The different events could be for example a motor show such as “Geneva motor show”, or a movie forum like the “Festival de Cannes”, or many other types. Music festival industry is subordinate to the event industry. At the beginning, the research idea was to study all kind of events, but since it is a large market and there are so many different categories of event, the final decision was to analyze only one particular kind of event. Of course, some aspects of different kind of events are taken into consideration in the study, but it will not be analyzed in such details as music festivals.

Music festival could be defined as a happening where people enjoy themselves by having fun and listening to live music. The launching phase of a music festival could be defined as the particular decisions made when introducing a new product on a particular market in order to generate profit and be successful. A successful music festival does not involve only profits generation, but also when people have enjoyed it and want to visit the event again in the future. It is a success if the festival happens again in the coming years.

This topic has been chosen for the following reasons. For many years I have been particularly interested in the organization of events and more particularly festivals. I have been myself organizing events in nightclubs and I have done an internship in one nightclub as event organizer in order to attain greater knowledge and competence in this area. In autumn 2013 I was already thinking about an idea related to the launch of a music festival for my Master thesis. I finally chose this topic during a class of research methodology last spring.

The music festival perspective will be related to strategic and tactical launch decisions of NPD and finally if it brings success or failure to the festival through the performance. Nowadays many festivals more or less bigger take place all over the world. The study will be focused on how to launch a new festival on the market and make it successful. The following topic which has been chosen is “Launching a Successful Music Festival”.

The importance of festival launching has to take into account everything. It concerns the arrangement of the flow of festival elements, the main target is to enhance the visitor experience and then to make the festival attractive. Since there are so many possibilities nowadays in the choice of festivals, the quality of programming is becoming increasingly associated with their competitive advantages (Yan, Zhang & Li 2012: 654).

Concerning the NPD, two kind of launch decisions have been identified and they are the “strategic” and the “tactical”. The strategic decisions affect the tactical decisions, but through the process of launching they get aligned. The strategic decisions have been done regarding to product innovativeness, market targeting, number of competitors, and whether the product is marketing or technology driven, those will be associated to the tactical part which is about branding, distribution, expenditure and intensity, and finally pricing. In order to be more precise, strategic decisions are about “Why, What, Where and When” and the tactical decisions answer to the question “How” (Hultink, Griffin, Hart & Robben 1997: 243). The topic of this study is to understand what will make a new music festival successful. The two important types of launch decisions will help to examine how it should be done and it will show the impact that each decision taken will have on the launch of the festival. The NPD has been chosen because it proposes the adequate theories related to the launch of music festivals. Of course, when launching a festival it includes the organization, it is also a part of the NPD. But the study does not analyze the process of festivals during the following years, which means that it is only focused on the first launch, for the first time that the music festival will happen.

It has been determined in 1988 by Getz and Frisby that an effective organizer of events is determined by the capabilities to communicate and understand when he wants to be involved with the community in order to run events. The management understanding is the most important in order to manage events but misunderstanding will conduct to the failure. Since events are rising and growing, events managers have become more professional. They are more careful about their actions and the consequences (Ensor, Robertson & Ali-Knight 2007: 223). This study will be useful for managers or future managers of events and particularly music festivals managers. It will help them to understand better what kind of factors are involved in the strategic and tactical decisions that they have to take into consideration in order to launch an event, more particularly a music festival. To achieve this research, we are going to focus on NPD, management and marketing knowledge, and previous research about events and festivals.

**Table 1.** Summary of the study's topic.

<b>What is the study about?</b>	<i>Understand how to launch a new product</i>
	<i>Music Festival</i>
	<i>Reach success from the first launch</i>
<b>Why is this topic chosen?</b>	<i>Own experience in the area of events</i>
	<i>Particular interest in the subject</i>
	<i>No researches made about this topic</i>
<b>How is the study going to be realized?</b>	<i>Theories about NPD</i>
	<i>Theories about events and festivals</i>
	<i>Interviews</i>
	<i>Focus on the first launch</i>
<b>Who is going to use the study?</b>	<i>Events Managers</i>
	<i>Festival Managers</i>
	<i>Personal knowledge</i>

### 1.1. Research Problems and Objectives

Like it has been described in the previous chapter, the thesis is discusses the organization of launching a successful music festival, from the strategic and tactical launching point of view and going through the marketing perspective. The purpose of this research is to study and observe the strategic, tactical and managerial decisions during the organization of one particular category of event; music festival. The aim of this topic is to highlight

the important decisions which will make a festival successful through the organizational decisions taken.

So the research problem that has been determined for the master thesis is:

- *How to launch a successful festival?*

This question has been chosen because there are nowadays plenty of festivals everywhere in most countries. Most of them are similar and they do not bring something new on the market or also sometimes we do not want to go to the same festival since we know that it is going to be exactly similar. Also, when some festivals are launched, it is not always successful. This is why it is important to understand the strategic and tactical launching decisions in festival planning. This question will be divided in different objectives to answer for the theoretical part and then for the empirical part. We can respectively find the following questions in order to answer the objectives:

- *What are the strategic and tactical launching decisions related to new product development?*
- *What are the key strategic and tactical decisions to launch a festival? And how can they make it successful?*

## 1.2. Justifications and Delimitations

Many factors are important when you create an event or if it is already existing. The analysis of different literature will be related to the empirical data research in order to answer the research question. Events and festivals can be considered as a product and service at the same time. The term productization can be used. It is a managerial practice in order to put the product but also service into a whole to offer to customer (Harkonen, Haapasalo & Hanninen 2013: 264). The managerial and strategic decisions during the creation of an event are based on the “What, Why, Where and When” and finally the “How”. Those key issues are really important, as they involve important decisions concerning the time, the resources and the money (Hultink et al. 1997: 243 – 244). Many people are nowadays organizing events that do not always reach the planned success. In this paper, it will be studied how success can be attained and how failure can be avoided.

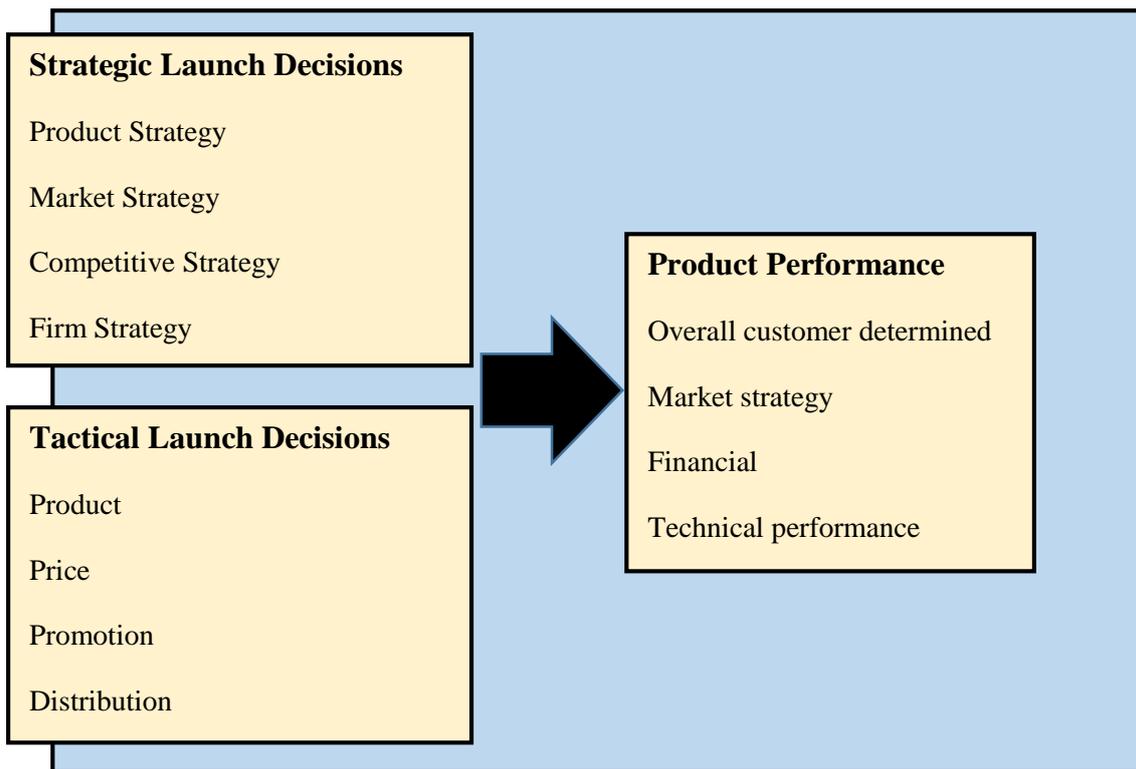
In order to clarify the topic, the subject is limited to the launching of new music festivals.

Researches have been done about events in different articles published in journals. More particularly in the Journal of Events and Festivals Management. The researches that have been done are all about different part of the organization of events or festivals, there is actually no research that combine all this data. This is why through this study and the qualitative data collected, it will provide something new because no research uses all this information.

So the gap identified with all of those researches and the thesis is the fact that usually all these data are not combined. In this study, the data are going to be combined and a discussion will be realized. The NPD theories will be linked with the interviews of different events managers, festivals managers, and articles talking about managerial decision and product launching decisions. It is interesting to understand how the theory is related to the opinion of people working in real life. Finally, it will help to understand better how to make a new festival successful through the gathering of the information.

Through this study, one of the most important models used is the NPD process to launch a strategy. The model is described in the figure 1 below. This one has been developed by Hultink et al., it is the reference. It shows that the launch decisions are separated in two categories: strategic and tactical launch decisions. Then from these categories, the theory will result on the performance of a new product or service as we can see in the figure one (1997: 247).

There is a close relationship between product and service. Events can be considered as both through the term productization. In order to give a delimitation to the study, it will be more focused on the product side. The part that will be studied is the process of commercializing a new product, which means that it will reduce the previous step when analyzing the NPD. Festivals include plenty of aspects, the launching part, the planning, the service performance and the NPD. Since it is a really large subject, it will be mainly focused on the launching of festivals and some of the other aspects will be taken into consideration, but not in depth.



**Figure 1.** Impact of launch decisions on new product performances (Hultink et al. 1997: 247).

### 1.3. Outline of the Study

The study is composed of six chapters. The following paragraphs explain what the main ideas are.

The first chapter, the introduction, is separated into three parts. They provide information on the background of the study. Then, the research question and objectives are defined alongside with the justification and delimitation of the topic. Finally, there is the outline of the thesis.

The second part discusses about the previous studies and the characteristics that have been discussed about NPD and event and festival industry.

Concerning the third chapter of the thesis, it is mainly based on the basic concepts of market performance through strategic and tactical launch decision related to music festival industry. It discusses the features of strategic and tactical launch decisions to

reach new product performance. It also includes the factors that allow to reach success in launching a festival. Then, at the end, the theoretical framework is developed through the model of the 6W's, based on the following questions: "Why, What, Where, When, the Way, and Win" in order to achieve the study.

The fourth chapter introduces the research methodology applied in the study. In the first part, it presents the research approach and strategy defined to realize the study, including more detailed explanations on why these specific approaches were selected. In the second part, the research process is explained and discussed in order to clarify the method for data collection and data analysis. Finally, the last part discusses the credibility of the research.

The fifth chapter is presents all the findings and results that have been obtained from the seven interviews realized during the study. It is following the framework that has been introduced in the third part.

The last chapter consists of the discussion, conclusions, managerial implications and finally future research proposals,

## 2. PREVIOUS STUDIES

- *Previous Studies about New Product Development*

In 1997, Hultink et al. used in their article the five different key issues of NPD: “what to launch, where to launch, why to launch, when to launch and how to launch”. This concept has for purpose to provide a complete understanding of launch strategies and analyze the impact of particular associated launch decisions on product development performance. All the different choices that will be realized, they will involve significant commitments in time, money and resources. It helps to understand the success or failure of new products. Furthermore Soni and Cohen have studied how to launch successfully the right product (2004: 263; Hultink et al. 1997: 243). Hultink et al. have precisely examined the interplay between product launch and NPD performance. The study explains that it depends from the strategic and tactical choices made, but it also shows that different set of launch decisions have effects on the performance of new products (1997: 243). In another study, it is also defined as “*how are new consumers products launched and with what performance outcomes?*” It relates the new product launch with the context of consumers new products launch (Hultink, Hart, Robben & Griffin 1999: 153).

The launch of a product is separated in two parts, the strategic and the tactical. Concerning the first one, the strategic choices are made earlier in the process of NPD. It consists of defining the different parameters to permit the product to compete. Those are defined by the objectives of the launch, to select the appropriate market in which the product will be introduced and finally to determine the competitive position of the new product. (Hultink et al. 1997: 243 – 244; Talke & Hultink 2010: 223). Considering the tactical part, it has also an influence on the performance in being related to the strategic decisions (Garrido-Rubio & Polo-Redondo 2005: 29). It is occurring later in the process after the strategic launch choices. Tactical decisions implicated several decisions of marketing mix such as product, price, place, distribution and promotion (Hart & Tzokas 2000: 389; Talke et al. 2010: 223). It is also obvious that in order to launch a product, marketing is necessary, so one of the important parts for the tactical launch decision is the marketing mix elements 4 ps. McCarthy classified the different marketing activities into this tool which consider the product, the price, the place, the distribution and finally the promotion (Kotler & Keller 2012: 25).

Later studies have expanded from this literature base to investigate related issues such as the role of the logistics and the supply chain relationships in successful launch,

differences in competitive reactions to the launch of radical and incremental new products, launch signaling, the moderating role of product innovativeness, and the role of market orientation (Calantone & Benedetto 2007: 4). In 2010, another study determined that corporate mind-set has an influence on the launch strategy decisions (Talke et al. 2010: 223). In one of the latest study in 2014, it explains the participation of top management to certain activities of the NPD and it also highlights the involvement of those persons that it needs a more careful and comprehensive treatment (Felekoglu & Moultrie 2014: 159).

NPD is the most important concept in this study since the aim is to analyze the success of launching a festival, which is considered as the product. Hultink is one of the most important writers in this area. The understanding of launching a product is really important, as this is one of the reasons that will impact the successfulness of a music festival. The aim is to make this product a success when it is launched on the market. We will understand better through the theories of NPD.

In order to support Hultink et al., articles from other authors but also Kotler and Keller's book, as well as Hollensen's book will provide the required information for this study. He provides a framework for the development and implementation of global marketing programs. It helps to analyze, to select and to evaluate the appropriate conceptual frameworks to approach the five main management decisions connected to global marketing, which are whether to internationalize, deciding which markets to enter, deciding how to enter the foreign market, designing the global marketing program and finally, implementing and coordinating the global marketing program (Hollensen 2011: 5 – 6). It provides a way to understand better the global competitiveness. These theories are really important to understand the way that the festival is going to be, the choices that are going to be made, why such decisions, and how to apply it.

- *Previous Studies of the Events and Festivals Industries*

Events have increased all around the world since 1980s. In this period governments realized the potential of events and all the benefits that they bring. It became a global interest and participation in events as they continue not only to demonstrate a capacity to generate positive impact but to also to play a significant role in the development of culture, arts, urban regeneration, education and tourism (Mair & Whitford 2013: 6). Events also can be developed into a marketing utility. It can grow into a wider marketing strategy. There is a connection between the event objectives and a marketing strategy. It

serves to communicate particular messages to the target audiences (Crowther 2011: 68–69).

Nowadays programming of festivals is more and more becoming a source from which the competitive advantage of the festivals may originate. It has been determined from the customer's point of view that quality of festivals will consist of six dimensions which are diversity, stakeholder balance, incrementally, simultaneity, flexibility and linkage. If those factors are applied, visitors will be satisfied (Yan et al. 2012: 653). Another study about the success of festivals identified different points concerning the customers. Brand equity aspects such as image, festival atmosphere associations, and emotions are the most important points for generating customer loyalty, even more than value equity, which is the price of the ticket. Apparently, the program of the festival does not affect loyalty in the current environment (Leenders 2010: 291).

Festival leaders perceive different characteristics of creative and innovative festivals. Six key areas are important for the people experts in festivals. These are leadership, focus, relationship with the community, decision-making, funding, and history of the festival. Those factors create the dynamics of successful festivals (Ensor et al. 2007: 223). Leaders also take sometimes the decision to grow the events from the local perspective to the tourists' side. Tourists can provide an important and attractive revenue stream (Litvin 2013: 184). Experts advice when an event is created to make some studies about the socio-cultural and environmental impacts of festivals along with a better understanding of the relationship between festivals and public policy agendas (Mair et al. 2013: 6 – 7). Festival organizers also used the observation of customers in order to develop the management strategies (Mackellar 2013: 56).

Social media has an important influence in the development of festivals. Since their existence, social media has fundamentally changed the consumer decision process. Music festivals profiled are proactive in their use of social media. It permits to engage with customers throughout the consumer decision journey. It makes it more relevant for the festival marketers, as they can evaluate and advocate stages of decision journey (Hudson & Hudson 2013: 206 – 207).

### 3. NEW PRODUCT DEVELOPMENT PERFORMANCE FOR MUSIC FESTIVALS

In the mind of people marketing is considered as the name for the activities of advertising, sales promotion, and sales force. It is defined in 1997 by a Webster dictionary as “*The act or practice of advertising and selling a product*”. But according to Kotler, it is much more than promotion and a few other activities. Marketing should include decisions on what products and services to offer, how to price them, how to put them into distribution, and how to promote them (Kotler 2011: 89 – 90). It is about to identifying and meeting human and social needs. One shorter definition is “*meeting needs profitability*” (Kotler et al. 2012: 5). Marketing helps introducing new products and gaining acceptance in the mind of people, in order to enrich their lives. When a new product enters on the market, different decisions have to be taken. The needs, wants and demands have to be understood (Kotler et al. 2012: 4). In product launch, marketing has influence on the success of winning new products (Hart et al. 2000: 389).

As it is previously stated, Hultink identified that there are five key issues in new product launch: why, what, where, when and how to launch. The first four questions consider strategy decisions and the last one is about focusing on tactical decisions. Furthermore, the strategic decisions that have been made earlier in the process will have an influence on tactical decisions (Hultink et al. 1997: 243). These questions are going to help to develop the product performance, which leads to “win or loss”. These five questions could be related to five main points: why, goal setting and company strategy; what, product strategy and brand; where, market analysis and market strategy; when, market entry timing and competitive strategy; and finally, the way how to make marketing-mix work together. Each question is explained in more detail in the following paragraph.

The first question “Why” should give an answer to this point: *why a festival should be launched on the markets?* The answer could be that people love to listen to music and to go outside and to have fun during the summer period. The question is going to be separated into different parts, from where the festival idea comes, what kind of a company can organize a festival, what is the strategy and goal setting of this company, and the last point is about the actual environment of the festival industry.

The question “What” is includes both parts of the product launch, which are the strategic and tactical launch. It corresponds to the following question: *what is launched to the markets?* And the answer is: *a new festival that is differentiated and positioned*

*individually*. Different points should be taken into consideration, such as what kind of product a festival is, the basic characteristics of a festival, how to differentiate it and position it, how to develop the name of the festival and how it could be considered as a novelty.

The question “Where” is related to the strategic part of launching a product. “Where” also involves the other question: to “Whom”. Concerning the festival industry, the following questions should be asked: *where and for whom a festival should be launched to?* The answer could be: *on segmented markets in order to reach the target customers*. The different features which are going to be taken into consideration are the accomplishment of the market analysis, what are the target markets, how the segmentation has been done, what is the market demand for a new festival, and the relation of successful festival with blue oceans strategy.

“When” is related to strategic and tactical launch decisions. The following dilemma should be answered concerning the festival industry: *when a new festival should be launched to the markets?* It can be answered by: *at the right time, with a competitive advantage*. Different features are included such as how it is possible to get competitive advantage, what is the best market-entry timing is and when to start nowadays in the festival business.

The “How” part considers the tactical launch decisions. The question is the following *what is the best way to launch a festival to the markets?* The answer will be: *through the use of good distribution channels and in using an intensive and clever promotion*. The “how” will help to understand the following features, such as the importance of pricing, which distribution channels should be used, and what kind of promotion is the most efficient.

These questions are going to relate to the “win”, which is about the performance of the festival and it will determine the success or the failure of a music festival.

The data used in this chapter are the theories about NPD, and these are related to articles from events and festival management. The chapters 3.1–3.4 discuss the theory of new product launch in order to achieve good performance in music festival, and finally a theoretical framework is designed to realize the interviews.

### 3.1. Strategic Launch Decisions

Strategic launch decisions discussed in chapters 3.1.1–3.1.5 are governing the what to launch, where to launch, when to launch and why to launch (Hultink et al 1997: 245). In other words, it is based on market analysis and goal setting, product strategy, market strategy, competitive strategy and finally the firm strategy.

#### 3.1.1. Market analysis, goal setting

The marketers have to start by dividing the market into segments. For that, the aim is to identify and profile the different groups of buyers. They examine what they want through demographic, psychographic and behavioral criteria (Kotler et al. 2012: 10). The role of marketing analysis and goal settings help to get better results. The company has to know its own strengths and weaknesses, and furthermore, they also have to know the industry opportunities and threats. If they do not have this information, the company might not be successful. This is why marketing analysis and goal settings should be taken into consideration at the beginning of the launching process.

- *Market analysis*

Business marketers face many different challenges. According to Kotler & Keller the following challenges have been identified. *“They have to understand deep customer needs in new ways, to identify new opportunities for organic business growth, to improve value management techniques and tools, to calculate better marketing performance and accountability metrics, to compete and grow in global markets, to counter the threats of product and service commoditization by bringing innovative offerings to market fast and move to more competitive business models, and finally to convince C-level executives to embrace the marketing concept and support robust marketing programs”* (2012: 184).

Information is an important factor in the development of marketing strategy. The company has to collect different information inside the company, for example about the supply chain or the target markets. But they also need to know better the external side: the customers, competitors, and the market environment. It is really important due to the growing complexity and diversity of international markets (Hollensen 2011: 174).

There is also marketing research, it consists of gathering, analyzing and presenting information related to one defined problem. It helps to enter the market but unfortunately

it is common that many companies do not realize market research (Hollensen 2011: 175). Five important decisions have been defined when doing marketing research: deciding whether to internationalize, deciding which markets to enter, deciding how to enter foreign markets, designing the global marketing program, and implementing and controlling the global marketing program. These data collected could be the primary data or the secondary data. The first one consists of firsthand information, generated by original researchers. The secondary data is about information that has already been collected for other cases and which is already available (Hollensen 2011: 175 – 176).

Thirdly, there are also some tools in order to analyze the market. The company could use PESTEL analysis or SWOT analysis. A PESTEL analysis is a marketing tool used to measure the effect of external factors in the business. The term PESTEL Analysis is an acronym for Political, Economic, Social, Technological, Environmental and Legal. These are all external factors which may affect the direction a business should take, or the viability of a new product or concept within an established business, but which the business has little or no control over. The results of the external findings will usually have an effect on the decisions made internally in the business and may affect the organization and advancement of the business as a whole (Grundy 2006: 216). SWOT analysis is a well renowned business term and corresponds to the strengths, weaknesses, opportunities and threats. It is focused on both internal and external factors of the organization. It displays a clear picture of where the company stands strategically (Kotler et al. 2012: 48 – 49).

Finally, the product should be tested on the market before launching it (Hultink et al., 1999: 154). It could be done through in-use testing with customers (Calantone et al. 2007: 6).

Market analysis and planning are the key factors to reach success. The company organizing the festival has to conduct SWOT analysis. If this one is not well realized, it could affect the future decisions taken in order to realize the festival. The other tools such as PESTEL could also be used in order to better understand the market. Through PESTEL all the necessary information can be got in order to organize the festival well. Furthermore, they should always keep an eye around them, it means that the industry of festivals is evolving really fast, so they should pay attention to it.

The festival industry is nowadays composed by many innovations practices (Yeoman 2013: 256). There are actually so many festivals that every year they try to take advantage

over each other in developing new ideas. Nowadays the technology is developing really fast, so it is possible to bring something new every year.

- *Goal settings*

The first decisions to take in order to launch a product is to set the objectives. The settings have to be clear, so the launch objectives have to be well-founded. Objectives are adapted to three kind of posture for the company (Talke et al. 2010: 223). Those objectives will help to target the adequate market and to position the product according to market requirements. In that case the company would take a more analytical posture. If this posture is chosen, it is easier to set precise and clear-cut objectives. In the case of a risky taking posture, the launch objectives will be broader and ambitious. The third one is the aggressive posture, where the aim is to outperform rivals in challenging them through setting precise launch objectives (Talke et al. 2010: 223 – 225).

When the product enters the market his performance is highly based on the relationship with the marketing decisions that have been taken. Marketing is an important dynamic process, it helps to provide a point of departure when the aim is to launch a new product on the market (Hart et al. 2000: 393 – 394).

The company should choose what it wants to achieve and where does it wants her business. It is an important part in the launching of a festival. If these decisions are not good enough, the success of the festival could be affected. The company needs goals in order to plan the launch process. The goal for a festival can be defined on short- and long term, because every year some things are going to be modified or improved or things will stay as they are. For example, a short-term goal would be to choose the artists of the current day to perform, and for long-term goal, it would be to grow the audience every year.

### 3.1.2. Product strategy

The product concept is defined by the fact that companies offer consumers the most quality, performance or innovative features. A new product is not necessarily successful, unless the conditions of price, distribution, advertisement and sales, are made properly (Kotler et al. 2012: 18). The product decision is one of the elements in the marketing mix (Hollensen 2011: 460). Service, however, is defined by the following characteristics. Intangible, it is impossible to touch or test. Perishability, it cannot be stored for future

use. Heterogeneity, it is rarely the same because it involves interaction between people. Also inseparability, time of production are very close or simultaneous with the time of consumption (Hollensen 2011: 462).

But as it is been mentioned in the justification chapter, the term productization is useful while talking about festival since it can be considered as a product and a service. This term can be explained through the process of modifying something in order to adapt it as a commercial product (Harkonen et al. 2013: 264). It is a process phase through making something marketable. A product also have tangible and intangible elements, it is why in a festival product and service are related. Service is the intangible part of the product. Productization can referred as a product-service system. This system is seen by some authors as a single offer combining both. Productization is also considered as a process of defining the product according to customer (Harkonen et al. 2013: 272 – 274). In the other hand, productization make service more product-like. It permits to repeat it in the future. It combines a tangible product and service offerings (Harkonen et al. 2013: 276).

Festivals are getting more and more common nowadays. It can be seen as a product because it offers something to people. The term productization can be used as well. Inside the festival, many products are sold, the artists performing are promoting their albums in order to sell their product. The basis of a festival is to offer something new to people that they cannot find elsewhere. Usually festivals are developed in order to attract the tourists and gain profits. When it comes to the market, the main idea could be to generate a travel destination. In off-season the demand might be really weak in some places, so with such events, it is going to increase. The investment in time and resources to promote and execute the festival is justified by important new sources of revenue generated at after the event (Damonte, Collins & Megehee 2012: 284). Everything that takes place in a festival is a source of profit if it is well-planned.

When a new product is developed some important points should be taken into consideration. The product life cycles are getting shorter and shorter due to the development of new technologies. In the other words, these technologies help to develop faster the new product (Hollensen 2011: 471). Through innovation it permits the company to identify and quickly seize new market opportunities (Kotler et al. 2012: 568). The product should have the quality required by the customer. But the problem is that new technologies in products are expensive. It is not good to propose too frequently an over-optimized product, it costs a lot to the customer (Hollensen 2011: 471). It is possible to make a new product in two different ways: acquisition of other companies or development

(Kotler et al. 2012: 567). A new product can have several degrees of newness. It may be totally a new invention or just a slight modification of an existing product. In order to avoid the failure, the product needs to be as innovative as possible (Hollensen 2011: 473; Kotler et al. 2012: 568).

The festival concept should offer consumers the most quality, performance, or innovative features. The product needs to develop its own place in the market by being different from competitors (Kotler et al 2012: 18). The main thing is to find the idea to attract these people, because then it depends what kind of a festival it is, for example, if it is more of the kind of music that students are listening to, such as electronic, or it could be rock, which would attract younger but also older people. The festival programs should offer escapism, surprise and transformation to customers which represent the audience (Yan et al. 2012: 653).

In order to develop the brand a product needs to create differentiation. It can be a matter of features, customization, performance quality, conformance quality, durability, reliability, reparability or style. Design is also an important reason for differentiation (Kotler et al 2012: 328). When the company finds a way to differentiate itself, it offers the possibility to raise the prices. It also permits to limit competition because some entry barriers might have been developed. Firms try to protect their competitive advantages (Hollensen 2011: 323 – 324).

The aim of differentiation for a product is to develop a position that people will see differently than other products already on the market. If the festival wants to be a successful one, this is one of the most important points to respect. The process of making a festival unique will offer consumers something new, an authentic experience (Yeoman 2013: 254).

This can be realized in varying ways; it could be from the festival concept, the way to distribute it, or the marketing in general for the promotion. If the festival is different than all the others, it might increase the number of customers for the next year. As mentioned in the chapter two, the main characteristics of festivals are leadership, focus, the relationship with the community, decision making, funding, and history of the festival. Brand is something important in order to link the customers to the company or the festival. In festival the fans are going to be connected to the content and concept. The festival concept is the link between the fans and these points. The brand should be different and bring something new to people.

In order to realize something new, imaginative ideas should be developed. Few things have been suggested. Concerning the product innovation, it can be new with a festival including new kind of music or a new concept. Considering the new manufacturing process, it could correspond with a new audience ticketing process. Then there is the organizational innovation which could be developed through new event committee structure. Also, a few other examples are new risk management system, new event product system, new marketing techniques, and new information services for audiences. All these ideas are proposed in order to bring innovation to events and more particularly to festivals (Mackellar 2006: 39).

Marketing is composed by one key element, which is product positioning. If a product does not have a clear position in the customer's mind it will consequently stand for nothing and is rarely able to command more than a simple commodity or utility price. The customer perception creates in part the premium pricing and competitive advantage. Product positioning can be defined as the activity by which a desirable position in the mind of the customer is created for the product. In order to realize that, it is necessary to describe specific products as a compromise between different attributes that are capable to generate a flow of benefits to buyers and users. Those benefits have to meet the special requirement of specific market segments (Hollensen 2011: 477).

The product positioning has for aim to get competitive advantage. From the festival point of view, if the consumers can find something they want in the festival, they are going to buy a ticket, for example their favorite artists or the kind of music played in the festival. A positioning strategy has for aim a long-term development in the industry of events, so it is in festivals too (Jago, Dwyer, Lipman, Lill & Vorster 2010: 231). The festival needs to have a clear position in the mind of people.

### 3.1.3. Market strategy

Soni and Cohen identified different questions in order to understand the marketplace and the development of market strategy. *"What is the target market? What are the current challenges facing customers? What about other markets? What are the buying processes and drivers? What are the customer constraints – technology, resources? And what is the current channel used by these customers for similar products?"* (Soni & Cohen 2004: 263 – 264). So basically different criteria have to be taken into consideration concerning the marketing strategy. There are market demand, target markets and customers, segmentation, and possible new markets opportunities to entry.

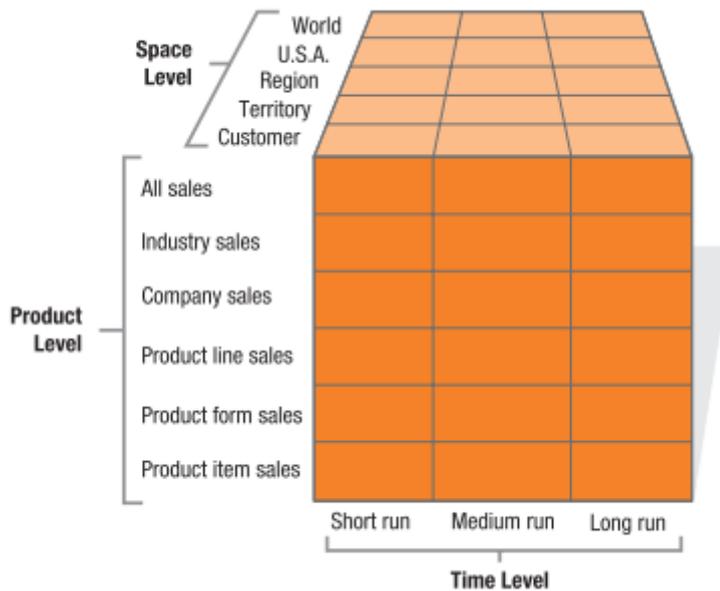
- *Market demand*

When the company understands the marketing environment and conducts a marketing research, it can help to identify marketing opportunities. In order to understand the market, the company should measure and forecast the size, growth, and potential profits of each new opportunity (Kotler et al. 2012: 85).

To evaluate the marketing opportunities, the first step is to evaluate the total market demand. The definition of market demand is the total volume that an identified customer group would buy in a defined geographical area, time period and marketing environment under a defined marketing program.

The market demand can be separated into four parts. The potential market which corresponds to the set of customers with a particular interest in the market offer. The second part is the available market, it is the customers who have interest, income and access to a particular offer. The third is the target market, which is the part of the qualified segment available for the market that the company decided to pursue. And finally, the penetrated market that corresponds to the set of consumers who are buying the company's product (Kotler et al. 2012: 85).

In the figure 2 below, ninety types of demand estimates for six different product levels, five space levels, and three time periods. Each of these different demand measures have a specific purpose (Kotler et al. 2012: 85). In a festival it would help to understand better how to situate the festival on the market in a product level perspective.



**Figure 2.** Ninety types of demand measurement (Kotler et al. 2012: 85).

As mentioned in the part 3.1.3 when the company understands the marketing environment and conducts a marketing research, it can help to identify marketing opportunities. In order to understand the market, the company should measure and forecast the size, growth, and potential profits of each new business opportunity. One of the most important points is to get the famous and current artists to perform in the festival. People want to see them live, so if you bring many of their favorite artists, they are going to come and enjoy it. Artists attending will be the main point to attract customers. If the company finds out who are the best current artists, lot of people are going to attend.

- *Target market & segmentation*

Target market is a part of art and science of marketing management (Kotler et al. 2012: 5). In choosing this one, it is important to know that not everybody is attracted by the same kind of festival, it could be a rock music festival, an electronic music festival, a rap music festival or some other kind of music festival (Kotler et al. 2012: 10). It is important to fully understand the buyer's needs. Usually the needs are not what customers or potential customers articulate in terms of specific product functionality. It is mainly based in using a keen understanding of customers and their workflows in order to discern these needs. That information can be obtained directly through assessing customer processes and need, and fitting these with some already existing products. Or it could be obtained

indirectly through call center or warranty claims, or even salespeople (Soni et al. 2004: 263 – 264).

The marketer has to start by dividing the market into segments. In order to be suitable, segments have to be measurable, substantial, differentiable, actionable and accessible (Kotler et al. 2012: 231). The main point is to identify the different group of customers through different points like demographic, psychographic and behavioral differences among customers. Once those criteria have been identified, the choice of the best opportunity has to be taken (Kotler et al. 2012: 10). Then one or more market segments should be chosen to enter. And finally, for each segment, the distinctive benefits of the company's market offering have to be established and communicated (Kotler et al. 2012: 213).

It is important to understand the markets, as the point of view of people about festivals changes really often, and it also depends on the regions and cultures. So, one particular segment should be chosen, and it has to be the appropriate one. Customers should be prospected in order to know what they think about the festival, which is going to be developed, since it is important to get their opinion. If the festival does not get faithful customers, it is not going to be successful in the future. The group should be particularly chosen. Of course, when choosing this segment, the company should be really careful about what the consumers want, and that the festival idea they want to develop corresponds with the market chosen. In order to obtain the attention of the fans, a high level of effort and resource commitment is necessary. It is sure that the success of the festival cannot be defined in advance, but at least all things should be well done in the aim to facilitate success and attract many fans.

- *New market opportunities*

Companies have been looking for strategies to obtain advantage over the competitors for many years. New markets are created every year and the existing ones keep growing. Companies have the capacity to create and re-create industries through different tools and strategies. In the book “Blue Ocean Strategy” wrote in 2005 by Kim and Mauborgne, they explained that there exist two kinds of market. The first one is the Red Ocean which represents all the industries in existence today. There is competition between different firms, they compete in order to get more demand. It is difficult to be on this market because of the important number of firms, the profits and growth are reduced. The second is the Blue Ocean. It is the unknown market space with an irrelevant competition. Firms

try to enter on this market to get more demand and profits. This market is really interesting but it does not mean source of profits (Kim & Mauborgne 2005: 5 – 7). Blue Ocean Strategy is based on identifying a demand market that has not yet been met. This is why it is considered as a generic strategy. The aim is to lead a company to a superior performance on a market which has an absence of competition (Bowman 2008: 1 – 2). Kim et al. define Blue Ocean Strategy by gaining untapped market space, demand creation and the opportunity to get high profit growth. Companies need this kind of strategy in order to seize new profit and growth opportunities. Industries are evolving continuously. Operations improve, markets expand, and players come and go (Kim et al. 2005: 5 – 6).

Blue Ocean is considered in the purpose to create a new land, not dividing up existing land. With Red Ocean you have to accept the key constraining of war, the field is limited and it is necessary to beat the enemy. When scholars, managers or people are developing strategies, they forget two important things. For them, competition is the most important so they do not analyse how to develop market where there is no competition or at least just a little. The second idea forget is to protect and exploit Blue Oceans (Kim et al. 2005: 80). If a company has the capacity to create a new market space, they have to do it, but for that it requires many advantages in order to reach Blue Ocean. There are several driving forces in order to start this strategy. You need to have the necessary technologies, which will permit the company to improve industrial productivity and have an agreement with the suppliers to produce more. The company needs to answer to the demand (Kim et al. 2005: 7 – 9).

This blue ocean strategy means that a company breaks into the market and brings something new that has never been done before. In festival industry, all are “fighting in a Red ocean”. Only few festivals such as “Tomorrowland” in Belgium have created something new in the festival industry because nobody has proposed before what they have done with this festival. Nowadays it is actually one of the biggest festival in the world. It is difficult in festival industry to create Blue Ocean and to be in an uncontested market space.

#### 3.1.4. Competitive strategy

In the following paragraph, there are discussed about competitive advantage, as well as collaborative model and timing are defined and discussed by Porter.

- *Competitive advantage*

Michael Porter introduced the Five Forces framework in order to penetrate an industry and identify the hostility of the industry itself. In other words, Porter attempted to get acquainted with the external environment of a company, and more specifically with its industry, and only later approached the concept of differentiation. Thereby, the Five Forces framework is an industry analysis and a useful tool for business strategy development (Porter 2008: 79 – 80). This framework provides an analysis for considering how to squeeze the maximum competitive gain out of the context in which the business is located (Hollensen 2011: 112). As Porter identified, the first force is the rivalry among the existing competitors. In many cases, managers define competition narrowly and thereby ignore the existence of other forces that undergo in the existing industry. The other forces are the customers, the suppliers, the potential entrants and the substitute products. In understanding those entrants, it reveals to the company the roots of an industry's current profitability and in the same time how to influence the competition. In using the Five Forces framework, strategists will probably be capable of detecting and identifying an industry with a good future before actually this good future is reflected in the movements of the acquisition candidates (Porter 2008: 80 – 81).

It is something important to take into consideration when a product is launched to the markets. Usually the faster the product is launched, the more important the chance of getting competitive advantage will be. But concerning the festival industry, it is a bit different, because there already exist a lot of new festivals, so it is better to think about the timing if similar festivals are already present on the market. In this industry, it is important to pay attention to all the competitors around. In order to get a competitive advantage it is important to pay a strong attention to the programming part (Yan et al. 2012: 654). Furthermore, a cooperation with existing tourism products might also contribute to a competitive advantage (Yan et al. 2012: 658).

- *Collaborative five source model with five forces model*

In 1990s, an alternative school developed the positive role of cooperative (instead of competitive) arrangements between industry participants. The result of this collaboration would be a superior business performance (Hollensen 2011: 112). This model could be complementary to the Five Forces model. In order to mix these two models, companies should achieve an appropriate balance between collaboration and competition for each dimension of the industry environment. Furthermore, it is also necessary to integrate these models in order to avoid potential problems between them (Hollensen 2011: 113).

- *Timing of entrance into the market*

There are different way for a company to time in order to introduce a product in the competition. If the company has almost finished developing a product and the competitor also, there are three solutions. The first entry consists of entering a market and to enjoy the “first-mover advantages” of locking up key distributors and customers and gaining leadership. But it is also risky, since issues might get into the product. The second choice is the parallel market, the product entrance in the competition is done at the same time as the competitor. The last choice is the late entry, where the company waits that the competitor put his product into the market. The launch of the product is delayed. Some flaws are usually revealed, so those could be avoided in launching the product later (Kotler et al. 2012: 588).

Bad timing choice can kill the product, and on the opposite side, if the timing is good, it will make the product work well. This timing choice should be related to the decisions taken considering the firm goals, the competitors, the target customers, and the promotion channel. In addition, the festival industry could require several other points to pay attention to when choosing the timing, for example when is the right time of the year to launch the product.

In a new festival launching, it would be risky to go early. It is really important to take one’s time in order to organize everything well for the first time. But this will depend on the company and the decision of when to launch the festival. After the first festival has been organized, the company is experienced in doing things faster and better. But when it is the first time it is probably risky not to take one’s time in order to do things well. The timing of launch critically affects new product success.

### 3.1.5. Firm strategy

NPD is an important point for the future of companies. When some products are replaced or improved, it can maintain or increase sales. Companies are challenging industry norms and past conventions in order to develop new products and services which will engage consumers (Kotler et al. 2012: 567). The launch strategy is described as all the decisions and activities necessary to present a product to its target market and then it will bring profits from the sales (Hultink et al. 1997: 245). In order to launch a product and make it successful, the company needs also all the resources available. These resources have to support the NPD performance, as they have an influence on the launch strategies pursued.

Furthermore, market-oriented culture has also an impact on launch decisions (Hart et al. 2000: 402; Talke et al. 2010: 220).

If a product is not successful it means that the launch strategy was not good enough. Because if it is well planned it usually permits the market performance. The objectives that have been chosen for the launch strategy will define the direction of the new product. The objectives that companies should pay attention to are the identification of attractive market, the target of attractive market segments and to build a strong identity for the product. Of course, the objectives should be relevant (Talke et al. 2010: 226).

The corporate mind-set determines in part the launch decisions for the strategy. It is defined as the firm's general posture toward corporate behavior and performance. There are three different postures to take in order to develop the strategy. These are the analytical, risk-taking and aggressive posture (Talke et al. 2010: 221 – 222). These postures include different issues like the degree of innovation and the size of production entry scale (Hultink et al. 1997: 245).

The last important point in the company's strategy is about networking. Network relates to relationships, since it is the result of complex interactions, adaptations, and investments within and between the companies over time. The world is not only composed of individual companies, it is made of relationships between companies. In managing networks the company can use the relationship of with its rivals to its advantage. It means that some more or less important actions have to be taken. It also means that in managing networks the company has to find a way to influence the other companies but they also need to be influenced by them. So, in general, it means to develop nodes and threads. Companies need each other to satisfy customers. If the company see itself only from its own perspective, it will fail (Håkansson & Ford 2002: 133).

In order to realize the festival the company should define previous important facts such as what kind of business they are, who are the customers, what is the value to the customer, and what the business should be (Kotler et al. 2012: 38).

The company has to define mission statements which are represented through five major characteristics. First they need to focus on a limited number of goals, develop company's major policies and value, define where they are going to compete, they have to see on a long-term view on not only short term, and finally, these have to be short, memorable,

and as meaningful as possible (Kotler et al. 2012: 38). Basically, the company should focus on these points according to the festival characteristics nowadays.

Each company needs to have its own strategy. Many questions should be answered such as the reason of the establishment of the company, the kind of business, and the way to reach customers. A firm which organizes festivals should handle all the different aspects inside the festival that have to be taken into account, from the artists performing to the technics material. Everything has to be planned in advance. Of course, once the festival has been realized for the first time, then you get some basis for the next one. But when organizing a festival for the first time, all aspects have to be analyzed and planned. The company needs the idea of what the organization wants to achieve through a festival, in the short and long run. We could also add that the most potential markets and consumers are the targets for now but also in the future.

Furthermore, in organizing a festival, the company can develop a network for future years. With all the different organizations that are taking part into a festival, some partnerships are developed (Robertson, Chambers & Frew 2007: 100). Network is defined as handling activity interdependences between several business actors. These networks are developed in order to source, augment and deliver its offerings. The value network that is created includes a firm's suppliers and its suppliers' suppliers, and its immediate customers and their end customers. The value network includes value relationships (Kotler et al. 2012: 417 – 418). For example, some partnerships in festivals could be done between the main organizer and music labels, beverages companies and sponsors.

### 3.2. Tactical Launch Decisions

As Hultink et al. stated, tactical launch decisions involve marketing mix 4Ps. The tactical choices that will be made are governing the “how” of the new product performance (1997: 245). Hart et al. in 2000, used also this idea in saying that marketing mix is required in NPD (2000: 390). McCarthy classified the different marketing activities into this tool which considers the product, the price, the place and finally the promotion as it is illustrated in the figure 3. But nowadays this concept has been updated and it includes more variables for services. Those are people, processes and physical evidence (Kotler et al. 2012: 25). However, related to NPD, only the four main ones are going to be used in this study.



**Figure 3.** Marketing mix elements (Kotler et al. 2012: 25).

The next four subchapters from 3.2.1 to 3.2.4 will discuss the role of marketing mix in tactical launch decisions for new products.

### 3.2.1. Product

The aim is to develop the right product for the target market. It concerns the offering of one physical good, service or a blend of both (Perreault & McCarthy 2002: 48). Products are classified in three categories, nondurable goods, durable goods and services according to durability and tangibility (Kotler et al. 2012: 327).

Authors agree that there exist different layers and levels for product offers, but not the same number (Hollensen 2011: 460; Kotler et al. 2012: 326). Kotler et al. defined five levels in order to make the product attractive to international markets. The first one is core benefits, which corresponds to the service or benefit that the customer is really buying. The second one is basic product. The third one is the expected product, which is the set of attributes and conditions that normally buyers expect when they buy a product. The fourth one is the augmented product, which means the detail that will exceed customer's expectations. Finally, the last one is potential product that corresponds to the potential future updates. Each of these levels add customer value, all five constitute customer value hierarchy (Kotler et al. 2012: 326). On the other hand Hollensen has also suggested that there are three levels: the core product benefits, product attributes and support services (2011: 460). Some authors also use the productization in order to combine both product and service in order to make something into a product-like offering (Harkonen et al. 2013: 280).

Product advantage encompasses the degree of unique benefit not previously available, the extent that will make the customer's needs satisfied, the product's quality and the extent that solves customer problems. Product advantage is a key differentiator between success and failure when new products are developed (Hart et al. 2000: 390).

The tactic to launch the product should also be helped by the brand. It is defined as a set of brand assets and liabilities linked to the brand, its name and symbol, that add to or subtract from the value provided by a product or service to a firm or to the firm's customers (Hollensen 2011: 481). The basic purposes are to distinguish a company's offering and differentiate particular product from its competitors, to create identification and brand awareness, to guarantee a certain level of quality and satisfaction and finally to help with the promotion of the product. The main purpose is to create new sales and take some part of the competitor's market shares or to keep the loyalty of customers (Hollensen 2011: 481).

### 3.2.2. Price

It is important to decide the right price when the product is going to be launched. It has been said that the price reflects its competitive positioning. Furthermore, it may signify the product's quality to the consumer. The volume of sales is also depends on the price. These points have an influence on the financial performance of the new product launch (Hart et al. 2000: 390 – 391). Pricing is an important factor at the time of launch because some barriers to adoption may exist (Calantone et al. 2007: 6).

Price is the only P from the marketing mix where the policy can be changed without including important costs. However, the other elements changes of the marketing mix can conduct to important costs (Hollensen 2011: 518). The pricing decision should take into consideration different factors like demand sensitivity to price and existing cost-volume-profit relationships in order to determine the net profit impact of reducing price and stimulating demand (Calantone et al. 2007: 6). Customers are really sensitive to price changes (Hollensen 2011: 518). Low prices might stimulate the demand, but they also reduce the revenues and margins for the company, unless costs fall at the same time (Calantone et al. 2007: 6).

In marketing mix, the aim is to find the price that maximizes profits in the total mix. The price is something difficult to estimate due to the various products that have demand and cost interrelationships depend on different degrees of competition. Six possible situations

can be identified in pricing. In the first one, there is the product line pricing: a product line is developed with different steps of prices. Secondly, there is optional-feature pricing, some features, optional products or services can be proposed with the main product. The third one is captive-product pricing, is consists of in the use of ancillary or captive products. The fourth one is about two-part pricing, which is about fixing a fee plus a variable usage fee. The fifth one is by-product pricing, where the price is fixed in function of the value of the product. Finally the last one is product-bundling pricing, as products and features are often bundled (Kotler et al. 2012: 342 – 344).

In order to identify the different types of pricing, there exist different factors to take into consideration. In order to set the price the company should take the following steps: selecting the pricing objective, determining demand, estimating costs, analyzing competitors costs, prices and offers, selecting a pricing method and finally selecting the final price (Kotler et al. 2012: 389 – 402). Furthermore, the price needs to be adapted to different criteria such as geographical demand and costs, market-segment requirements, purchase timing, order levels, delivery frequency, guarantee, service contracts, and other factors (Kotler et al. 2012: 404). Several price adaptation strategies are available: geographical pricing, price discounts and allowances, promotional pricing, and discriminatory pricing (Kotler et al. 2012: 410).

In his book Hollensen identified three different pricing strategies. Skimming, market pricing and penetration pricing (2011: 522). Skimming versus penetration price is closely linked with the new product's marketing mix strategy (Calantone et al. 2007: 6). Skimming consists of choosing a high price and the objective is to achieve the highest possible contribution in a short time. In order to use this strategy some conditions are required, the product should be unique, usually highly innovative product, and segment market chosen has to be ready to pay the high price. Furthermore, if the market segments target are important, then the price will be reduced. The product is basically perceived as a competitive advantage. Also, the high price can be justified by being first on the market (Calantone et al. 2007: 6; Hart et al. 2000: 391; Hollensen 2011: 523). Market pricing is considered when similar products already exist in the market, so in that case the market pricing may be used. The price is based on competitive prices (Hollensen 2011: 523). Finally, the last possibility is penetration pricing. This choice can be made in order to stimulate market growth and capture market shares. The aim is to offer low-priced products. In order to realize this approach the manufacturer has to be able to reduce production and distribution costs sufficiently (Calantone et al. 2007: 6; Hart et al. 2000: 391; Hollensen 2011: 523).

The pricing strategy chosen will enable revenues for the firm organizing the music festival. The other elements of the marketing mix are going to be expenses for the company, the pricing is what will compensate them. It is quite hard to evaluate the price of tickets for a festival, as it has to include the costs, but also to keep a margin for potential profits. The decision will mainly depend on the program chosen and the artists coming. Of course, other expenses have to be taken into consideration such as materials, workers and other things. The more famous the artists are, the more it will be expensive, but also the pricing is going to increase. People want to see their favorite artists live and to have fun, so they do not hesitate to spend money for a special event, in that case, a music festival. But still, if the price is too high, people might not have the possibility to afford it. Therefore, the price should take into consideration the costs, but also the budget of the people for the festival. Because the company is not only going to sell tickets, the festival will also have other sources of revenue, such as the camping location, the drinks, and the goodies for example.

### 3.2.3. Place and Distribution

The distribution is important when realizing the eventual acceptance and sales of the new product inside the market. The aim is to determine the availability of the new product for the customers (Hart et al. 2000: 392). When the firm has chosen a good strategy to enter the market, the next step is to distribute the product. Distribution channels are the link between producers and final customers. The distribution can be effected directly or indirectly. Direct is about dealing with foreign firms, in the other side, whereas indirect consists of dealing with another home country firm that will serve as an intermediary in the distribution (Hollensen 2011: 551). Firms often use intermediaries, as they are the marketing channels. Channels of all types have an important role in the success of a company and they affect all other marketing decisions (Kotler et al. 2012: 415 – 416).

It is easier for the company to use an extensive network of a privately owned distribution organization. The marketing channels are moving the goods from producers to consumers. A marketing channel functions which are to gather information about potential and current customers, competitors, and other actors. Furthermore, they use a good communication to stimulate the demand. They negotiate and reach agreements on price and other terms so that transfer of ownership or possession can be affected. They deal with manufacturers in ordering and take care of the inventories in all the different levels of the marketing channel. They assume risks connected with carrying out channel work. They provide the storage and movement of the goods as well as different payment

methods for the buyers. And finally, they oversee actual transfer of ownership from one organization to another (Kotler et al. 2012: 418 – 419).

When a company chooses the distribution channel, it has to reflect the target market's buying behavior and allow for the maximum availability to the target market. It has a clear impact on advertising and promotional strategy, together with the price and advantage of the product, which will vary in relation to how fast or slowly the product-market is growing. Furthermore, if the distribution quality is better, it will help (Hart et al. 2000: 392). There exist different determinants of channel decisions. Each channel is characterized by a keystone: the customer. Of course, some other aspects should be taken into consideration such as geographic distribution, size, shopping habits, outlet preferences, and usage patterns customer groups (Hollensen 2011: 552). Furthermore, the product characteristics have an important role in determining the distribution strategy. The demand determines the volume to produce and distribute, the competition determines the channels to choose, and the laws influence the distribution (Hollensen 2011: 552 – 554).

It is possible to use three different strategies in choosing the channel. It could be an exclusive distribution in limiting number of intermediaries, a selective distribution in order to rely on only some intermediaries to take care of a particular product, or an intensive distribution to put the products or services in many places as possible (Kotler et al. 2012: 425 – 426). Effective channel management will permit to select intermediaries and to train and to motivate them. It will result in a long-term partnership, which will be profitable for each side (Kotler et al. 2012: 442). There are certain recommendations for channel choosing. Select the distributors and do not let them select you, look for distributors capable of developing markets, treat the distributors as long-term partners and not short term partners, support market entry in providing resources, at the beginning keep the control on the marketing strategies, make sure that the distributors furnished all the data such as financial, and finally build relations with distributors as soon as possible (Hollensen 2011: 557 – 558). Nowadays companies often used hybrid channels and multichannel marketing in order to multiply the number of “go-to-market” channels in any market area. It occurs when a single firm uses two or more marketing channels to reach customers (Kotler et al. 2012: 416 – 417).

There are different types of channels, from sales forces to agents, distributors, dealers, direct mail, telemarketing, and the internet. All of them have strengths and weaknesses (Kotler et al. 2012: 424). Recently, E-Commerce has changed a lot in the business world.

The e-commerce propose to buy the products online (Kotler et al. 2012: 438). Collaboration and coordination between channel members and the relational norm guiding those behaviors are the essence of modern day marketing channels management (Paswan, Blankson & Guzman 2011: 313).

The company should focus on a number of aspects in order to realize a good distribution, for instance the target country, the genre, and how to position the music festival himself there. The distributors are the links between the company proposing the product and the potential customers. Without them it will be difficult to distribute the tickets. When the ticket selling starts, it is introduced through different ways: the company itself with its own website and the companies selling tickets for different events. We could also add the label companies, which are going to promote their artists in the events. These channels enable the main company to expose the festival to people and make it known by everybody. Furthermore, internet is nowadays a really important factor of distribution. A lot of people buy tickets through online services. People can also get to know the festival by merely taking a look at these distribution channel websites. The distribution channel decisions have great importance in reaching the audience and increasing the amount of people attending the event.

#### 3.2.4. Promotion

Promotion is the last step of the marketing mix. The aim of promotion is to communicate with customers to provide the necessary information they need to make the decision of purchase (Hollensen 2011: 586). More precisely, it is the possibility to inform, persuade, and remind consumers, directly or indirectly about the products and brands that the company is selling (Kotler et al. 2012: 476). Just few empirical researches has been done in order to identify the most effective use of resources to present the new product to the target market (Hart et al. 2000: 391). Promotion has been redefined in 1999 as “*all of the information that is transmitted among parties*”. By that, it means that it includes digital communication such as the internet (Dominici 2009: 20).

All communication is composed of four elements: the sender, the message, the communication channel and the receiver. The sender needs to have a clear understanding of the purpose of the message in order to know how the audience is going to be reached and how they will interpret and respond to the message. It might be sometimes unclear because of the competitors making similar messages (Hollensen 2011: 586). Effective communication is affected by different factors which are the language differences, the

economic differences, the sociocultural differences, the legal differences, and the competitive differences (Hollensen 2011: 588 – 589).

Hollensen identifies an important point, the promotion strategy should be standardized worldwide or adapted to the environment of each country (2011: 586). The main reasons for standardization are the following. Customers do not confirm to national boundaries, the company is searching to build an international brand image, economies of scale can be realized, high quality creative ideas could be used as much as possible, and finally the special expertise can be developed and exploited (Hollensen 2011: 619).

In order to realize the promotion of a new product on the market it is necessary to involve several related activities such as advertising, sales promotion, exhibitions, public relation, direct marketing, and personal selling (Hart et al. 2000: 391; Hollensen 2011: 586; Kotler et al. 2012: 478). These are the typical communication tools (Hollensen 2011: 589). These tools help to develop the brand equity and drive sales. Advertising consists of any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor via the media. Sales promotion consists of special offers that encourage purchasing or trying the product. Companies sponsor exhibitions that consist of activities and programs promoting the brand with customers. Then public relations is about different programs directed internally or externally of the company. Direct marketing consists of the use of mails, telephone, and internet to communicate directly. Finally, personal selling is the face-to-face interaction in making presentations, answering questions and procuring orders (Kotler et al. 2012: 478).

However, in the online world the market communication is totally different. There are web communication tools. With internet, it is easier to communicate a message to be heard above the noise by your target audience. Different strategies have developed with website linking or banner advertising or even email spamming (Hollensen 2011: 511). There is viral marketing, which can be defined as *“as a marketing technique that seeks to exploit pre-existing social networks to produce exponential increases in brand awareness, through viral processes similar to spread of an epidemic. It is word-of-mouth delivered and enhanced online”*. The aim is to rapidly reach as many people as possible (Hollensen 2011: 612). It is an alternative to mass media marketing because it is much cheaper (Hollensen 2011: 613). Social networking is particularly used. By including social media in the promotion mix, these new communication formats are given a home in standard marketing management practices and theories. It helps to communicate better (Hollensen 2011: 617).

Kotler et al. identified eight steps to develop an effective promotion. The steps are: identify target audience, determine objectives, design communications, select channels, establish budget, decide on media mix, measure results, and manage integrated marketing communications (2012: 482). After the communication is designed it is important to solve the three following problems in formulating the communication “what to say”, “how to say it”, “who should say it” (Kotler et al. 2012: 484).

Different ways can be used in order to promote the festival, such as advertising, personal selling or even some time sales promotion. Promotion can take place through label companies, when artists are promoted through social networks, TV, radio channels, the internet and other media. Of course, these are usually expensive. For example, the creation of an event on Facebook will not be expensive and it will reach many people. But then, if you want to promote this event more on Facebook, it will cost something, depending on where and how many people you want to attain.

To make sure that the potential customers will hear about the festival, all the marketing communication in the stage of launch need to be integrated. Each promotion tool should have a specific task. It could be also mentioned that the level of effort in selling and promoting will determine the success of the new festival launched. People do not know where to look and do not know about the festival if the promotion is not done well. So it is important to communicate with customers: it is one of the sources for success.

### 3.3. New Product and Service Performance

The product is not the only reason for success. Success also strongly depends on the strategic and tactic launch decisions. When developing those, it is also important to describe the associations between them and within two sets of variables, which have been explained in chapters 3.1 and 3.2. They will determine the product development performance (Hultink et al. 1997: 247; Chiu, Chen, Shyu & Tzeng 2006: 1250). The product performance is divided into four categories. These are overall performance, customer-determined performance, financial performance, and technical performance (Hultink et al. 1997: 247). It has been found out that the usual key to success in launch process consists of finding the proper strategies (Chiu et al. 2006: 1250). The last stage is decisive for the success or failure of the product. It is known as the launching or commercialization part (Garrido-Rubio et al. 2005: 29).

These four categories are included in the music festival industry. All these requirements have to be complete in order to say that the festival was a success. Of course, not everybody can be satisfied, as there are always people who find something that they did not like. But in general, the opinion should be good. Then, the festival has to bring profits from all the sales, if not, there is no point to make it again. The structure of the festival should function well. If these three points are completed, then it is possible to talk about successful performance and being a winner in the target market. If one of these three points is not achieved, the company could start to think about a failure.

Furthermore, success or failure can be measured through goals and objectives, considering short-term or long-term performance. In measuring the size of installed base and the speed of actual development, the short-term performance can be analyzed. Concerning the long-term performance, it is possible to measure it with market share, profitability, customer's satisfaction and prospects, and loyalty of customers and prospects (Lee & Connor 2003: 245).

Lee & O'Connor has found out that the performance is also related to what kind of targeting it has been affected. There are niche targeting and mass targeting. The first one is usually defined as a group that may seek a special combination of benefits for which they are to pay a premium. Mass targeting is based on making economies of scale, in the distribution and production, it will result in a cost advantage and in the preemption of future competition (Lee et al. 2003: 250).

### 3.3.1. Keys of success

New product success has been measured through many ways (Ernst 2002: 33). According to Cooper, a superior and differentiated product is the main point that will conduct the company to success and profitability (2003: 139). But then it has been also identified that the choices made earlier in the process of strategic and tactical launch decisions have an important influence on the success (Garrido-Rubio et al. 2005: 35). It has been argued that the success of a company could be made through achieving requirements of the customers. For that, they can learn more from each product development and launch process. It is also possible to analyze success in focusing on the customer's needs (Cooper 2003: 140; Soni et al. 2004: 263). Furthermore, a constant attention to the following areas is necessary: understanding the market place, a robust product launch process, criticality of product testing and validation, checking the internal activities, doing a beta check-list, using good communication, and finally a post launch review (Soni et al. 2004: 263 –

267). The keys of success often depend on finding the proper strategies (Chiu et al. 2006: 1250). Concerning the tactical decisions promotion and distribution have an important part in the realization of success (Garrido-Rubio et al. 2005: 35).

Nowadays, if a company wants to achieve success, they must master product strategy and have a good navigation through proper development, and application and management of a product strategy that separates the success from the failure (Chiu et al. 2006: 1244). To support this idea Talk et al. developed the fact that a corporate mind-set represented by an aggressive and risking-taking posture will drive the company to success. It facilitates the launch strategy (2010: 232).

In fact, many reasons could affect the success of the performance. But if the company applies well the different rules, which has been discussed in the theoretical part, they have done one of the most difficult parts on the way to achieve success.

### 3.3.2. Keys of failure

There are certain identified factors that lead new product to failure. The first one is that a company does not understand the user needs (Soni et al. 2004: 263). For example, they might take care more about the innovation (Hultink et al. 1999: 159). Secondly, there is not enough analysis of the competitors and often the channels are usually not understood well in case of issues. One reason could be the lack of up-front planning and poor cross-functional communication (Soni et al. 2004: 263). Furthermore, we can add to these factors that failure could also be associated with an expenditure that is below the expenditure made by the competitors (Garrido-Rubio et al. 2005: 33). It has also been too often that during the research phase, the focus is mainly set on the features and functionality of the product (Schneider & Hall 2011: 22).

If an individual brand strategy is adopted, the new product is highly linked to failure. Using other strategies than skimming or penetration when launching a product might conduct to failure (Garrido-Rubio et al. 2005: 42).

Companies might think they cannot lose. Furthermore, they do not try to learn from success or failure. There is no central repository of collected lessons. It is difficult to capture what went wrong in a truthful way, since the company does not want to reveal what were wrong in their decisions (Schneider et al. 2011: 22). It happens for many companies that they do not develop pragmatic, heavily monitored, and flexible launch

programs (Calantone et al. 2007: 5). Companies should be careful because the more the amount of failure increases over time, the more the image and reputation of the company is affected (Hultink et al. 1999: 169).

It is certain that not every new festival launched will be successful. Of course, it is not always the fault of the festival itself but due to some reasons, for instance, poor understanding of what the consumers want, bad analysis of the competition, failure to understand well the distribution issues, mistakes in the planning, and poor communication. Every industry could be affected by one of these reasons. The company should focus on the consumer, as it is one key to success. Without the fans the festival could not exist.

### 3.4. Summary of the Theoretical Framework

The success of festival discussed in the chapter three can conduct to one form of theoretical framework of 6 W's based on the previous studies. This model is built through five questions and one new question: why, what, where, when, the way, and the win representing the conclusion. In the following table you can see the basic features of the theoretical framework.

**Table 2.** Summary of the 6W's Theoretical Framework.

<b>Why, Goal Settings and Company Strategy</b>	<i>Festival idea</i>
	<i>Company responsible for the organization</i>
	<i>Company strategy</i>
	<i>Goal settings</i>
	<i>Local or International markets</i>
	<i>Festival industry environment</i>
<b>What, Product Strategy and Festival Brand</b>	<i>A festival as a product</i>
	<i>Differentiation</i>
	<i>Positioning</i>
	<i>Festival brand and characteristics</i>
	<i>Novelty of the festival</i>

<b>Where, Market Analysis and Market Strategy</b>	<i>Market analysis</i>
	<i>Target market and segmentation</i>
	<i>Target customers</i>
	<i>Market demand</i>
	<i>Creating new market space</i>
<b>When, Market-Entry and Competitive Strategy</b>	<i>Competitive advantage</i>
	<i>Market-entry timing</i>
	<i>Early or late start</i>
<b>The Way, How to Make Marketing-Mix Work Together</b>	<i>Pricing</i>
	<i>Distribution</i>
	<i>Promotion</i>
<b>Win or Loss, Success or Failure of the Festival</b>	<i>Win</i>
	<i>Loss</i>

This framework built through the theoretical part of the study could be seen as a learning process, the information grows after every answered question. The last result, loss or win, is only possible to achieve if the 6W's framework has been well applied.

At the beginning of the study this process of the five questions and one result has been discussed. Each step is important and has been well explained in order to better understand better the sense of the interviews. The chapter three is making the link between the pure theoretical part and the practical part. The first step "Why" is the basis of all activities, when starting to plan the launch itself. The "What" is important due to the chosen product that is to be launched. "Where", it takes into consideration the target market chosen and which kind of customers the company wants. The fourth and fifth step, "When" and "the Way", can be related together because timing is linked to distribution and promotion decisions. Finally, the conclusion with the "Win", to evaluate the performance.

The main purpose of this model is to help to classify the empirical findings collected during interviews of events managers and festival managers. It is used in the chapter five of the study in order to analyze the findings and results.

The purpose of this chapter is to explain the importance of strategic and tactical launch decisions in NPD for a music festival. The new product launch is defined through all the different choices that have been made during the strategic and tactical launch decisions.

The chapter explained all the decisions that will affect the final performance of the music festival.

The aim was also to define a model of 6W's theoretical framework, which might be used as a tool in order to define the importance of the launching decisions for a music festival on the market and make it a success.

## 4. RESEARCH METHODOLOGY

### 4.1. Research Approach

The term “method” is used to refer to the techniques and procedures to obtain and analyze data. It includes questionnaire, observations and interviews as well as both quantitative (statistical) and qualitative (non-statistical) analysis techniques. Another related term, “methodology”, refers to the theory of how research should be undertaken (Saunders, Lewis & Thornhill 2009: 3).

There are two possibilities of research approach, the first one is the quantitative data. For example, it could be statistics which have to be analyzed in order to give a meaning to this data, and then it has to be interpreted (Saunders et al. 2009: 414). The second data is the qualitative. It is defined as all non-numeric data or data that have not been quantified (Saunders et al. 2009: 480). It is possible to identify differences between those two methods. The quantitative is based on meanings from numbers, on the collection of results in numerical and standardized data and finally, the analysis is conducted through the use of diagrams and statistics. Concerning the qualitative method, it is based on meanings expressed through words, on the collection of results in non-standardized data requiring classification into categories, and the analysis is conducted with the use of conceptualization (Saunders et al. 2009: 482).

This study is conducted through a qualitative research and it is based on the collection of the qualitative data. The more common examples that we can give for qualitative data collection are the interviews, questionnaires or observations, which perfectly illustrate the method. It can range from a short list of responses to an open-ended question in an online questionnaire to more complex data such as transcripts of in-depth interviews or entire policy documents. In order to make a sense, these data need to be analyzed and the meaning understood. There is a procedure to follow *“Qualitative data analysis procedures assist this, allowing you to develop theory from your data. They include both deductive and inductive approach and, like the process you use to construct a jigsaw, range from the simple categorization of responses to process for identifying relationships between categories”* (Saunders, Lewis, and Thornhill 2009: 480). To analyze quantitative data, some advice is provided. The first one consists of including as one of the issues the data analysis at the time when the proposal is formulating. Then, the second is about the process of analyzing qualitative data. It has to begin at the same time as the data collection (Saunders et al. 2009: 485).

The method is also based on a hermeneutist methodology, which is defined by the fact to reveal what has happened in the real-life and to compare it with previous literature. It allows a better understanding of the phenomenon. It is strongly based on experimental knowledge and understanding of what happens around us. It perceives events in a holistic way, taking into consideration the context and the history of the events (Patterson & Williams 2002: 5 – 7). The main reason that qualitative data was chosen is that interview provides more detailed and relevant information due to the subject.

It is possible to use inductive or deductive content analysis. Inductive consists of a conception that individual beliefs are turned to be a general belief or theory. Concerning deductive, it is the opposite of inductive reasoning (Elo & Kyngäs 2008: 109 – 113). A deductive approach has been chosen for the thesis. The idea was to use existing theories to formulate the research question and objectives. From the theories a theoretical framework has been developed in order to organize and direct the data analysis. Starting the thesis through a theoretical perspective has certain advantages. It helps to link the research into the existing body of knowledge in the subject area chosen and to get started and to provide an initial analytical framework (Saunders et al. 2009: 489 – 490).

Finally, this study is also based on a pre-understanding method. It consists of the personal experience acquired. It generally includes knowledge. The concept is defined as the fact that people are related to a specific problem and social environment before they start (Ryan 2011: 222). The author himself has been organizing own events, and he has worked in a nightclub as an event organizer. He already some knowledge when he had chosen this topic. He was not in an unknown field. It is an advantage in order to achieve this study to already have some knowledge about how to launch a music festival.

#### 4.2. Research Strategy

As mentioned in the previous paragraph, the qualitative research is based mainly on interviews, questionnaires and observations (Saunders, Lewis, and Thornhill 2009: 414). This is why in this research the data will be collected through interviews of different managers, who are responsible for the organization of festivals or events.

Usually interviews are conducted face-to-face in meeting the participant, but in some case it might also be realized through telephone or electronically via the internet. Also, concerning the semi-structured interview type, it could be conducted on a group basis

(Saunders et al. 2009: 321). Of course, it is also possible to find sometimes more than two participants at the same time for one interview. *“Qualitative interviews, as used in scholarly research, are research vehicles, the purpose of which is to produce empirical materials for the study in question. In contrast to how you conduct everyday conversations with fellow students, teachers or business managers, a good qualitative interviewer most often prepares at least some of their questions in advance, and later analyses and reports results in a specific way. The interviewer also focuses the interview on particular issues that are related to the topic and research questions of their study”* (Eriksson & Kovalainen 2008: 78). The nature of any interview should be consistent with the research question and objectives defined as well as with the purpose of the research and the research strategy adopted.

Interviews may be highly formalized and structured, using standardized questions for each research participant or they may be informal and unstructured conversations. There are three different kinds of interviews. There are also intermediate positions. One typology of different kind of interviews is often used (Saunders et al. 2009: 320).

The first one is “structured”, which uses questionnaires based on predetermined and standardized or identical set of questions. It is not possible to change the questions planned during the interview (Greener 2008: 89). Each question is read and the response is recorded. Usually, there are some preliminary explanations to the participant (Saunders et al. 2009: 320). The second type of interview is “semi-structured”. Interviews are based on a question guide, which are based on a list of themes and questions. Those will be different in each interview. The interviewee is allowed to go where he wants with this question and divert on other things (Greener 2008: 89). It means exactly that some questions may be omitted. Furthermore, the order of the questions might change, or additionally question might be presented. The conversation is usually recorded through note taking or audio-recording (Saunders et al. 2009: 320 – 321). The last type is the “unstructured”, it is informal. The aim is to discover much more about the interviewee in following and listening what they say and think. It is less important to know the answer to one specific question (Greener 2008: 89). It helps to understand in depth a general area, in which you are interested. It gives the possibility to talk about what you want related to the area. This type of interview is sometimes called “non-directive”. The interviewee’s perception is going to guide the conduct of the interview (Saunders et al. 2009: 321).

The semi-structured and unstructured types of interview are used through the method of face-to-face. The number of interviews realized was seven. Through these two types, it was possible to collect as accurate information and data as possible.

### 4.3. Research Process

The thesis is realized with the theoretical data analyzed and processes which are based on different articles and books concerning product launch. During the analysis of the different literatures, some links between the studies clearly appear. It has been relatively easy to create the correct model to make this thesis.

Concerning the empirical data collected and analyzed in the research, it includes primary information and secondary data. The primary data was collected through semi-structured and unstructured interviews with festivals and events industry professionals. The secondary data was collected from different NPD, marketing, events and festivals industries articles and literature.

As it has been stated previously, seven people were interviewed during fall 2014 and winter 2015 in Finland. Each interview was approximately one hour. The author himself is also actively involved with the event industry, which ensures that the data, language and terms about this particular industry are well understood. The main point to focus during the interviews is to know how these event managers and festival managers would launch a new festival for the first time and reach success. The main questions of the 6W's framework helped to summarize the main answers of each interview through different tables. After that it was easier to form the findings and results.

The interviews have been found through the personal network of the author. Each interview was based on open-ended questions, which can be found in the appendix one. Each interview was recorded and transcript at the same time with notes. One interview has been realized through Skype software. After each interview, the notes documents were completed with the recorded information. It seemed to be difficult to take contact with all those festival industry professionals, but through personal contacts it became easier. The event industry is based on partnership and we can see when the interviews have been booked. The main purpose was to concentrate with interviews of professionals in Finland. All the interviews have been found through personal relations.

### 4.4. Method of Data Analysis

The basic method of data analysis in this study is content analysis. It is defined by Krippendorff as a *“research technique for making replicable and valid inferences from*

*texts (or other meaningful matter) to the contexts of their use*". In 1943 Kaplan gave one of the first definitions: *"referring to any technique for the classification of the sign-vehicles, which relies solely upon the judgment of an analyst or group analysts as to which sign-vehicles fall into which categories on the basis of explicitly formulated rules, provided that the analyst's judgments are regarded as the reports of a scientific observer"* (Holsti 1968: 597 – 598).

This method is nowadays applied in many forms of communication. It allows to analyze a message, for example, in the media articles from journal or speeches (Eysenck, 2004, p. 6). It involves specialized procedures. It provides new insights and increases the capacity of the researcher to understand particular subjects or informs practical actions. It is considered as a scientific tool. The aim is to analyze the documents systematically, objectively and identify their properties. The method can be used with quantitative or qualitative data (Elo et al. 2008: 107 – 108).

Inductive reasoning might be seen in this study as a supporting role. Through these methods, it has been possible to realize the thesis in exploring, researching and comparing all the data and gathering interviews to the articles and books analyzed. The process for this content analysis is similar to one thesis, it consists of: participating in the interviews, listening and taking notes of the interviews, reading and orienting the interviews, find out the most important points, listing all the main ideas in short phrases, fitting these phrases into special tables, classifying the phrases, finding similarities, and forming a conclusion based on theoretical models and findings.

#### 4.5. Credibility & Reliability

When the thesis is written, the analysis process and the results have to present enough details so that the reader would understand. It should expose how the analysis was carried out and its strengths and limitation. Trustworthiness is usually evaluated through validity and reliability. To make a successful content analysis, it is required that the researcher can analyze and simplify the data and form categories that reflect the subject study in a reliable manner. Furthermore, the credibility of the thesis is also related to how well the categories cover the data. Some categories are formed for the empirical and conceptual challenge (Elo et al. 2008: 112).

The reliability of a research increases when there is a demonstrated link between results and data. The validity refers to the use of correct operational measures for the concepts

being studied. Also, authentic citations are useful to increase trustworthiness of the research (Elo et al. 2008: 112).

In this research, the level of credibility is high, theoretically and empirically. The first point is based on the 6W's model developed during previous studies about strategic and tactical new product launch decisions and the performance of a new product. Concerning the empirical part, only professionals from the events and festivals industries have contributed. Concerning the reliability, there is a demonstrated link between the theoretical data and the empirical data. Each of the topics mentioned about NPD are in the findings.

## 5. EMPIRICAL FINDINGS AND DISCUSSION

This chapter presents and analyses the empirical findings resulting from the different interviews of festivals and events managers. First, the aim of the interviews is explained, followed by a presentation of the different interviewed managers, their own work experience in the area and opinions about festival nowadays, and finally the last part is about how they would launch a successful new festival.

### 5.1. Presentation of the Interview Study

As mentioned in the introduction chapter 1.2, the objectives of this study is to investigate the strategic and tactical decisions in order to launch a new product, in that case a new music festival. The second research question has for objective to define how strategic and tactical launch decisions are related to the success of a new music festival. In order to answer the objectives, the 6W's framework is used as a tool in order to describe the importance of the possible decisions.

Seven professionals have been interviewed and selected through different areas of the event industry but mainly festival industry. All together there were three events managers and four festival managers. Even though they were from different areas and companies of Finland, they all could define the most important launch decisions in launching a new music festival. They have explained well which types of decisions were the most important to take. All the answers were of high quality, as they offered plenty of valuable information. In the two next chapters, the findings and the results of the interviews are described and illustrated.

### 5.2. Professionals of the festival and event industries

#### 5.2.1. Festival Managers

- *Solar Sound festival managers (Seinäjäki)*

Ari Myllyniemi and Tommi Mäki are two of the three organizers of Solar Sound festival. Mäki, since he was thirteen years old started to be involved in school organization to organize events for the students. He has created a lot of different events through his whole

school life. During his young life, he started to gather important network and the base for the festival industry. As he got older, he decided to start organizing parties at his own expense. As for Myllyniemi, he started ten years ago to help his friends who were DJs and rappers to get some work. So, he started to organize events but mainly being involved in management and booking. He also organized events with an important Swedish artist for a tour in Finland. Due to his hard work, he got a position in Prime Time Music Company to work as an agent. After some time, he decided to launch his own company of booking artists and events producers. The Solaround festival started when Myllyniemi met the owner of the festival, Jesse Salomäki. They decided after their army time to organize a festival in Seinäjoki. Mäki proposed that Myllyniemi could join them since they needed a third person. Solar Sound festival was born.

Mäki and Myllyniemi think that you have to be special or bring big artists to make the festival working. Many big festivals have their position already because they have existed for many years so it is not easy to compete with them. It is important to adapt yourself to the music and people generation. It is still possible to make new festivals, but you just have to find the right people and area to target. It is about what works where.

- *Provinssi festival manager (Seinäjoki)*

Sami Rumpunen is the actual festival director of Provinssi festival in Seinäjoki. Before reaching to this position he built lot of experience in the event sphere. His main major during his studies were not related to event organization, but mainly focus on business. He continued with a doctorate in International Business and worked at the same time as a researcher at the University of Vaasa. So far he has organized over two hundred different events in many different places. He did this by himself, but he has also been an organizer of events for the Volume association. In 2010 he became a member of the program team of Provinssi festival. And since this year 2014 he became the director of the festival for 2015. For a few years he has also been writing articles about festivals for Seinäjoki University of Applied Sciences. He has reached his different positions due to his passion for festivals. Since 1992 he has been participating in over two hundred festivals in the world. Due to this travel experience he got the opportunity to learn a lot and to develop his own opinion about festivals differentiation, vision, and passion. One of the main things he has learned was that the audience should get the impression that the festival organizer has worked hard. He said that “What you do, if you don’t think it is nice itself, the audience will notice it”.

The amount of festivals is constantly growing and the competition is harder every year. There are few big players in the market, which have created their own “eco-system”. Two really important companies, FKP Scorpio and Live Nations are the biggest networks of festivals in Europe. A festival inside one of these systems gains access to an important network of resources and cooperation. FKP Scorpio and Live Nations are owned partly by Event team for the first one and the second one is own partly by Ticket Master. The big festivals are based on cooperation inside their network. In the opinion of Rumpunen, people will notice it more and more in the upcoming years. Festivals nowadays are going more and more through cooperation network. The advantage of being in that kind of network is to get more possibilities to book more important artists. At least if the target of the festival is to be big, they have to be in such network. It offers more possibilities of differentiation. There are two possibilities in launching a new festival, to be a big festival and being a leader, or the other choice is to be completely different.

- *Ilosaariok festival manager (Ilosaari)*

Petri Varis has graduated from University of Joensuu where he studied sociology and cultural studies. Since his childhood he has been playing music and worked as volunteer in different events and festivals. At the age of eleven, he started to perform with his own band. During his university training at the local polytechnics, he got hired to organize a film festival. The year after that, the company Joensuun Popmuusikot ry hired him to be the festival manager of Ilosaarirock. In this association, he got different responsibilities. Nowadays he is a publicist and a film festival director. His main tasks are to take care of the marketing for Ilosaarirock festival, Kerubi rock club and Rokumentti rock film festival. Furthermore, he manages the public relations, the producing part of the program for the festivals. He mentioned that he got his knowledge from work, learning more and more.

In his opinion, the festival field is more complex nowadays in Finland. There are a lot of festivals and the traditional important ones are shaking. For example, metal music has less importance than before. However, urban festivals get bigger every year. Launching a festival has always been risky. It is difficult to say how new small events can survive. Furthermore, EDM (Electronic Dance Music) has taken a really strong position nowadays, “*but for how long*”, Varis questions.

- *Tuska festival (Finnish metal festival company)*

Eeka Mäkynen has started organizing events in clubs when he was young. He gathered eighteen years of experience in two different venues in Vaasa and Helsinki. He has been recently chosen to become the new CEO of the company Finnish Metal Events Oy. He is in charge of the company and the festival. Mainly dealing everyday with sponsors, marketing, program of the festival, and controlling everything. Furthermore, he is also a promoter of his own events.

In his opinion it is possible to launch new festivals in Finland nowadays. Many festivals are losing popularity; therefore there are gaps in the market.

### 5.2.2. Events Managers

- *Sky bar event manager (Vaasa)*

The first event manager interviewed was Joni Koski, who has been working in restaurant and night club business for twelve years now. He started to learn about events when he was the main event manager at VAMOK, the student association of Vaasa University of Applied Sciences. After this position in the board of VAMOK, he became the President of this union, which offered the most important position of this association. Concerning the organization of events, he has been working in Ilona (Seinäjoki) and also Sky bar (Vaasa).

In his opinion, organizing events is fun but it takes a lot of work, and according to him, it is always possible to do better. He sees the festival as a business, which has grown bigger every year. There are more possibilities than in the past. The EDM is one of the reasons. He considers the future of launching new festivals possible, if the person can bring something special to the market.

- *Fontana Club event manager (Vaasa)*

The second events manager interviewed was Markus Apuli. He has worked approximately ten years as an event manager in nightclubs in Vaasa. Through his career, he has organized a lot of events every year. As he said, after that long time in the same city, you start to know the people, what could work or what could not work. One of the most important things he said about events is not only about booking the artists, but also about contacts. The better your network is, the easier it will be. Firstly he was responsible

for a nightclub but this one is closed nowadays. Afterwards he moved to Fondis Oy Company, which owns Fontana Club. He is still working there.

About the festival industry, he thinks that nowadays there are too many festivals in Finland only for summer time and always with the same artists. The summer period is too short and every city organizes festivals during this time of the year. Furthermore, the alcohol law is an important issue in organizing events. There is also a lot of paper work to do, and sometimes it is not easy.

- *Event manager in different venues*

Pablo Lehtonen was the last event manager interviewed. He is no longer working as an event manager, but he has had a long experience in this area. One of the reasons why he got into the business is due to the contacts that he got. He started by organizing some boxing events in important places, for example in Rewell Center, Vaasa. He organized three such events. The first time was the most successful. He said that it was because of the contacts that he made with many people. Then he has also been working in nightclubs where he organized a lot of events with important artists. One of the night clubs was Ilona in Seinäjoki, where he created a small festival of four days that was visited by over eight thousand people. Furthermore, he has also helped in many different festivals, and he was also the game event manager for the football team of Seinäjoki.

He sees the festival industry as very hard since the expenses are growing over the years and the Finnish law is not helping. There is a lot of competition, but it is also a challenge in his opinion. The plan of your festival can make the difference.

### 5.3. How to Launch a Successful New Music Festival According to Professionals

#### 5.3.1. Why, Goal Setting, and Company Strategy

- *Local or international market in the festival industry environment*

There are different reasons why a festival should be launched at the international level or be more based on the domestic market. It is possible to make it from the first year on a big scale, there is no need to be little at the beginning. The first reason mainly depends on the money with which you have to make the festival happen. If you have an important

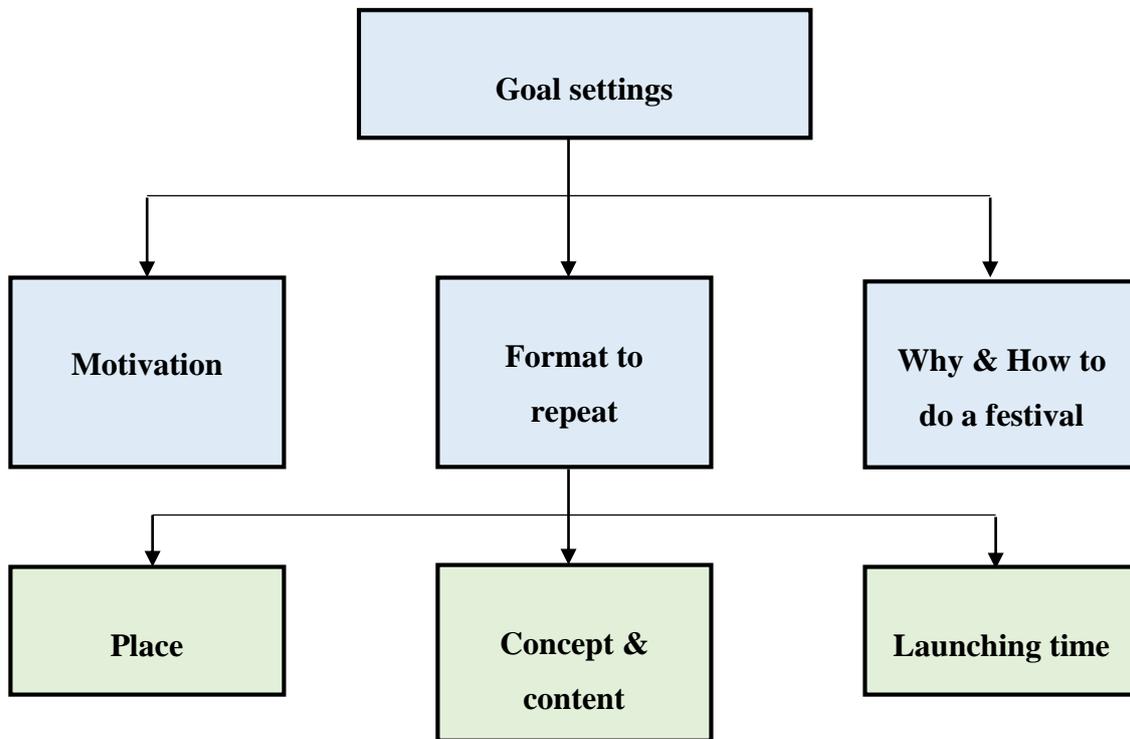
budget, which means millions of euros, then it is easier to bring big artist names because you have the money to pay for them, then people from abroad are attracted by your festival if they do know about them. The second reason is what you are trying to achieve with it. The idea that you decide to develop for your festival will attract more domestic market or international, depending on what you want to do. But from the point of view of a festival manager, it could be difficult to be international at some points from the first year because you should be recognized widely enough. It could be possible, but it depends on the location and the importance of the artists. There are many people who follow their favorite artists abroad. There exist three types of artists: national market, then European and finally worldwide reputation.

- *Goal settings for the company strategy*

There are different goal settings while launching a new music festival as you can see in the figure 4 below. According to Rumpunen, there are three main goals to have if a new festival should be launched. The first one is the motivation to create the festival, the reason why you want to do it. For him, it could be to organize a great and amazing party. For some others, the reasons could be the money or the political statement. Everything depends on your personality and goals. The second reason is to create a format that you can repeat every year, as there is really no point in doing it only one year. According to Mäki, it is important to get a certain stability for the future in getting a status in the area target. Usually the first year is seen as an investment, then every year the festival can become gradually bigger, as it was planned for Solar Sound festival when it was created. The aim is to extend the festival every year in Finland. Finally, the last and third main reason, is to be clear with yourself, so you know why you want to do it and how.

The events managers have also submitted different other reasons for goal settings. Those could be considered under the second goal of creating a format. The place where the festival happens is important, as you have to know why it should be there, and why it could work there. The concept of the festival, is one of the goal, why this theme and why should it work. Then the choice of the artists is also highly important. The artists should be chosen according to the target customers and the area. The time of the event plays a crucial role. The reasons could be that there are some other events happenings on the other days. All these different goal settings are going to be discussed in more depth in the following parts. They are all related and influencing each other. The right place, the right choices, and the right time. Goals also depends from your values which means that for each festival the manager should have the skills required for it. The person should focus

in the area that he is the best in. For example, a festival manager specialized in EDM would have more difficulties to adapt himself to a metal music festival compared to a manager specialized in that kind of music.



**Figure 4.** Summary of important goal settings.

### 5.3.2. What, Product Strategy and Festival Brand

- *Festival brand and characteristics*

The main important characteristics when the festival is launched for the first time it is to be based on content driven. You also need a concept, once you get it you need to master it. The aim is that your concept is delivered better than other competitors do. It has to be different enough, so that there is enough demand and potential for it.

It is one of the main points, to be focused on the target audience and be certain about this one. Then some other characteristics should be focused on. One of those is the way to communicate. It will be discuss in detail in the chapters 5.3.3 and 5.3.5. According to Apuli, the local people are an important characteristic. The festival should be based on them. Nowadays people do not travel anymore, they just go to nearest festivals.

Furthermore, there are also the partnerships that you build for your festival for the production of it but also for the suppliers. When the event takes place for the first time you should try to identify people and companies that can provide services that you can trust. The image of the festival is partly depending on it. With the right combination, it will bring professionalism to your new festival. Furthermore, the local authorities is a factor that should be taken under consideration. If you manage to have good relation and open line communication with them it will be helpful to build trust, because they see new festival actors as a threat.

What you sell to customers should add value to the festival. You sell a concept and content that will make people enjoy themselves. It will bring upon them the right feelings, emotions, and socialization. These are factors that you cannot measure with money. You present your customers with a package. But if you reach them, then your festival is on the way to success. These factors will bring back the customers. Most of the first new festivals consist of big headlines artists because people usually do not know yet the concept. Of course, the idea gives the face to the festival, but for the first time people do not usually know what to expect. The artists will function as a hook. Then these concepts and content should be well promoted through marketing. The people want a name and a brand to recognize. Myllyniemi argues that the name and brand is even more important than the artists. The people want to recognize where they go and what is the reason to go there.

- *A festival as a product*

At some points a festival can be considered as a product because the way to create it, to promote, and distribute it, it is like any other products. The term productization has been mentioned previously. All the different aspects to take care around a product, they are the same for a festival. For example, there is customer service. A festival is based on how it looks and how interesting it is. When you develop a product, you create a logo, a brand. It is like products. People will recognize it through that. For a product you need customers, for a festival it is the same, without them the product cannot exist. It is what you are selling to people. You also can say that a festival ticket is a product, Varis mentions.

But in the case of Lehtonen, the festival is not a product itself, because a product does not appeal to people's emotions like a festival does. For example, a product will not bring the social part that you can experience in an event when you meet a lot of new people. A festival is not something physical that you can touch and it also includes aspects that you

cannot affect. For example, the weather can be something that you must deal with on the day of the event. There are a lot of aspects that could not be controlled by festival managers. Provinssi's manager join Lehtonen on that point about emotion. It always relates to emotions when it comes to cultural events. Mäkynen also adds that of course you can think about it as a product but it is not good to do it that way. A festival brings something else: it brings value and people should notice it when it is done with the heart. The customers can feel it. In that case it makes it different than a normal product.

But at some points even if a festival is based on emotions, it is similar to product because it is also focused on efficiency and effectivity. Everything that is done around the festival and all the aspects that it includes during the event can make it considered as a product.

The following table summarizes the similarities and differences between a festival and a product.

**Table 3.** Festival as a product and differences.

<b>Festival as a product</b>	<ul style="list-style-type: none"> <li>- <i>Same way to create, promote and distribute</i></li> <li>- <i>Similar to everyday products</i></li> <li>- <i>Based on how it looks and how interesting it is</i></li> <li>- <i>As a product, you develop a logo and a brand</i></li> <li>- <i>You need customers, as with a product</i></li> <li>- <i>Ticket is a product</i></li> <li>- <i>If you consider the festival as just a product that does not bring emotions</i></li> </ul>
<b>Festival different than a product</b>	<ul style="list-style-type: none"> <li>- <i>A product does not appeal to emotions</i></li> <li>- <i>Create socialization</i></li> <li>- <i>It is intangible</i></li> <li>- <i>Some aspects cannot be modified</i></li> <li>- <i>If it is made with heart</i></li> </ul>

- *Novelty of the festival*

It mainly depends on the kind of festival launched. The genre of festival should be adapted to the time and the new generation of people and music. It is a really critical and fast-evolving area.

Firstly, the expenses should be kept as low as possible, you should always keep attention on the artists and music of the moment, and also always keep in mind that you have to appeal to people emotions. Your thoughts should be based on long-term and not only on short-term. You should focus every year on the tendencies. For example, at the moment the main music is EDM because most of the people listen to it on radios or bars, but maybe in five years it comes back to rock. Apuli advanced one important point, when a country is going down because of an economic crisis, festivals are the kind of events that bring good feelings to people and make them feel better. You always have to focus and check with the people what is happening, because in a couple of months a lot of things could change. As Mäki and Myllyniemi mentioned “Do not take anything for granted when the festival takes place for the first time”. It is easier to take bad decisions in growing a festival or in artist choices than taking the right decisions. For example, you should not pay too much for an artist compared to his normal value. In case you pay more expensive, it has to bring some value to the value of the festival itself.

But of course, you cannot modify your festival too fast; you have to adapt it gradually. For example if you change the day of the event, the price or the image every year it is not a good thing. Furthermore, the place is really important. For the first time, people should know where it is situated, most of them, if they have never been there, they do not go. You have to make them know the place. When you develop your concept, you create also an image to the place and to the brand.

One last point concerning festivals that can survive is that they have long traditions and regular customers, such as Provinssi states Koski. It is different than launching a new festival but it can be seen as a point to develop on a long-term strategy. New festivals should never forget that these are big actors and even if they failed one year they do have the assets to continue the following years. Unfortunately for new festival it is usually not the case.

- *Positioning and differentiation*

According to Rumpunen, the thing that makes the difference is to be clear with the audience, that they understand what concept you are planning to realize and what the content is. Then of course your own relations and skills help to be different; you can have more contact and handle more things compared to other festivals. You need that your festival works from the first year, then it is way easier to continue. The choice of an important sponsor could help to develop the festival, especially in the case of Vaasa for

example, if you want to realize a festival here. You could position your festival on the environmental side. One of the best sponsors would be energy companies. You could sell to them the name of the stage, as for example “Energy stage”. Then the development of this idea would make it different.

One example of differentiation is the case of Solar Sound festival, since the three owners are living in different areas: one in Vaasa, the second in Seinäjoki and the third in Tampere, it helps to separate the roles for each region. Each of them got more particular tasks to do in their region.

### 5.3.3. Where, Market Analysis and Market Strategy

- *Target customers in the market and segmentation*

The target group chosen while launching a new festival on the market should be enough important and you should be able to understand them. Furthermore, depending on the kind of the festival and the other characteristics, one you have this target audience, then you could expand it to other audience. The main manager launching the festival should fix some criteria for the people that would want to attend to the event. Different criteria could be used to define the segment, the age, the money income, and the location. The target audience will also depend on the kind of music festival you want to do. You guess who would enjoy what. About the location, for the first year of the event, it is useful to focus on local people mainly. They are your base. According to the company CEO of Finnish Metal Events, the line-up is the main thing to target the customers.

You need to know everything about your customers: the media that they use, if they like to read, and other factors like that. Apuli mentioned that you need to know only one customer — the basic one. Depending on him you can know everything that you need to develop your concept and content. But according to Lehtonen, it is easier to define your target customer after you have defined your kind of artists and what kind of image you want to give to the festival, particularly the bigger headlines artists.

Tools like SWOT or PESTEL analysis can help the festival manager in order to understand better the all environment but also how the festival is seen. According to the result of it, some change can be manage in order to improve the quality of the festival.

- *Market demand*

There is mainly a high market demand for local festivals because nowadays people do not want to travel anymore, only if the festival is at an international level. As it has been mentioned in chapter 5.3.1, domestic and international festivals will depend on different factors such as money, concept or the support from other international companies. For example in the case of Finland, none of the festivals have a significant international audience. It should also take into consideration the city, only Helsinki could reach the international market. It has been said that it is an advantage of being part of an international network company, but it has also a disadvantage. The other countries will have some similar festivals then.

Furthermore, your product should be unique, it has to be something else that you cannot find anywhere. You have to follow how the world is changing to adapt your festival to it, in order to find new ideas.

- *The role of the festival manager in choosing the market*

There are different possibilities. The first one is that the manager is owning the festival himself so then he can take his own decisions. The second possibility is that there is an ownership, so the manager should adapt himself to the requirements of the festival owner. The assets come from outside so he needs to get some opinions depending on his choices. But some owners could give more free hand to the manager, they just decide a budget and then let him take care of everything with that one. That will depend on the trust of the owner. The festival manager has a role of a leader. Furthermore, he has to be professional to ensure that the chosen market is reached. The stress is part of it while taking the decisions, but you learn how to manage it with the experience. It helps to do it better the next time.

We can bring up another case, for Solar Sound festival, there are three owners owning respectively different shares of the festival. They always take decision in consulting each other.

- *Creating new market space*

Basically it is still possible nowadays, but the idea should be really good. For that you have to bring something new that people have never seen before. It could be done through different ways such as marketing, the service around the event, the different kind of

themes placed in the festival, and many other things. You never know how the world changes, so you can expect that it is possible. But of course it is extremely difficult.

In Finland, the Weekend festival in Helsinki is a good example, it is the only festival able to attract the majority of teenagers around twenty years old. Tools like SWOT or PESTEL analysis can help the festival manager in order to understand better the all environment but also how the festival is seen. According to the result of it, some change can be manage in order to improve the quality of the festival.

#### 5.3.4. When, Market-Entry and Competitive Strategy

- *Early or late start & market-entry timing*

Launching an event is critical and you should start early enough so that you are not in a hurry when the event takes place or even worst that not everything is ready. Around one year in advance is a good schedule. For the first time it could be even one year and a half. Many things such as artists, beverage licenses, brand, and sponsors take a long time to plan. You have to remember that you have to keep working until the very end of the festival: even after festival. In getting experience you become better in time management.

When you announce the event through marketing to people. It is better to announce it early because people can plan easily their budget. So sooner is better. This is particularly the case when the ticket price is high. People will have time to save the money for the event. You have to plan how long you need to reach the expected audience. And it is also useful that you know when the other festivals will announce it. If you launch a new great concept, and if you think that you are the strongest concept, then it is important to be the driver of the competition. But when you announce the event, it should not be too early either because then people might forget it. If the announce is too late, they might have planned something else already. A good time to announce and start to promote is five to six months before the festival happens.

- *Competitive advantage*

Competition can come usually from the similar festivals, even different ones but with the same target groups. Also, the area of competition is one of the first things to take into consideration. You should be careful while launching that there are no other festivals at the same time. If there are, it should be very different. Customers do not like choosing

between two festivals, and they will prefer to go to the one that they already know instead of going for the new festival. In the case that you do not have the choice and a similar festival with same segmentation happens at the time, then the differentiation will be done through the artists planning. Furthermore, you need to know how the customers see the difference between two festivals.

Another thing that could be considered as competition are special shows in the same week of your festival. For example in the case of a metal festival, if an artist such as Metallica is also performing in Finland at the same time, it could affect your ticket selling. In case of such an issue, you have to push harder in order to get your customers to your event.

Game is fair but difficult; it is the case in every market mostly where there is competition. Of course most of the time everything is done by the rules but sometimes you have to take some steps that you do not want to do, only if there is no other choice. In competition you fix your own line, but sometimes you have to cross it a little bit if it is necessary.

Competition does not only depend on the competitors but it could also be the people and what they decide to do with their time and money. But you should remember to only focus on what you can control and change in making your own concept and content stronger and different.

### 5.3.5. The Way, How to Make Marketing-Mix Work Together

- *The importance of the marketing plan and its different steps*

The marketing plan is a systematic approach, you should define your goals clearly, who to reach, how, and which image you would like to give to people. It can be separated into three main parts: the communication channels, the timing, and the segmentation, says Rumpunen. It is necessary to think about the media cooperation and social media strategy. Then a marketing budget should be planned for each period from the point that the event is launched on the market until it is over. You should also be able to change your plan really quickly in case you see an important opportunity. You should not hesitate to go over budget if you are sure that something will bring money.

Koski points out that you can never do enough marketing, since there is always a possibility to do more. But of course you should pay attention to what you do and not spend money for bad marketing. The marketing has to be also after the festival. The

marketing is also a kind of competition between festivals. The best marketing ideas will attract the customers. It is crucial to remember that it has to be boosted just before the festival, at least two weeks. The main reason is that not everybody buys the tickets in advance so you have the opportunity to offer them a last minute choice.

Some of the professionals interviewed mentioned that it is not necessarily useful to prepare a marketing plan if the festival plan is good. You just do your marketing at the same time as the planning is going on, in order to give the possibility to the audience to follow the latest information. If you get a good idea, just do it, you take the action on the moment. Marketing is always possible to realize it in a different way than others.

- *The importance of product and brand value*

For the first time you launch the festival you create the brand. In the first year you should focus on selling your brand, then in the next years you could take more risks. If everything is fine after it, you can continue to develop the brand. If customers like it from the first time, they will become part of the marketing in spreading your brand. The brand, the image, they are everything in every business. Each small detail should be in relation with the festival. For example, people go to old traditional festivals because they want to be associated with those festivals.

The importance of the concept of a new festival has been mentioned a few times in the previous chapters. It can be find some other points to add. The artist headliners are driving the product, but sometimes you cannot manage to get big names so you have to sell the festival itself, which is usually a case of launching for the first time. The program is a part of the brand value. You have to make a format of concept and services. You should bring trust to customers when you are presenting those. The aim behind the idea of the festival is that it becomes more important every year.

- *Pricing*

When you have your concept and an idea of the content you can know the approximate cost and evaluate the amount of people coming. The interest of people in the festival is one factor to which you have to pay attention when fixing the price. Furthermore, depending on that you can do a price range. You should try to be cheap but of course you calculate in a way that you make enough profits. People usually do not buy only the tickets, in the event they can buy the camping position, beverages, food, goodies and

many of the other things available. The economic situation nowadays is also a factor to take into your decisions.

If you are a small organization you have more possibilities to keep the prices light compared to large organization. Furthermore, from year to year you cannot increase your price too much, since people will notice it and they will not be happy. It is important to think about how much the customer is ready to pay.

But you should remember that the first year you do not usually make profits, the main point for the first launch is to develop your brand. The profits are not the main objectives. It has to be in future years.

- *Promotion and distribution*

You have to think at the beginning how do you communicate with your target and how you reach them. There are different ways to promote and distribute. For that you have to follow the interests that your target audience have. The marketing should be one of the main part of the planning because you need a lot of people for the first time that the festival takes place. The local people should be the main target of this first time with an important local marketing.

You should always bring something new in marketing. The different ways to promote and distribute the events are the schools, the social media such as Facebook, the posters, TV, newspapers, radio, internet; which could include Spotify or YouTube, street marketing with flyers, and car advertisement. Four categories are mainly identified; you can see a summary of it in table 4 below.

One of the other good idea which is done for Solar Sound festival is to promote the brand in a nightclub through organizing pre-events there. The aim is not to make money but to do marketing for your image. Also, to be supported by a local or national media channel is a big plus to attract people and create publicity for your festival concept and content.

**Table 4.** Best marketing tools for promotion.

<b>Media</b>	<b>Internet</b>	<b>Street marketing</b>	<b>Others</b>
Newspaper	Social networks	Posters	Schools
TV & Radio	Music channels	Flyers	Pre-events

### 5.3.6. Win or Loss, Success or Failure of the Festival

- *Artists in the festival*

When you start the festival for the first time you could choose only few big artists that are famous or you could only choose more artists but less famous. It depends on your concept and the content that you would like to propose. Usually if it is a big festival it is important to have big names. But if it is a small festival, smaller names are good. From Solar Sound manager's point of view it is better to start to get low costs artists but still it should be a good line-up. According to Koski, it depends whether your concept is good enough, since then you do not need big names because you bring other kind of value to the festival. Apuli argues that only big names can help to reach more customers. Lehtonen also gives the same opinion, as he says "If you have U2, who cares who plays before them". However, according to Varis, every festival is different so it is almost impossible to say which amount of artists is the correct one.

Rumpunen identified two types of new festivals. The first one is opportunity-driven, which means that you could get a special offer for a really big artist, but then the next year you might have to figure out something else if you do not have a big name. The second type is format- driven, which means that you are able to repeat the same format every year.

- *Best advice for launching a new festival*

Different and useful advice have been mentioned by the professionals of the event and festival industry in the following table 5. On the personal side, it is really important to do something that is your passion, which you love. You should as well believe in yourself in a way that you want to launch this festival better than the others. It is mainly based on your passion and motivation to achieve your goal by being realistic and reasonable while taking decisions. You have to work hard but at the same time you need courage, because there is a lot to do, and you should keep an open mind. But of course, you cannot manage everything by yourself, since all the aspects should be planned really carefully. At the beginning when you start to plan a festival, you should find the right people around you, which means more particularly a good team and good contacts. They will give you advice and help you to take the right decisions. Furthermore, you need a very good concept and content. This concept will start by choosing the right audience and to get this one. Then

you should make the festival easy to sell and also different, for example through marketing, and if you can find a way to get more budget, do it.

**Table 5.** A summary of the best advice when launching a successful new festival.

<b>Work environment</b>	<ul style="list-style-type: none"> <li>- <i>Find the right people around you: good team and contacts</i></li> <li>- <i>Good suppliers and sponsors</i></li> <li>- <i>Be realistic and take reasonable decisions</i></li> <li>- <i>Listen to your team and the customers to take right decisions</i></li> </ul>
<b>Manager launching the festival</b>	<ul style="list-style-type: none"> <li>- <i>Do something that you love. Put your heart in it</i></li> <li>- <i>You cannot do all by yourself</i></li> <li>- <i>Do something that you can do better than others</i></li> <li>- <i>It is about passion, motivation and courage</i></li> <li>- <i>Work hard and be open-minded</i></li> <li>- <i>Do something else with your spare time and money</i></li> </ul>
<b>Launching &amp; Planning</b>	<ul style="list-style-type: none"> <li>- <i>Plan the execution of the festival carefully</i></li> <li>- <i>You have to find a way to have more budget</i></li> <li>- <i>You need a very good concept and content</i></li> <li>- <i>Find the marginal target audience and get them</i></li> <li>- <i>Make it easy to sell and different</i></li> <li>- <i>There is never too much marketing</i></li> </ul>

- *Win or Loss?*

According to Rumpunen the festival director of Provinssi, it is all about concept or not. You definitely have to build everything around that one. But even if the concept is good, it could also fail, it does not assure success. Everything, which includes the idea, the artists and the marketing should work out almost perfectly, mentions Koski. Then it will reach success. If one of these fails, it will become harder; if two, it is almost impossible. Furthermore, you have to find the right customer, at the right time and place. So many things can go wrong but only a few things right. You have to take your part of the customers, but you should not try to go for a too big slice of the cake. You have to keep in mind that it is your money. If there would be a perfect answer to create a successful festival, everybody would do it, it is not that easy.

One unplanned factor which could affect the festival is the weather. There is also the fact that people nowadays buy their tickets for festivals at the last minute, so it is difficult to

evaluate the amount of people coming. Something difficult to evaluate is also your idea, how successful will it be. And of course, you need some luck.

## 6. CONCLUSION & IMPLICATIONS

The aim of this research was to study strategic and tactical new product launch decisions and how those decisions influence the performance of a new festival launch. The objectives that have been fixed at the beginning of the study were to analyze and understand strategic and tactical new product launch decisions in order to enter the market and reach success. The study is divided into two parts: theoretical and empirical data. The first part helps to understand the overall theories about the topic through the different literatures that have been chosen. Concerning the second part, it uses the theory for understanding how the strategic and the tactical decisions should be taken under consideration for launching a new festival. The theoretical part permits to develop a theoretical framework of '6W' which helped to realize the interviews for the empirical part. Through the results described in the empirical chapter, it is now possible to draw a discussion and conclusion.

### 6.1. Conclusion

In this chapter, it is described how the author would launch a new festival. It explains the most important decisions that he would apply in launching a new festival on the market in Finland. The why and how of these decisions are explained. Furthermore, his own experience in the event industry is an advantage to discuss about the topic and the findings.

Firstly, a festival could be considered as a product in the author's opinion. The reason is that it uses the same process as a normal product. You create it, promote it and distribute it. Every product is based on that process. Also, a product will give different opinions according on how it looks and how interesting it is. For a festival, it is similar. People are going to pay attention to the concept and content, and then decide if they have an interest in it, depending if it seems like an attractive product. Plus, every product needs customers, and if a festival does not have customers, it is a fail. This is one more reason to compare it as a product. On the other hand, there are two reasons that make a festival different from a product: it provides certain emotions to people that a basic product would never do. Furthermore, as a customer you can see when a festival is made with the heart or just business mind. If it is the first possibility, it will make it different as well. So finally the term productization is maybe more appropriate. Even though the festival can be

considered as a product, it includes service features. The productization include both terms, product and service.

When a manager decides to launch a festival on the market it is really important to fix different goal settings at the beginning. The first point to think about is the motivation. The manager should know the reasons of the motivation that he has for launch a new festival on the market. He needs to know why he wants to do it, so that he is clear with himself. The second point, it is important to plan a format, which means that the concept and content you want to develop should be repetitive for the coming years, it requires stability. There is no point in launching a new festival only for one year. The third goal setting is the place: you should find a location that all the potential customers would know. It makes it easier to attract them if they know about it. The fourth and last point, it is part of the content, the choice of the artists. You need to know if you want to get few big artists or more artists but less famous. In the author's mind, it is clear that if a festival is launched in Finland it should offer mostly Finnish artists, and then maybe one or two more famous names from abroad. Usually the Finnish artists attract a lot of people. With the international artists, it is possible to attract a second category of people that would come just for them. Of course, it is always important to keep in mind the price of the foreign artists.

A festival has some characteristics. The concept is one of the most important. You need to find an idea that has never been done before, or at least not in the same location. The concept will make that the customers like your festival or not. If they like it, they will want to come back. The concept is an important part of the brand developed around the festival; the content is the other part. In order to enhance the concept, the target audience should be chosen according to it. Furthermore, partnerships is an important characteristic. It helps to promote your festival, and they usually give great benefits, particularly if the sponsor is an international brand. One of the first things to do when launching a new festival is to find the appropriate sponsor that can bring you up. It could be a financial sponsor, but also a marketing sponsor, such as a famous radio. The authors thinks that these two are the most important.

When entering in the market, it has to be decided whether it will be in the international or domestic market. The best idea — since the Finnish market is not really appropriate for an international festival — is to choose the domestic area. The plan could be to launch it on a domestic market from the first few years and develop the concept and content of the festival very well, then the manager could think about growing the festival around

Finland. For that it could be possible if it is in Helsinki. The city is well linked to Estonia and Sweden. It is possible to attract customers from these countries if the festival has seen its name well developed there. There is also something important from the manager competences to take into consideration. If it is his first festival, it is easier to get experience in starting from domestic market instead of international. If you want to make it important from the first year, it is possible to fail due to the lack of experience. In Finland many festivals are domestic, as nowadays people do not want to travel too far. It is easier when it is closer. Furthermore, in most festivals you can find the same Finnish artists. So there is no reason to travel far to see one particular artist, when he is performing in another festival close to the place where the customer lives.

While choosing the target audience, there are different factors to consider. Firstly, it is important to be sure that the segment chosen is important enough. This means that it is easier to attract people if the target group is bigger. It would be much more difficult in the case that it is a small segment. The second factor is to know the customers of your target group. Different criteria such as age, money income, location and the music they listen to are the most important. But the manager should also understand, how his target audience is behaving. In fact, you need to know everything about them. In a segment, if you usually know well one customer, then you know all the other, from a general point of view. When you know the typical customer, you know what he listens to, how much he is ready to pay, which social networks he is using, if he prefers TV, newspapers, magazine or radio. All these criteria will help the manager in the choice of the ticket price. Since the main idea for the author would be to start on a domestic market, the price should not be too expensive. Only in the case if there is a really famous international artist coming, then it could be increased a little in order to cover the costs. Also, it is always important to remember that the customers do not only buy the tickets, because inside the festival they buy beverages, goodies, food, and maybe some activities as well. It is a plus in the revenues.

In order to keep your festival not only one year but to continue in the future, different aspects should be always taken into consideration. The music is changing fast, one day people might like something, and the next day something else. The manager should always be focused on what people listen to, and according to that, changing little by little the music style in the festival if it is necessary, without too big changes that could greatly affect strongly the concept. It is also a good idea to try to develop the concept by gradually enhancing it every year. The second point is to make people feel emotions during the festival, it is important to do everything for that. Once they get positive emotions, they

will want to come back in the following years. But if a festival wants to survive, the manager should never take anything for granted. If he starts to think like that it will bring great risks.

While the festival is launched for the first time, positioning and differentiation are two factors to which the manager should pay attention. He always needs to be clear with the audience, that they do not get any bad surprise. As it has been mentioned before, an international brand as an important sponsor helps a lot to develop and make your festival different. For the first time that the festival is launched, the author thinks that it should be planned at least one year and a half before. The first half year is to plan everything that would be necessary to make the festival happens for the first time. Then one year to start the process. When you announce the event for the first time, it should be approximately five or 6 month before it. It is risky to do it before because people could forget, and if you do it too late people would have planned to go to another festival already. The manager should always pay attention to the competitors and what they are doing and when.

The marketing is a big part of the planning. You should define which communication channels you will use according to your target audience. The main ones nowadays are social networks. It is really easy to share your event and make it known by the target audience. The marketing should be planned carefully also regarding the released information at the right time. For example, it is better to announce the artists of the event little by little, people will then keep focus on the event page. There are also other communication channels that are really useful. The author is particularly thinking about the radios, if you get an important radio brand, it is easier to communicate your event to people. Furthermore, customers could think that the festival is really good if a popular radio wants to associate its name with a new festival. While marketing, the manager has to plan a budget, because it is really expensive. Finally, even when the festival is done, the marketing should not stop. After the event, you could have different news about the pictures or the after-movie.

The manager has a crucial position when launching a festival for the first time. It usually depends on whether there is an owner or not. Some owners could give free hands with a budget, some could check everything that you are doing. It is important to adapt yourself. The author thinks that it is also really interesting to organize the festival with own budget, even though it is a bit risky. A manager have to take care of everything. Of course a team is usually with him, but he has to follow all the choices that are done. It is really important

to have a team, it can help to have different ideas, the manager cannot be always right. Finally the manager should be focused only on what he can control.

The study has demonstrated that all these points are important to follow in order to reach success in launching a new festival. It is a similar process as a product launch. The strategic and tactical launch decisions have an important influence on the launching of a new festival. Many decisions have to be realized before the festival comes on to the market. All these decisions have been argued during the theoretical part and the empirical part of this study. The theoretical framework of 6W's has helped to understand what kind of questions a manager should be able to answer in order to launch a successful new festival on the market. Of course, it does not assure success, but it is part of it. There is also a little bit of luck when launching a new festival. If a manager wants to succeed, he has to make it with passion, to have a good team, to plan carefully, to develop a great concept and content, to find the right partners, and finally to work hard with an open mind.

## 6.2. Implications

The study was a really interesting challenge to realize. There are a lot of researches concerning the theoretical part about NPD. Concerning the event and festival industries, there are also researches but they have been more difficult to find. Furthermore, it seems that there are not been yet any study concerning the launching of successful new festival. The combination of NPD and the findings have succeeded, even though it was not easy to gather interviews. The seven interviews that have been done, they have been found through personal network of the author. It would also have been interesting to go deeper in the study with interviews from foreign festival managers, since the study only uses managers from Finland.

The result of this study should be used carefully. The different factors explained to reach success for a new festival will not assure it. It is a study and it has not been applied in practice. The 6W's theoretical framework has been really useful in order to get the findings. We could wonder if it would be possible to apply it in practice. It would be interesting how it could influence the launching of a festival. Furthermore, it is a general study, but each of the questions from the theoretical framework could have been used in a different study that would go deeper into details. Two other ideas of studies are also

possible. How the brand is developed? And also, a study from a customer point of view could be interesting. What would make a new festival on the Finnish market successful? The process to launch a new festival and make it successful is not easy for the manager. It is important to keep in mind that human mistakes can always happen, which has not been mentioned in the thesis. This is why it is easier also to start from a domestic market. A mistake on an international market would affect the festival more. It has also been described briefly that an unplanned event can lead to problems in the festival, and the manager cannot do anything about it on the moment, he just need to react fast. It could be due to technical issues, weather or suppliers, for example. It is important to plan that kind of potential issues, and how to solve them. Finally, the manager should always be careful about the budget, resources, timing and marketing decisions.

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## APPENDIX 1. Interview Structure

This interview is about your experience that you got in working in festival/event industry and mainly about your own opinion about the point to launch a new festival on the market and make it successful. This interview will be recorded.

- *Background information*

Name:

Sex (male/female):

Work title: Company:

- *Education, work experience and opinion about launching a new festival*

1. Would you please tell me about yourself and what is your history in the festival/event industry? What are your priors' experiences and what did you learn from it? What are you doing exactly nowadays?
2. However, how do you see the festival industry of today? What is your opinion about the future of launching new festivals? What kind of festivals will survive today and in the future within the mainstream popular festival industry?
3. Do you think that a festival can be compared to an industrial product? How?
4. Process of launching a new festival through 6W's theoretical framework (these next six strategic and tactical aspects can be discussed openly)

### *4.1 Why*

Why would you need goal settings when launching a new festival? What would they be?

### *4.2 What*

What are the most important characteristics that a festival need to propose when it is launched for the first time?

What do you sell when a new festival is launched to the markets?

### *4.3 To Whom*

How the primary target group is defined?

How it is able to ensure that the primary target customer or prospect group is reached?

How the promotion and distribution are focused on them for the first time that the festival happens?

### *4.4 Where*

How the market(s) of new festival launched are chosen? (Domestic, straight to the international markets, international markets after domestic market success). When it is affordable to internationalize a festival? Is it possible to make it from the first year?

How much the main manager of the festival is involved in this process of choosing markets?

What about the roles of positioning, differentiation, and segmentation?

### *4.5 When*

What is the role of timing in launch process?

Is there any competition within the markets? If the answer is yes, what kind of competition needs to be taken under consideration?

### *4.6 How*

How is the importance of the marketing plan? How specific is this plan? What kinds of steps are included?

How is the importance of product and brand value?

How is the price choice important? How is it possible to set the price for a festival?

What are the main distribution channels/tools when launching a new product?

5. Which one is most important factor for an upcoming festival to do: to bring few big artists or more artists but less famous?

6. What would be your best advice in order to launch a successful festival?

7. What about creating new market spaces. Do you think that the festival industry and its actors are trying to find new solutions to distribute and promote new festivals?

8. What will conduct a new festival to success or failure?